

# CABINET

Meeting held remotely on Tuesday, 20th April, 2021 at 7.00 pm.

## Voting Members

Cllr D.E. Clifford, Leader of the Council  
Cllr K.H. Muschamp, Deputy Leader and Customer Experience and Improvement  
Portfolio Holder

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

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 **3rd May, 2021**.

## 59. **DECLARATIONS OF INTEREST –**

Having regard to the Members' Code of Conduct, the following declarations of interest were made:

<b>Item No.</b>	<b>Member</b>	<b>Interest</b>	<b>Reason</b>
67	Cllr D.E. Clifford	Personal and non-prejudicial	Council appointed representative on the Investment Board of Rushmoor Development Partnership
67	Cllr K.H. Muschamp	Personal and non-prejudicial	Council appointed Director of Rushmoor Homes Limited
67	Cllr P.G. Taylor	Personal and non-prejudicial	Council appointed Director of Rushmoor Homes Limited
67	Cllr M.J. Tennant	Personal and non-prejudicial	Council appointed representative on the Investment Board of Rushmoor Development Partnership

Having regard to the Officer Code of Conduct, Mrs Karen Edwards, Executive Director, declared a personal, non-pecuniary interest in any matters relating to the Rushmoor Development Partnership (RDP) in respect of her position as a Council-appointed representative on the RDP Investment Board. It was confirmed that the interest was such that Mrs Edwards was entitled to advise the Cabinet on matters concerning the RDP.

60. **MINUTES –**

The Minutes of the meeting of the Cabinet held on 16th March, 2021 were confirmed.

61. **REVENUE BUDGET MONITORING REPORT 2020/21 –**  
(Cllr Paul Taylor, Corporate Services Portfolio Holder)

The Cabinet considered Report No. FIN2108, which set out the anticipated financial position for 2020/21, based on the monitoring exercise carried out during February and early March, 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. Forecasts had not taken full account of the Covid restrictions imposed in December, 2020, so further fluctuations were expected in the outturn position, which would be reported to the Cabinet in due course. Members were reminded that the Council had agreed to defer interest payments on loans to provide cashflow support to Farnborough International Limited, following the cancellation of the 2020 Airshow. In March, 2021, Barclays, as primary creditor, had proposed changes to the Facility Agreement which would result in the repayment of the Council's element of the loan being delayed by two years. A summary of the general risks and uncertainties faced by the Council at this time was included in the Report.

**The Cabinet RESOLVED that**

- (i) the latest revenue forecasts and financial impact from Covid-19, as set out in Report No. FIN2108, be noted;
- (ii) the establishment of a Lease Surrender reserve, noting the reserve movements proposed to support the General Fund in 2020/21, be approved; and
- (iii) the proposed changes to the repayment profile of the Council's loans to Farnborough International Limited, as set out in paragraphs 3.8 to 3.11 of the Report, be approved.

62. **CAPITAL PROGRAMME MONITORING AND FORECASTING REPORT 2020/21 –**  
(Cllr Paul Taylor, Corporate Services Portfolio Holder)

The Cabinet received Report No. FIN2109, which provided the latest forecast regarding the Council's Capital Programme for 2020/21, based on the monitoring exercise carried out during March, 2021. The Report advised that the revised Capital Programme for 2020/21, which had been agreed by the Council on 25th February, 2021, totalled £24,721,000. It was noted that projects of major financial significance to the Council in the Capital Programme included the Aldershot Town Centre Integration and Union Street developments, the replacement of cremators at the Crematorium, the conversion of Voyager House and the establishment of a housing company. It was explained that, of the approved capital budget of £24.9 million, only £23.8 million was forecast to be spent by the end of 2020/21. It was reported that

this variance was due to delays in capital projects being completed in the 2020/21 financial year.

**The Cabinet RESOLVED** that

- (i) the latest Capital Programme monitoring position, as set out in Tables 1 and 2 of Report No. FIN2109, be noted; and
- (ii) the expenditure related to the Better Care Fund, as set out in paragraph 3.6 of the Report, following the receipt of additional income of £142,801 from the Ministry of Housing, Communities and Local Government, be approved.

63. **ALDERSHOT POOLS COMPLEX - DISCRETIONARY RATE RELIEF –**  
(Cllr Maurice Sheehan, Operational Services Portfolio Holder)

The Cabinet considered Report No. OS2102, which set out details of an application for rate relief on behalf of Places for People Leisure in respect of its operation of the Aldershot Pools Complex.

Members were reminded that Places for People Leisure had been awarded a new contract to operate the facility from 1st April, 2021 until 31st March, 2025 and that 100% relief had previously been allowed for the period up to 31st March, 2021 when Places for People Leisure had also been operating the complex.

**The Cabinet RