

CABINET

Report of a meeting held on Tuesday, 25th November, 2025 at the Council Offices, Farnborough at 7.00 pm.

Voting Members

Cllr Gareth Williams, Leader of the Council
Cllr Sophie Porter, Deputy Leader and Healthy Communities & Active Lives Portfolio Holder

Cllr Gaynor Austin, Finance & Resources Portfolio Holder
Cllr Keith Dibble, Housing & Planning Portfolio Holder
Cllr Christine Guinness, Pride in Place / Neighbourhood Services Portfolio Holder
Cllr Julie Hall, Economy, Skills & Regeneration 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 **8th December, 2025**.

39. **DECLARATIONS OF INTEREST –**

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

40. **MINUTES –**

The Minutes of the meeting of the Cabinet held on 14th October, 2025 were confirmed and signed by the Chairman.

41. **COUNCIL DELIVERY PLAN, PERFORMANCE AND RISK REGISTER QUARTERLY UPDATE Q2 JULY TO SEPTEMBER 2025/26 –** (Cllr Gareth Williams, Leader of the Council)

The Cabinet received Report No. ED2509, which set out the performance monitoring information for the Council Delivery Plan and key service measures for the second quarter of 2025/26. Members were informed that key projects and activities from the Council Plan and key service indicators and measures used by the Council to monitor how the Council runs services were included in the report. The Cabinet heard that the Council's Corporate Risk Register identified factors that could impact on the future delivery of the Council's services and key priorities. A summary of those risks was provided in the report for discussion. Annex D to the report set out an updated Corporate Risk Management Policy and Procedures for approval. Members were informed that where, at paragraph 2.5.2 of the Policy, it was stated that the Council's Audit and Governance Committee would review the risk management arrangements on a quarterly basis, this should have read annually. The Cabinet would continue to receive quarterly updates.

In discussing the report, Members were satisfied that good progress was being made by the Council towards delivering this year's Council Delivery Plan.

The Cabinet RESOLVED that

- (i) the progress made towards delivering the Council Delivery Plan and the latest performance information in relation to Council services, as set out in Report No. ED2509, be noted;
- (ii) the changes highlighted in the Corporate Risk Register, as set out in Section 5 of the Report, be noted; and
- (iii) the updated Corporate Risk Management Policy and Procedures, as set out in Annex D of the Report and amended at the meeting, be approved.

42. 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
43 and 44	3	Information relating to financial or business affairs

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

43. DISPOSAL OF OPTREX BUSINESS PARK, ROTHERWICK, HOOK –
(Cllr Julie Hall, Economy, Skills & Regeneration Portfolio Holder)

The Cabinet considered Exempt Report No. PG2540, which sought approval to dispose of the freehold interest in Optrex Business Park, Rotherwick, Hook, subject to the finalisation of terms.

Members were informed that this disposal would contribute to the delivery of the Council's Financial Recovery Plan and was, therefore, a key priority. The Exempt Report set out the process that had been carried out so far and Members were informed that a preferred purchaser had been selected.

The Cabinet expressed strong support for the proposed approach as making a significant contribution towards improving the Council's financial position.

The Cabinet RESOLVED that

- (i) the agreement, in principle and subject to final legal due diligence, to the disposal of the freehold interest in Optrex Business Park, Rotherwick, Hook, as set out in Exempt Report No. PG2540, be approved; and
- (ii) the Executive Head of Property and Growth, in consultation with the Executive Head of Finance, the Interim Monitoring Officer and Corporate Manager –

Legal Services and the Economy, Skills & Regeneration Portfolio Holder, be authorised to confirm the final terms of the disposal.

44. **PROPOSAL TO ACCEPT A GOVERNMENT GRANT –**
(Cllr Sophie Porter, Healthy Communities & Active Lives Portfolio Holder)

The Cabinet considered Exempt Report No. PG2541, which set out details of Government funding that was due to be received in respect of an event which, potentially, would be held in the Borough in Summer 2026.

Members were informed that details of this event could not be made public at this time but that it would be prestigious for the Borough to host and would deliver benefits that would be in line with the Council's priorities. At this point, Members were informed that the event would represent a significant undertaking and that it would be necessary to ensure the event was resourced sufficiently.

The Cabinet expressed strong support for the proposed hosting of this event as a significant opportunity for the Borough.

The Cabinet RESOLVED that

- (i) the opportunity to host the event set out in Exempt Report No. PG2541 be welcomed and accepted, with the arrangements for a launch date in early December being noted;
- (ii) the grant to support the event, in the sum set out in the Exempt Report, be accepted;
- (iii) the underwriting of the cost, up to the estimated figure set out in the Exempt Report to be raised from commercial sponsorship, be approved;
- (iv) in the case of insufficient private sponsorship being realised, funding of the sum set out in the Exempt Report, along of the split between the 2026/27 events budget and the Community Recovery Fund, be approved;
- (v) the proposals for seeking sponsorship to cover the remaining costs and the commencement of fundraising activity to meet the projected costs net of grant costs of hosting the event, as set out in the Exempt Report, be approved; and
- (vi) the Cabinet to be informed of the projected net cost as the project progresses and a formal request for additional funding to be made beyond the sum set out in the Exempt Report before it is committed, including how this would be funded.

The Meeting closed at 8.17 pm.

CABINET

Report of the meeting held on Monday, 15th December, 2025 at the Council Offices, Farnborough at 6.30 pm.

Voting Members

Cllr Gareth Williams, Leader of the Council

Cllr Gaynor Austin, Finance & Resources Portfolio Holder

Cllr Keith Dibble, Housing & Planning Portfolio Holder

Cllr Christine Guinness, Pride in Place / Neighbourhood Services Portfolio Holder

Cllr Julie Hall, Economy, Skills & Regeneration Portfolio Holder

An apology for absence was submitted on behalf of Cllr Sophie Porter.

The Cabinet considered the following matters at the above-mentioned meeting. The executive decisions made at this meeting are classified as urgent and exempt from call-in and, therefore, shall become effective immediately.

45. **DECLARATIONS OF INTEREST –**

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

46. **MINUTES –**

The Minutes of the meeting of the Cabinet held on 25th November, 2025 were confirmed and signed by the Chairman.

47. **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
48	3	Information relating to financial or business affairs

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

48. **UNION YARD, ALDERSHOT – APPROACH TO DISPOSAL OF RESIDENTIAL APARTMENTS SEACOLE PLACE AND BURTON HOUSE (BLOCKS C & D) –**
(Cllr Gareth Williams, Leader of the Council)

The Cabinet considered Exempt Report No. REG2542, which set out options for the disposal of 82 residential units contained within the Union Yard scheme in Aldershot town centre. The Leader of the Council welcomed Cllr M.J. Tennant who had requested to address the Cabinet on this issue.

Members were reminded that, at its meeting held across 8th and 14th April, 2025, the Cabinet had resolved to dispose of the units to Prime Developments Limited. Work had commenced to effect that decision when, on 11th November, 2025, Prime had notified the Council that the company were not in a position to proceed with the acquisition. It was for this reason that the matter was back in front of Members. It was considered that the remaining alternative options had not changed materially since they had previously been evaluated. The Cabinet had previously considered and discussed the risks of each option and had decided that disposal to Rushmoor Housing Limited (RHL) had carried a significant short-term risk to the Council's revenue account, meaning that this option had been the least favourable in terms of short-term financial risk. The Cabinet had agreed, therefore, to discount this option and it was not felt that this option had become any more viable over the following time period. The options relating to the direct sale or rent of the units to the open market had been discounted as it had been considered that this would carry a high risk in terms of potential delays in receiving the capital receipts when compared to the other options. There had been a further risk in respect of the future sales of the units not achieving the same value as agents had forecasted. For these reasons, those options had also been discounted. Although it was acknowledged that, since that time, optimism within the sales and rental market had increased, it was not felt that this was sufficiently substantive to make these options viable in terms of risk at this time. The remaining option was for the disposal of the units to a named registered housing provider. When considered previously, this option had been narrowly ruled out in favour of the Prime Developments key worker option. It was considered that this now offered the most viable option for the disposal of the units.

The Cabinet heard from Cllr Tennant, who expressed concern that the report did not contain new financial information on the impact of this matter on the Council's Medium Term Financial Strategy (MTFS). He suggested that the adversity of the Council's financial position had been exaggerated over the previous two financial years and that each year had ended up in surplus. It was also felt that there was a lack of evidence as to the urgency of the disposal to help to deliver financial sustainability to the Council. Cllr Tennant explained that it was the belief of his Group that there was sufficient time to explore the alternative options more fully, with fresh financial modelling being carried out. In particular, it was suggested that the rental market was more buoyant now and that the Council retaining the units and renting out might provide the best return. Cllr Tennant urged the Council to consider carefully before making a decision that he felt was being unnecessarily rushed.

The Leader thanked Cllr Tennant for his contribution to the meeting and the Cabinet proceeded to discuss the issues.

In discussing the disposal to the named registered provider, Cabinet Members confirmed that constructive meetings had taken place in recent weeks and there was now more confidence that the placemaking aspects of the site management arrangements would be suitably addressed than there was when this option was first considered. A major advantage over this option was that all 82 units would be used to reduce the Council's social housing waiting list, which was one of the Council's most important priorities.

In response to some queries, the Council's Corporate Manager – Legal Services and Interim Monitoring Officer provided the following clarifications:

- The opinion was held that the offer under consideration would satisfy the Best Value requirement.
- The process to obtain the agreement of the Secretary of State was expected to take around six weeks but the Council could carry out work to progress matters during this period.
- It was thought that other parties would not have the opportunity to make representations to the Secretary of State during this process.
- In relation to the Council Constitution's Overview and Scrutiny Committee (OSC) Rules at paragraph 11, this matter was considered to be both a key decision and urgent and, as such, would not be subject to call-in. It was confirmed that the requirements of the Constitution had been fulfilled and that the permission of the Chair of OSC and the Mayor had been obtained, with notice of the decision to be made advertised appropriately. The urgency related to the need of the registered provider to get the matter to its January Board meeting to facilitate completion of the acquisition in the 2025/26 financial year. To achieve this, the registered provider would need the agreement of Heads of Terms by 17th December, 2025.
- Due to the matter not being subject to call-in, a special meeting of the Council's Audit and Governance Committee had been convened for 11th December, 2025 to allow matters in relation to the disposal to be scrutinised in a cross-party setting. The Corporate Manager – Legal Services read out a statement from the Committee Chair that expressed broad approval for the process that had been carried out in relation to the disposal of the units.

Lambert Smith Hampton (LSH) had been commissioned to prepare a short report as to the current state of the market. It was confirmed, however, that more detailed analysis would carry costs that were considered to be prohibitive, especially as it was not considered that this exercise would reveal anything new or of significance in deciding this matter.

LSH had originally been commissioned with the sale of Blocks C&D. The advice given by LSH based upon consultation with its investment business was that the asset would not be of interest to the open market, such as wealth funds, due to being a "disparate" asset and advised of an approach to locally based property companies resulting in a list of bids that were evaluated in the April Cabinet Report. LSH were

approached again to advise on the current marketing conditions. It transpired, as set out in the current Cabinet Report, that there might be, potentially, more interest from the market. I was confirmed, however, that values would not be any different and were described by LSH as “stagnant”, though there was a possible upturn in rental values over the following year.

A red book valuation was obtained, based upon market rent expectation, discounted by 15% for the sale as a block, producing a yield of around 5.5%. The red book valuation rental increase was not materially different from the previous valuation and on a par with the LSH net operating income, after allowing for around 20-25% operating costs at a similar yield.

LSH had advised a market value of between £14m and £15.5m based upon a mix of market rent and affordable rent (i.e.80% of market rent). The red book valuation indicated £16.4m based upon 100% market rent. Effectively the valuations based upon end market tenure were consistent and reasonable.

LSH had advised that pursuing a new buyer on the open market would not see a materially different sale value and this had been confirmed by the red book valuation. Every £1m increase in capital value (i.e. capital receipt) would deliver circa 4.8% saving on the revenue account, namely an annual saving of £48k. By comparison, the annual cost of the units was £1.26million of unrecoverable unbudgeted revenue, at a time when the Council already had a deficit on its revenue account and was relying upon its reserves to fund that deficit and manage risk events and key priorities.

The original offer from RHL was documented in the Cabinet papers and was summarised at the meeting. A sale to RHL would require the Council to loan RHL £16.4m for an indeterminate number of years. This loan would be impaired every year, based upon the overall recoverability determined by the underlying value of RHL as an entity (namely whilst RHL was in negative equity and/or not generating sufficient cash to be self-supporting). This impairment would be set against the future loan balance (a deferred capital receipt). In addition, the Council would at the same time make a financial commitment to support RHL with working capital for 27 years until it generated sufficient operating profit to repay the borrowing interest. This would amount to a total of £10m, also to be impaired every year by around the amount of interest that was accrued by not being paid in cash and set off in the Council’s revenue account, making it a real cost to the Council.

Members were informed that the Council had to take account of its current financial position. The Council’s agreed priority was to preserve its revenue reserves, manage financial risks and preserve services for residents by ensuring it maintained sufficient reserves to manage financial shocks. Property speculation was not one of these priorities.

In summary, the Leader expressed regret that more value could not be extracted from the disposal of the units at this time but reasserted that the offer from the registered provider represented the best value to the Council, a view that was corroborated by the Council’s Corporate Manager – Legal Services and Interim Monitoring Officer and the Executive Head of Finance and S151 Officer. The

Members of the Cabinet expressed support for the suggested approach to dispose of the 82 units to the registered provider.

The Cabinet RESOLVED that

- (i) having revisited the options appraisal for the disposal of Blocks C and D in light of the withdrawal by Prime Developments and considering the Council's current financial position and the current market position, the acceptance of the renewed offer by the registered provider, as set out in Exempt Report No. REG2542, be approved;
- (ii) the Executive Head of Property and Growth, in consultation with the Leader of the Council, the Economy, Skills and Regeneration Portfolio Holder, the Executive Head of Finance and the Corporate Manager – Legal Services, be authorised to enable the disposal of the 82 residential apartments in line with the approach set out in the Exempt Report and subject to agreement being received from the Secretary of State; and
- (iii) the disposal would also be subject to revised Heads of Terms, ensuring that no unreasonable restrictions would be placed on the use of the commercial units involved.

The Meeting closed at 7.47 pm.

CABINET

Report of the meeting held on Tuesday, 13th January, 2026 at the Council Offices, Farnborough at 7.00 pm.

Voting Members

Cllr Gareth Williams, Leader of the Council
Cllr Sophie Porter, Deputy Leader and Healthy Communities & Active Lives Portfolio Holder

Cllr Gaynor Austin, Finance & Resources Portfolio Holder
Cllr Keith Dibble, Housing & Planning Portfolio Holder
Cllr Christine Guinness, Pride in Place / Neighbourhood Services Portfolio Holder

An apology for absence was submitted on behalf of Cllr Julie Hall.

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 **26th January, 2026**.

49. **DECLARATIONS OF INTEREST –**

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

50. **MINUTES –**

The Minutes of the meeting of the Cabinet held on 15th December, 2025 were confirmed and signed by the Chairman.

51. **BUDGET MANAGEMENT - MONTH 8 –**

(Cllr Gaynor Austin, Finance & Resources Portfolio Holder)

The Cabinet considered Report No. FIN2517, which set out an update on the Council's forecasted financial position for 2025/26, as at the end of November, 2025.

Members were reminded that the Council had a statutory obligation to set and maintain a balanced budget. It was reported that, in February 2025, the Council had identified a significant challenge to its future financial sustainability. Members were informed that the forecast outturn for 2025/26 was on track, with the full £1.8 million savings requirement achieved. The report set out a number of key service variations, mostly where service budgets had been underspent. It was discussed that, whilst the savings produced from budget underspends were welcomed as contributing towards the Council's financial position overall, it was also important that budget-setting was carried out accurately and it was confirmed that work was ongoing to ensure that this process would be more rigorous in future. It was confirmed that work was ongoing to identify long term sustainable savings to achieve financial sustainability and resolve the savings requirements for 2026/27 and 2027/28, as set out in the Council's Medium Term Financial Strategy.

The Cabinet was pleased with the progress that had been made in addressing the Council's challenging financial position.

The Cabinet RESOLVED that

- (i) the revenue budget forecast, as set out in Section 3 of Report No. FIN2517, be noted;
- (ii) the virements, as set out in Section 4 of the Report, be approved; and
- (iii) the capital budget forecast, as set out in Section 5 of the Report, be noted.

52. **ALDERSHOT SKI CENTRE - CAPITAL EXPENDITURE AND NEXT STEPS –**
(Cllr Julie Hall, Economy, Skills & Regeneration Portfolio Holder)

The Cabinet received Report No. PG2543, which set out a requirement for immediate repair works to allow the Aldershot Ski Centre to remain operational in the short term.

Members were informed that the Council remained committed to the long term future of the centre, which was recognised as a valuable and well-liked venue within the Borough that provided excellent facilities to individuals and community groups alike. It was noted that the slope would require major investment or full replacement in the medium term. The Council's structural engineering partner had confirmed previous advice received that, with the immediate spend of around £90,000, the slope would remain safe and able to remain open for the next two years. A high-level cost analysis had been worked up providing a cost of around £325,000 to ensure stability over the medium term, although even this level of expenditure would not provide a long term solution. Members were informed that it was proposed to undertake a full strategic business case and option appraisal to establish the medium to long term future of the ski slope. It was explained, however, that it would not be prudent to carry this out until the new Leisure Operator had been appointed.

In discussing the Report, Members expressed strong support for the Aldershot Ski Centre and for the suggested approach to address the issues identified in ensuring the continuation of this valuable facility over the short term and to consider options to provide for the future of the centre over the longer term.

The Cabinet RESOLVED that

- (i) an allocation of £99,000, consisting of £90,000 of estimated cost and a 10% contingency, from the capital allocation for asset maintenance, to undertake immediately necessary capital works to secure the use of the ski slope in the short term, as set out in Report No. PG2543, be approved;
- (ii) the recommendations for the medium term financial expenditure necessary to keep the slope open, along with the need over the longer term, to maintain the structural integrity for public use of the slope, to provide a full refurbishment and repair programme or for the structure to be substantially replaced, be noted; and

- (iii) following the appointment of the new Leisure Operator, the undertaking of a full strategic business case and option appraisal, to establish the medium to long term future of the ski slope, be approved.

53. **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
54	3	Information relating to financial or business affairs

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

54. **DISPOSAL OF NO. 101 HAWLEY LANE, FARNBOROUGH - UPDATE AND NEXT STEPS –**

(Cllr Julie Hall, Economy, Skills & Regeneration Portfolio Holder)

The Cabinet considered Exempt Report No. LEG2505, which provided an update in relation to the Council's disposal of the freehold interest in No. 101 Hawley Lane, Farnborough.

Members were reminded that this disposal had been approved by the Cabinet at its meeting on 16th September, 2025. It was reported that an issue had arisen regarding part of the land and the Exempt Report set out a proposed mechanism to overcome this issue. This included the use of the Council's powers to appropriate the Site for planning purposes under Section 122 of the Local Government Act 1972.

The Cabinet expressed support for the proposed approach and requested that appropriate changes should be made to the Council's property disposals process to prevent, where possible, similar issues reoccurring in the future.

The Cabinet RESOLVED that

- (i) the use of the Council's powers to appropriate the Site for planning purposes under Section 122 of the Local Government Act 1972, as set out in Exempt Report No. LEG2505, be approved, noting that the decision to appropriate the Site for planning purposes would enable easements and third party rights to be overridden, in accordance with Section 203 of the Housing and Planning Act 2016, to enable the development;
- (ii) the conducting of a consultation process regarding appropriations and the use of Section 203 of the Housing and Planning Act 2016, as set out in the Exempt Report, be approved;

- (iii) the possibility of compensation claims and payments under 203-204 should Section 203 be used be noted;
- (iv) the Interim Monitoring Officer and Corporate Manager – Legal Services be authorised to:
 - consider any objections following the consultation; and
 - approve the appropriation of the Site from its current purpose to planning purposes, in accordance with Section 122 of the Local Government Act 1972, if considered appropriate to do so;
 - use Section 203 to remove any legal constraints to development if considered appropriate to do so; and
- (v) the Interim Monitoring Officer and Corporate Manager – Legal Services and Executive Head of Finance and Section 151 Officer, in consultation with the Executive Head of Property and Growth, be authorised to agree any compensation payable to the beneficiaries of rights following due diligence of any claims, to be funded from disposal receipts.

The Meeting closed at 7.35 pm.

CABINET

Report of the meeting held on Tuesday, 20th January, 2026 at the Council Offices, Farnborough at 5.30 pm.

Voting Members

Cllr Gareth Williams, Leader of the Council
Cllr Sophie Porter, Deputy Leader and Healthy Communities & Active Lives Portfolio Holder

Cllr Gaynor Austin, Finance & Resources Portfolio Holder
Cllr Keith Dibble, Housing & Planning Portfolio Holder
Cllr Christine Guinness, Pride in Place / Neighbourhood Services Portfolio Holder
Cllr Julie Hall, Economy, Skills & Regeneration 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 **2nd February, 2026**.

55. **DECLARATIONS OF INTEREST –**

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

56. **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
57	3	Information relating to financial or business affairs

THE FOLLOWING ITEM WAS CONSIDERED IN THE ABSENCE OF THE PUBLIC

57. **SECURING HOMELESSNESS SUPPORT SERVICES AT GROSVENOR ROAD, ALDERSHOT FROM 1ST APRIL, 2026 –** (Cllr Keith Dibble, Housing & Planning Portfolio Holder)

The Cabinet considered Exempt Report No. PG2601, which set out options for the continuation of homelessness support services at a premises in Aldershot.

Members were informed that the identity of the premises was considered to be confidential due to the vulnerability of the residents that lived there. The site provided accommodation with intensive support for up to twenty single adults with complex

needs. Support was currently funded by the Hampshire Council Council Social Exclusion Fund and delivered by Two Saints but Members were informed that this funding would end on 31st March, 2026 and that, without replacement funding, the service would close. The Exempt Report set out costed options to mitigate the risk of street homelessness from 1st April, 2026, including the Council covering the cost of the service ongoing, the closing of the service and placing of residents into B & B accommodation with outreach support or the closing of the service with the residents receiving accommodation and support through another provider.

In discussing the options, Members expressed strong support for the continuation of the service, preferably on the current site. It was explained that the existing service provider, Two Saints, was not able to deliver the service for the budget the Council had available therefore, should the Council take on the funding of the existing service, residents would remain in the same premises and existing staff would be transferred over to the new provider, Home Group, using TUPE provisions. Members felt this was the best option to continue to provide this important service to its vulnerable residents.

The Cabinet RESOLVED that

- i) the implementation of Option 1, to provide funding to secure a support service in the existing building, as set out in Exempt Report No. PG2601, be approved;
- ii) the provision of supplementary estimates for the sums set out in the Exempt Report be approved for the financial years 2026/27 and 2027/28, to be funded from the Council's Homelessness Prevention Fund (Legacy and Current allocation); and
- iii) the submitting of a request for an exemption under the Contract Procedure Rules for a support contract direct award, utilising the Council's form of contract, be approved.

The Meeting closed at 5.50 pm.

CABINET

Report of the meeting held on Tuesday, 10th February, 2026 at the Council Offices, Farnborough at 7.00 pm.

Voting Members

Cllr Gareth Williams, Leader of the Council
Cllr Sophie Porter, Deputy Leader and Healthy Communities & Active Lives Portfolio Holder

Cllr Gaynor Austin, Finance & Resources Portfolio Holder
Cllr Keith Dibble, Housing & Planning Portfolio Holder
Cllr Christine Guinness, Pride in Place / Neighbourhood Services Portfolio Holder
Cllr Julie Hall, Economy, Skills & Regeneration 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 **23rd February 2026**.

58. **DECLARATIONS OF INTEREST –**

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

59. **MINUTES –**

The Minutes of the meeting of the Cabinet held on 13th January and 20th January, 2026 were confirmed and signed by the Chairman.

60. **ANNUAL PEOPLE REPORT AND OTHER PEOPLE MATTERS –** (Cllr Gaynor Austin, Finance & Resources Portfolio Holder)

The Cabinet considered Report No. PEO2601, which set out a number of updates in relation to the Council's workforce.

Members were informed that the report contained updates on the implementation of elements of the Council's People Strategy implemented in 2021, which had since been reviewed to reflect the new Council Delivery Plan and the future effects of devolution and Local Government Reorganisation (LGR). The Cabinet were advised that a new two-year People Plan 2026-28, had been developed to strengthen support to staff. It also provided key data on the Council's workforce for 2025, the latest Pay Policy Statement and Gender Pay Gap and Ethnicity Pay Gap calculations, which would be considered by the Licensing and Corporate Business Committee and the Council.

In discussing the Report, Members acknowledged the great job the People Team did in supporting the wider staff cohort and expressed their thanks to all staff.

The Cabinet RESOLVED that

- (i) the People Plan 2026/28, be agreed,
- (ii) the Annual People Report 2025, as set out in Report No. PEO2601, be noted; and,
- (iii) the Pay Policy Statement, Gender Pay Gap and Ethnicity Pay Gap report to the Licensing and Corporate Business Committee and the Council, as set out in Appendix 3 of the Report, be noted.

61. **COUNCIL DELIVERY PLAN, PERFORMANCE AND RISK REGISTER QUARTERLY UPDATE Q3 OCTOBER TO DECEMBER 2025/26 –**
(Cllr Gareth Williams, Leader of the Council)

The Cabinet received Report No. ED2601, which set out the performance monitoring information for the Council Delivery Plan and key service measures for the third quarter of 2025/26. Members were informed that key projects and activities from the Council Plan and key service indicators and measures used by the Council to monitor how the Council runs services were included in the report. The Cabinet heard that the Council's Corporate Risk Register identified factors that could impact on the future delivery of the Council's services and key priorities. A summary of those risks was provided in the report for discussion. At the request of the Cabinet an additional data set had been provided, which set out the largest risk gap (residual vs target).

In discussing the report, Members were satisfied that good progress was being made by the Council towards delivering this year's Council Delivery Plan.

The Cabinet RESOLVED that

- (i) the progress made towards delivering the Council Delivery Plan and the latest performance information in relation to Council services, as set out in Report No. ED2601, be noted; and,
- (ii) the changes highlighted in the Corporate Risk Register, as set out in Section 5 of the Report, be noted.

62. **GENERAL FUND BUDGET 2026/27 AND MEDIUM TERM FINANCIAL STRATEGY 2026/27 TO 2029/30 –**
(Cllr Gaynor Austin, Finance & Resources Portfolio Holder)

The Cabinet considered Report No. FIN2603, which set out the draft General Fund Budget for 2026/27 and Medium Term Financial Strategy (MTFS) up to 2029/30.

The Cabinet were advised that the MTFS sets out the financial context of the Council over the next two years and beyond into the new council after Vesting Day on 1st April 2028.

It was reported that the Council could set a balanced budget, with the use of reserves, to Vesting Day. There was a deficit of £11.94 million over the MTFS term,

but this could be resolved through capital receipts, which would reduce capital charges in the revenue accounts whilst during down reserves to fund the balance of the current deficit of £3.962 million.

The Cabinet discussed the report and felt that it was a sensible and appropriate budget, based on factual assumptions, that supported the Council's Delivery Plan and protected services. Members expressed their gratitude for the hard work of the finance team.

The Cabinet

- (i) **RECOMMENDED TO THE COUNCIL** that approval be given to:
 - (a) the Medium-Term Financial Strategy and the strategy, set out in this report, to mitigate the 2026/27 and 2027/28 MTFS deficit;
 - (b) the General Fund Revenue Budget Estimates Summary 2026/27 Appendix 1;
 - (c) the Council Tax Requirement of £8,324,717 for this Council;
 - (d) the Council Tax level for Rushmoor Borough Council's purposes of £246.87 for a Band D property in 2026/27 (an increase of £7.17);
 - (e) the Capital Programme as per Appendix 1; and
 - (f) the Strategy for the Flexible use of Capital Receipts as per paragraph 3.16 of this report.
- (ii) **RESOLVED** that the requested earmarked reserves and delegations, as set out in paragraph 3.05 – 3.07 of Report No. FIN2603, specifically:
 - (a) supplementary approvals in respect of legal, finance and planning expenditure that may not be managed within existing budget, such as Interim professional capacity, advice and consultation up to a total of £400k from useable reserves, delegated to the Senior Leadership team in consultation with the relevant Portfolio Holder; and
 - (b) supplementary approvals in respect of activity to deliver the Council Delivery Plan priorities amounting to £237k to be funded as one off activities from useable reserves, delegated to the Senior Leadership Team in as per itemised scheduled in Appendix 1, be approved.

63. COUNCIL DELIVERY PLAN 2026-28 – (Cllr Gareth Williams, Leader of the Council)

The Cabinet considered Report No. ED2602, which set out a Council Delivery Plan for 2026-28.

Members were informed that the plan set out the Council's priorities and the key projects and activities that the Council would undertake over the following two years

to contribute to delivering the new strategic priorities. The plan was structured across five themes:

- Skills, Economy and Regeneration
- Homes for All: Quality Living, Affordable Housing
- Community and Wellbeing: Active Lives, Healthier and Stronger Communities
- Pride in Place: Clean, Safe and Vibrant Neighbourhoods
- The Future and Financial Sustainability

In discussing this matter, the Cabinet were very pleased that the Council Delivery Plan was delivering on priorities that residents wanted and that the financial sustainability of the Council had settled and funds were available to achieve the priorities set out.

The Cabinet **RECOMMENDED TO THE COUNCIL** that the Council Delivery Plan 2026-28, as set out in Report No. ED2602, be approved.

64. **NATIONAL ARMED FORCES DAY JUNE 2026 - FORMATION OF WORKING GROUP –**
(Cllr Sophie Porter, Healthy Communities & Active Lives Portfolio Holder)

The Cabinet received Report No. ED2603, which set out the background to the Council's successful bid to host the National Armed Forces Day event in June 2026, a launch for which had been held on 5th December, 2025.

A multi-agency Project Delivery Board (PDB) was being established and an event director, to support the delivery of the event, had been sought. However, in addition, to ensure good governance around the event, it was being proposed that a cross-party, politically balanced, Cabinet Working Group be established to meet on a four weekly cycle to receive updated from the PDB.

The Cabinet RESOLVED to establish a National Armed Forces Day Working Group to oversee the delivery of the National Armed Forces Day Event 2026.

65. **MATTERS ARISING FROM OVERVIEW AND SCRUTINY COMMITTEE MEETING - 5TH FEBRUARY, 2026 –**

It was noted that no recorded recommendations had been made as a result of the Overview and Scrutiny Committee meeting held on 5th February 2026, in respect of Farnborough Leisure Centre - Leisure Operator Procurement and Union Yard, Aldershot - Disposal of Blocks C & D.

66. **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
67	3	Information relating to financial or business affairs

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

67. LEISURE OPERATOR CONTRACT AWARD –

(Cllr Sophie Porter, Deputy Leader and Healthy Communities & Active Lives Portfolio Holder)

The Cabinet considered Report No. OS2603 and the Exempt Appendices, which sought approval to award the operator contract to run the existing and proposed new leisure facilities in the Borough.

The Cabinet were apprised of the procurement process based on a 60% quality and 40% cost criteria and were provided with a summary of the outcomes.

The Cabinet RESOLVED that

- (i) the successful completion of the procurement process to secure a leisure operator for the Council's existing leisure facilities and the proposed new centre in Farnborough, be noted;
- (ii) the implications of the risks highlighted in sections 3.1 – 3.4 of the Report, be noted;
- (iii) the award of the leisure operating contract be made to the highest scoring bidder, as outlined in Exempt Appendix 1, subject to the completion of the standstill period. The contract was on the basis of an agency agreement and covered a 15 year term, (with an option to extend by five years), plus an additional interim phase whilst the new centre was under development, be agreed;
- (iv) the adjustment to budgets from 2026/27 to reflect the proposed contract requirements as detailed in Exempt Appendix 2, be approved;
- (v) a feasibility study revenue budget for the Alpine Snowsports Centre of £30,000 to be funded from the remaining balance of the 2025/26 ski centre revenue budget, as referenced in section 3.6, be approved, and;
- (vi) authority be delegated to the Executive Head of Operations, in consultation with the Corporate Manager – Legal Services, to finalise and enter into the leisure operating contract with the successful bidder, be approved.

The Meeting closed at 8.41 pm.

AUDIT AND GOVERNANCE COMMITTEE

Report of the meeting held on Wednesday, 26th November, 2025 at the Council Offices, Farnborough at 7.00 pm.

Voting Members

Cllr Bill O'Donovan (Chair)
Cllr P.J. Cullum (Vice-Chair)

Cllr C.W. Card
Cllr A.H. Crawford
Cllr Sarah Spall
Cllr P.G. Taylor
Cllr Ivan Whitmee
Cllr Becky Williams

Apologies for absence were submitted on behalf of Cllr Sue Carter, Cllr C.P. Grattan and Cllr Jacqui Vosper.

Cllrs Rhian Jones and S.J. Masterson attended the meeting as Standing Deputies.

1. APPOINTMENT OF CHAIR

RESOLVED: That Cllr. Bill O'Donovan be appointed as Chair of the Committee for the remainder of the 2025/26 Municipal Year.

2. APPOINTMENT OF VICE-CHAIR

RESOLVED: That Cllr. P.J. Cullum be appointed as Vice-Chair of the Committee for the remainder of the 2025/26 Municipal Year.

3. MINUTES

The Minutes of the Meeting held on 24th September, 2025 were approved and signed as a correct record of proceedings.

4. VOTE OF THANKS

A vote of thanks was recorded for Tom Davies, Independent Member of the Corporate Governance, Audit and Standards Committee. It was noted that Mr Davies had completed his three-year term. The Chair, Cllr Bill O'Donovan, recommended that a letter of thanks be sent to Mr Davies from the Committee.

It was noted that an Independent Member for the Audit and Governance Committee would be appointed in due course.

5. EXTERNAL AUDIT - DRAFT PROGRESS UPDATE 2024/25

The Chair welcomed Kalthiemah Abrahams, Audit Manager, from the Council's external auditors, Ernst and Young (EY), who joined the meeting remotely via Microsoft Teams.

The Committee received the Audit Progress Report. This report aimed to provide the Audit and Governance Committee with a summary of progress on the 2024/25 Council audit, and any issues identified to date. The Committee noted that, having updated and completed the planned procedures, the auditors identified a risk of significant weakness and actual significant weakness in the Council's value for money (VFM) arrangements in respect of financials. They would issue their VFM narrative commentary in the draft 2024/25 Auditor's Annual Report, which was expected to be issued on 30th November 2025.

During discussion, Members raised questions regarding International Financial Reporting Standard 16 (IFRS 16). The Committee noted that IFRS 16 was a new standard, which was complex and had only recently been implemented. Consequently, there were some absent disclosures from the financial statements in relation to the standard, however, it was a control observation that EY would raise in the audit results report, but stated that it would not impact the audit conclusion.

RESOLVED: That the Auditor Progress Report, be noted.

6. INTERNAL AUDIT - AUDIT PROGRESS REPORT

The Chair welcomed Neil Pitman, Head of Southern Internal Audit Partnership (SIAP), the Council's internal auditors, who joined the meeting remotely via Microsoft Teams.

The Committee received SIAP's Report No. SIAP25/05 which set out the Internal Audit Progress Report, for the November 2025 accounts, which provided the Audit and Governance Committee with an overview of internal audit activity against assurance work completed in accordance with the approved audit plan. The Report also provided an overview of key updates pertinent to the discharge of the Committee's role, in relation to internal audit.

During discussions, questions were raised regarding Disabled Facilities Grants, cyber security arrangements and Homes for Ukraine. The Committee noted that an informal meeting had been organised for the IT Service Manager to meet with Members of the Committee to discuss the cyber security arrangements in place, which was scheduled for January 2026.

ACTION:

What	By Whom	When
Provide an update to the Committee, by email, on Homes for Ukraine and the six overdue audit actions.	James Duggin – Executive Head of Operations	Before the next AGC meeting – 28th January 2026

RESOLVED: That:

(i) changes to audit dates, once agreed by management, will require approval from the Committee; and

(ii) SIAP's Report No. SIAP25/05, be noted.

7. RISK MANAGEMENT PROCESS 2024/25

The Committee received the Executive Director's Report No. ED2510, which provided an update on the ongoing development and maintenance of the Council's risk management processes during 2025/26. The Leader of the Council, Cllr Gareth Williams, was in attendance as Portfolio Holder for Risk Management.

The report provided an update on the risk management activity that had taken place and was planned for the remainder of 2025/26, in line with arrangements set out in the Council's updated Risk Management Policy, which was presented to Cabinet for approval on 25th November, 2025. The Committee had a duty to provide independent assurance of the adequacy of the risk management framework.

The Committee noted that 2025 had continued to be a period of significant uncertainty across a broad range of economic, social and political matters. Circumstances such as high interest rates and slow growth in the economy, had continued to impact the Council's financial position, operations and capital projects. It was noted that the wider implications for the Council required continued focus on mitigation plans, which were adapted to meet the ongoing challenges presented. The Committee acknowledged that the Council's risk management process had played an important role in identifying the possible impact of potential risks faced by the Council and ensured that the Senior Leadership Team and Cabinet Members were regularly updated. It was noted that risks were routinely reviewed and discussed at both service level and among senior management.

During discussion, Members raised questions regarding the redacted corporate risk register, horizon scanning and the alignment of Audit and Governance Committee meetings with the quarterly performance report publication and Cabinet meetings. The Committee noted that the Overview and Scrutiny Committee could raise specific issues around Council performance and risk management.

ACTION:

What	By Whom	When
Raise the alignment of meetings at the Programme Management Group.	Cllr Bill O'Donovan, Chair of the Committee	Before the next AGC meeting – 28th January 2026
Share the unredacted version of the corporate risk register each quarter.	Roger Sanders, Service Manager – Risk, Performance and Procurement	Quarterly
Members to identify any risks they wished to bring to Committee for scrutiny, through	Members of AGC	Quarterly

the Chair or officers.		
Organise risk process training for Members.	Roger Sanders, Service Manager – Risk, Performance and Procurement	Before the March AGC meeting

RESOLVED: That the Executive Director’s Report No. ED2510, be noted.

8. INTERNAL AUDIT REPORT - USE OF AGENCY STAFF

The Committee received a verbal update from Executive Head of Finance, Peter Vickers, regarding the internal audit report and the use of agency staff.

The Committee noted the recent internal audit review on the use of agency staff and the governance processes the organisation followed for starters and leavers to the Council.

Members noted that the audit was currently in draft form and would be due to go to the Committee in January, 2026. However, it was noted that the audit had focused on agency staff and consultants, and how the process had been managed from a governance perspective, but no assurance had been given at this time. The Management Team had reviewed the report and prepared a schedule of actions that were being implemented to ensure that the matter was resolved and assurance could be given.

During discussion, Members sought clarification about how the induction procedure would be managed in the future. The Committee were assured that the process would be centralised and the People Team had procedures in place to address the matter, however, compliance would need to be managed.

RESOLVED: That the update on the Internal Audit Report – Use of Agency Staff, be noted.

9. ANNUAL GOVERNANCE STATEMENT UPDATE

The Committee received the Financial Governance Manager’s Report No. FIN2518, which gave details of work carried out towards the implementation of the actions defined within the Annual Governance Statement, which had been presented to the Committee in May 2025.

It was noted that the Corporate Peer Challenge and the Chartered Institute of Public Finance and Accountancy (CIPFA) Report had been considered and changes had been implemented. Work towards the financial resilience plan was continuing by the Senior Management Team. The Committee were advised that self-assessment actions towards compliance against the CIPFA Financial Management Code were ongoing, with elements forming part of the Financial Resilience Plan.

During discussion, Members asked questions regarding the self-assessment against the CIPFA Financial Management Code.

ACTION:

What	By Whom	When
Provide requirements which are outstanding within CIPFA Financial Management Code to the Committee.	Nikki Fleming – Financial Governance Manager	Before the next AGC meeting – 28th January 2026

RESOLVED: That the Financial Governance Manager’s Report No. FIN2518, be noted.

10. **TREASURY MANAGEMENT AND NON-TREASURY INVESTMENT OPERATIONS 2025/26**

The Committee received the Executive Head of Finance’s Report No. FIN2517, which set out the main activities of the Treasury Management and Non-Treasury Investment Operations during Quarter 2 of the 2024/25 financial year, and reported on compliance with Prudential Indicators. This was a statutory requirement under the CIPFA Code of Practice on Treasury Management.

The Committee were advised that all treasury activity had been conducted within the approved Treasury Management Practices (TMPs). Borrowing had started to move towards longer term rather than short term, to provide more interest rate stability on borrowing in line with the MTFS rate of 4.78%. The Committee noted that the Council had borrowed substantial sums of money and was therefore exposed to financial risks which included the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk remained central to the authority’s Treasury Management Strategy. The Committee were advised that the key risks to the Council’s delivery of successful treasury and non-treasury investment options included inflation levels, the Bank of England base rate and delivery of the Capital Programme. The Committee were advised that borrowing under 12 months was at 14%, whereas it was 100% under 12 months at the same point in 2024. The Council were changing the way in which they borrowed to provide more certainty with interest rates, which was in line with the external auditors’ request to reduce short term borrowing.

The Committee noted that there were some typos in the report, on:

- Page 63, Table 2 – the PWLB was £102.0m and Other was £7.0m;
- Page 64, Table 3A – the net movement total borrowing was £27m; and
- Page 71, Capital Financing Requirement table – 31.3.2026 forecast was 147.5.

RESOLVED: That the Executive Head of Finance’s Report No. FIN2517, be noted.

The meeting closed at 8.33 pm.

AUDIT AND GOVERNANCE COMMITTEE

Report of the meeting held on Thursday, 11th December, 2025 at the Council Offices, Farnborough at 6.00 pm.

Voting Members

Cllr Bill O'Donovan (Chair)
Cllr P.J. Cullum (Vice-Chair)

Cllr C.W. Card
Cllr Sue Carter
Cllr A.H. Crawford
Cllr C.P. Grattan
Cllr Jacqui Vosper
Cllr Becky Williams

Apologies for absence were submitted on behalf of Cllrs Sarah Spall, P.G. Taylor and Ivan Whitmee.

Cllrs Thomas Day and S.J. Masterson attended the meeting as Standing Deputies.

11. 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
46	3	Information relating to financial or business affairs

12. GOVERNANCE ARRANGEMENTS FOR THE DISPOSAL OF BLOCKS C AND D, UNION YARD, ALDERSHOT

The Committee considered the joint Report of the Monitoring Officer and Executive Head of Finance (Section 151 Officer) No. LEG2506, regarding the governance arrangements for the disposal of Block C and D, Union Yard, Aldershot, for review by the Committee.

Following discussions relating to exempt report REG2542, the Chair of Audit and Governance Committee convened a special meeting to consider the due diligence leading to the recommendations in the report to dispose of the Blocks, and to agree that the disposal was in line with best value considerations. Members acknowledged

that the meeting had been called to discuss the governance arrangements for disposal of Block C and D, Union Yard and the options for disposal would be considered by Cabinet on 15th December.

RESOLVED: That the Committee were satisfied as to the due diligence undertaken leading to the recommendation within Cabinet Report No. REG2542 and concurred that the recommendation was a Best Value proposition.

The meeting closed at 7.07 pm.

LICENSING AND CORPORATE BUSINESS COMMITTEE

Report of the meeting held on Thursday, 15th January, 2026 at the Concorde Room, Council Offices, Farnborough at 7.00 pm.

Voting Members

Cllr Jacqui Vosper (Chair)
Cllr Sarah Spall (Vice-Chair)

Cllr C.W. Card
Cllr Sue Carter
Cllr Jules Crossley
Cllr P.J. Cullum
Cllr Lisa Greenway
Cllr Rhian Jones
Cllr Bill O'Donovan

Apologies for absence were submitted on behalf of Cllrs A.H Crawford and P.G. Taylor.

Cllrs C.P. Grattan and S.J. Masterson attended the meeting as Standing Deputies.

5. MINUTES

The Minutes of the Meeting held on 21st October, 2025 were approved and signed as a correct record of proceedings.

6. COMMUNITY GOVERNANCE REVIEW

The Committee considered the Monitoring Officer's Report No. LEG26/01, which set out the outcome and recommendations following the second-round consultation on the Council's community governance review (CGR) for consideration in advance of a report to the Council on 29th January, 2026.

The Committee noted that, following approval by the Council of the Terms of Reference for a Community Governance Review (CGR) (report LEG25/10) in July 2025, the CGR process had commenced, and the first-round consultation had demonstrated some public support for an additional tier of local governance. On 25th September 2025, Council approved a recommendation for a second-round consultation and agreed that the Committee should consider the results, in order to make recommendations to Council, on 29th January 2026.

The Committee were advised that those who had responded to the consultation demonstrated some support for an additional tier of community governance in Rushmoor. However, the number of such respondents was so low that it could not be said there had been public support for it. The findings were particularly important

when balanced with the fact that the creation of parish councils would bring with it a council tax precept.

During discussion, Members raised a question regarding council tax precepts. It was noted that, if Parish Councils were introduced in 2026/27, the Council tax precept would be approximately £30 per year, in the first year. After that, the precept amounts would not be in the control of the Council. Members sought assurance about the Council’s capacity to set up parish councils and were advised that there were large financial and staffing implications. Regarding a question concerning the possibility of setting up parish councils once the unitary authority had been formed, Members were advised that they could petition to set them up. It was noted that, if parish councils were set up, and there were not enough candidates to stand, there would need to be another Community Governance Review (CGR) to dissolve the parish councils.

ACTION:

What	By Whom	When
Investigate what rights a Parish Council has to borrow funds.	Amanda Bancroft – Monitoring Officer	Before the Council meeting – 29th January
Check with the Finance Team what the implications would be should a Parish Council run out of funds.	Amanda Bancroft – Monitoring Officer	Before the Council meeting – 29th January

The Committee **RECOMMENDED TO THE COUNCIL** that there should be no change in the community governance arrangements across the Borough.

7. EXTENSION OF TERM OF OFFICE FOR DESIGNATED INDEPENDENT PERSON

The Committee considered the Corporate Manager – Democracy’s Report No. DEM0601, which recommended an extension to the term of office for the current Designated Independent Person (DIP) until end of April 2028.

The Committee noted that the Designated Independent Person (DIP) role was required under the Localism Act to assist the Council in promoting and maintaining high standards of conduct amongst its elected Members. Mr Matt Smith was appointed by the Council in July 2023 as the Council’s DIP for a three-year term from July 2023 to July 2026. The appointment followed a public advertisement, application and interview process which included Member representation. It was recommended that the Council extend Mr Smith’s term of office from July 2026 to April 2028, to align with the current timescale for vesting day for a new unitary authority. The Council had the option of carrying out a fresh recruitment; however, there was precedence for a two-year extension and since his appointment, Mr Smith had attended regular update meetings with the Monitoring Officer, engaged diligently and ensured his availability, and developed an excellent understanding of the ethical framework as it operated within Rushmoor Borough Council.

During discussion, Members acknowledged that Mr Smith had been an excellent appointment and they were happy to extend the term. It was noted that Members

who had joined the Council since 2023, had not been canvassed as to any personal relationship with Mr Smith, and arrangements should be made to undertake this piece of work by officers.

- (i) **RESOLVED** that the Committee approve an extension to the term of office of Mr Matt Smith as the Council's Designated Independent Person (DIP), for the period from July 2026 to end of April 2028, subject to all new Members being canvassed to ensure there were no personal relationships with Matt Smith; and
- (ii) **RECOMMENDED TO THE COUNCIL** to approve an extension to the term of office of Mr Matt Smith as the Council's Designated Independent Person (DIP), for the period from July 2026 to end of April 2028.

The meeting closed at 9.08 pm.

AUDIT AND GOVERNANCE COMMITTEE

Report of the meeting held on Wednesday, 28th January, 2026 at the Council Offices, Farnborough at 7.15 pm.

Voting Members

Cllr Bill O'Donovan (Chair)
Cllr P.J. Cullum (Vice-Chair)

Cllr C.W. Card
Cllr Sue Carter
Cllr A.H. Crawford
Cllr Jacqui Vosper

Apologies for absence were submitted on behalf of Cllrs C.P. Grattan, Sarah Spall, P.G. Taylor, Ivan Whitmee and Becky Williams.

Cllrs Thomas Day and S.J. Masterson attended the meeting as Standing Deputies.

13. MINUTES

The minutes of the meeting held on 26th November 2025, and the Special meeting held on 11th December 2025, were agreed and signed as a correct record of the proceedings, subject to an amendment to the attendance of the meeting held on 11th December 2025.

14. DRAFT AUDIT RESULTS REPORT

The Chair welcomed Simon Mathers, Director, from the Council's external auditors, Ernst and Young (EY).

The Committee received the Audit Results Report. The audit was designed to express an opinion on the 2024/25 financial statements and addressed current statutory and regulatory requirements. The report contained EY's findings related to the areas of audit emphasis, their views on Rushmoor Borough Council's accounting policies and judgements, and material internal control findings.

The Committee noted that a disclaimed audit opinion had previously been issued on the 2020/21 to 2023/24 accounts as part of the national reset and recovery of local government audit. For 2024/25, assurance over the closing balance sheet and in-year transactions had improved, but sufficient evidence had not been obtained to provide reasonable assurance over all movements and balances. The lack of assurance over the 2023/24 opening balances, following the prior year disclaimer, also prevented full assurance over the 2024/25 figures and the comparative disclosures. Given the continued absence of adequate evidence and the requirement to conclude work by the statutory backstop date, EY advised that they were unable to confirm that the 2024/25 accounts were free from material and pervasive

misstatement. Therefore, the financial statements in 2024/25 would again have a disclaimed audit opinion.

During discussion, Members raised questions regarding the valuation of investment properties and the process the Council used to engage new external valuers. The Committee noted that a significant weakness in the Council's Value for Money arrangements was concerning financial sustainability, which had been disaggregated into two separate risks. These were identified as the need to identify recovery revenue savings to balance future budgets and the necessity to deliver the asset disposal programme, considering the high level of external borrowing.

RESOLVED: That the Draft Audit Results Report, be noted.

15. **DRAFT 2024/25 AUDITOR'S ANNUAL REPORT**

The Committee received the EY's draft Auditor's Annual Report, including the commentary on the Value for Money (VFM) arrangements for Rushmoor Borough Council. The report and commentary explained the work EY had undertaken during the year and highlighted any significant weaknesses identified along with recommendations for improvement. The commentary covered the findings for audit year 2024/25. As the financial statements audit was still in progress as at 30 November 2025, the report had been issued as draft and would be finalised as part of issuing the 2024/25 audit report.

The aim of the report was to bring together all of the auditor's work over the year, including the Value for Money commentary and confirmation of the financial statement opinion. It also referenced any use by the auditor of their additional powers and duties under the Local Audit and Accountability Act 2014. In doing so, the auditors comply with the requirements of the 2024 Code of Audit Practice (the Code) published in November 2024 and the supporting guidance of the National Audit Office (NAO) published within their Auditor Guidance Note 3 (AGN 03). The report provided an overview to the Council and the public, detailing current recommendations and a review of prior years' actions, including the auditor's assessment of whether they had been satisfactorily implemented.

The Committee were advised that EY had identified two significant weaknesses in the Council's arrangements that they intended to report, by exception, in the audit report. The recommendations were to:

- Urgently identify recurrent savings to bridge the budget gap forecast by the Council's updated Medium Term Financial Strategy (MTFS);
- Improve delivery of the asset disposal programme, both in terms of the identification of asset sales and level of capital receipts achieved to reduce the ongoing cost pressures this created on the Council's revenue budget; and
- Continue to seek to replace short-term with long-term borrowing to reduce the Council's exposure to interest rate risk and allow for more certainty in its medium-term financial planning arrangements.

During discussion, Members raised questions regarding property valuations, asset disposals and how capital receipts could be monitored.

ACTION:

What	By Whom	When
The capital receipts live document to be shared with all Members.	Peter Vickers, Executive Head of Finance	Before the March AGC meeting

RESOLVED: That the draft Auditor's Annual Report, be noted.

16. ANNUAL STATEMENT OF ACCOUNTS/EXTERNAL AUDIT OPINION - UPDATE

The Committee received the Executive Head of Finance's Report No. FIN2602, setting out the 2024/25 accounts which required approval in line with the statutory Local Government Audit backstop position, and included an update on prior years.

The Committee were advised that, for the 2024/25 Statement of Accounts, the unaudited accounts were required to have been published by 30 June 2025, and the statutory audit backstop date was 27 February 2026. Due to prior years having been a disclaimed opinion, and therefore not having reasonable assurance for prior years' balances brought forward, the external auditors therefore could only give limited assurance for 2024/25 rather than a clear audit opinion. Work to rebuild assurance was ongoing and an unqualified opinion was anticipated to be achieved for the 2026/27 financial year accounts.

The Committee noted that there were two amendments within the report:

- Reference to regeneration of the Civic Quarter, Farnborough; and
- Clarity over the date of the table showing the political make-up of the Council.

RESOLVED: That:

- (i) approval of the Statement of Accounts for 2024/25 be delegated to the Chair of the Audit and Governance Committee and the S151 Officer;
- (ii) the signing of the Letter of Representation for 2024/25 be delegated to the Chair of the Audit and Governance Committee and the S151 Officer; and
- (iii) the 2024/25 accounts be confirmed as having been prepared on a going concern basis.

17. INTERNAL AUDIT - AUDIT PROGRESS REPORT UPDATE

The Chairman welcomed Neil Pitman, Head of Southern Internal Audit Partnership (SIAP), the Council's internal auditors.

The Committee received SIAP's Report No. SIAP26/01, which set out the Internal Audit Progress Report, as at December 2025, which provided the Audit and

Governance Committee with an overview of internal audit activity against assurance work completed in accordance with the approved audit plan. The Report also provided an overview of key updates pertinent to the discharge of the Committee's role, in relation to internal audit.

During discussion, questions were raised regarding the agency staff audit and revised audit action dates.

ACTION:

What	By Whom	When
Share actions for the Agency Staff audit with the Committee.	Peter Vickers, Executive Head of Finance.	Before the March 2026 Committee meeting.
Confirm with Statutory Officer Group, that changes to audit dates, once agreed by management, will require approval from the Committee.	Peter Vickers, Executive Head of Finance	At the next meeting of the Statutory Officer Group.

RESOLVED: That SIAP's Report No. SIAP26/01, be noted.

18. INTERNAL AUDIT - EXTERNAL QUALITY ASSESSMENT - FINAL REPORT

The Committee received SIAP's Report No. SIAP26/02, which set out the External Quality Assessment – Outcome Report. As required by the Global Internal Audit Standards in UK Public Sector, the report presented the outcomes from the External Quality Assessment of the Southern Internal Audit Partnership against the new Standards. The external assessor report of the External Quality Assessment conducted on the Southern Internal Audit Partnership provided an independent oversight of conformance against the new Global Internal Audit Standards in the UK Public Sector as required under Standard 8.4 (External Quality Assessment).

During discussion, Members sought clarification of SIAP's role, regarding the Council's journey towards Local Government Reorganisation.

ACTION:

What	By Whom	When
Share SIAP's Internal Audit Strategy with the Committee.	Neil Pitman, Head of Southern Internal Audit Partnership (SIAP).	Before the March 2026 Committee meeting.

RESOLVED: That SIAP's Report No. SIAP26/02, be noted.

19. ANNUAL CAPITAL STRATEGY 2026/27

The Committee considered the Executive Head of Finance's Report No. FIN2605, which set out the proposed Capital Strategy for the year 2026/27 to 2028/29, including the Prudential indicators for capital finance for 2026/27. The Report gave a high-level overview of how capital expenditure, capital financing and treasury management activity contributed to the provision of local public services, along with

an overview of how associated risk was managed and the implications for future financial sustainability. The Strategy had been written in accordance with the Chartered Institute of Public Finance and Accountancy's (CIPFA) "Prudential Code", the "Treasury Management Code of Practice" 2021, and the Department for Levelling Up, Housing and Communities (DLUHC) guidance on Local Government Investment.

The Committee were advised that decisions made during the year on capital and treasury management would have financial consequences for the Authority for many years into the future. They were therefore subject to both a national regulatory framework and to local policy framework, which were summarised in the Report.

During discussion, Members requested further information concerning the Council borrowing at lower interest rates, the authorised limit and the impact of delays to capital receipts.

The Committee **RECOMMENDED TO THE COUNCIL** that the Capital Strategy for 2026/27 to 2028/29, including the Prudential indicators for capital finance for 2026/27, as set out in the Executive Head of Finance Report No. FIN2605, be approved.

20. **ANNUAL TREASURY MANAGEMENT AND NON-TREASURY MANAGEMENT STRATEGY 2026/27**

The Committee considered the Executive Head of Finance's Report No. FIN2606, which set out the proposed Treasury Management Strategy and Non-Treasury Investment Strategy for the year 2025-26, including the borrowing and investment strategies and treasury management indicators for capital finance for 2025-26 and the Minimum Revenue Provision (MRP) Statement.

Treasury Risk Management at the Council was conducted within the framework of the Chartered Institute of Public Finance and Accountancy's Management in the Public Services: Code of Practice 2021 Edition (the CIPFA Code), which required approval of a treasury management strategy before the start of each financial year. The Executive Head of Finance's Report No. FIN2606, fulfilled the Council's legal obligation under the Local Government Act 2003 to have regard to the CIPFA Code. The CIPFA Code also required the Authority to have a separate Non-Treasury Investment Strategy (as set out in Appendix 2 to the report) which had to be approved before April 2026. Local authorities were also required, by regulation, to have regard to the provisions of the Prudential Code for Capital Finance in Local Authorities (Prudential Code) 2021.

Members sought clarification on Farnborough International loan repayments and the accuracy of property valuations by external valuers.

The Committee

- (i) **RECOMMENDED TO THE COUNCIL** that:

- (a) the Treasury Management Strategy 2026-27 and the Annual Borrowing Strategy 2026-27 (as set out in Appendix 1 of the Executive Head of Finance Report No. FIN2606) be approved;
- (b) the Annual Non-Treasury Investment Strategy 2026-27 (set out in Appendix 2) be approved; and
- (c) the Minimum Revenue Provision (MRP) Statement (set out in Appendix 3) be approved.

21. **QUARTERLY REPORT OF TREASURY PRUDENTIAL INDICATORS (Q3)**

The Committee received the Executive Head of Finance's Report No. FIN2607, which set out the activities of the Treasury Management and Non-Treasury Investment Operations for Quarter 3 in the financial year 2025/26 and reported on compliance with Prudential Indicators, as required by the CIPFA Code of Practice on Treasury Management. Full Council approved the Annual Treasury Management Strategy and Non-Treasury Investment Strategy for the financial year 2025/26 in February 2025. The Council's treasury management activity was underpinned by CIPFA's Code of Practice on Treasury Management 2021 ("the Code") and was fully incorporated into the Council's adopted strategy.

The Committee noted that, during Quarter 3, it had exceeded its Treasury Management limits for investment in counterparties. Due to high cash balances and money market funds being fully invested, the Section 151 Officer authorised a temporary investment of £10m with another local authority, above the usual £6m limit. This was considered low risk as local authorities had access to Public Works Loan Board (PWLB) borrowing. The funds were due to be repaid on 30th January. Members were informed that borrowing maturity continued to shift towards longer-term arrangements to provide cost certainty, with 6% of the portfolio maturing within 12 months, supporting interest rate stability in line with the Medium Term Financial Strategy (MTFS) assumption.

When discussing the item, Members sought clarification pertaining to the Council's investment in South Yorkshire Mayoral Combined Authority Police Fund, which had exceeded the £6m local authority's limit. The Committee were assured that the limit was exceeded on this occasion, as the Council held too much cash at that time and the borrowing was taken at a low interest rate.

RESOLVED: That:

- (i) appreciation be given to the Finance Team for the work completed and the progress made; and
- (ii) the contents of the report, in relation to the treasury management and non-treasury investment operations carried out, be approved.

The meeting closed at 9.34 pm.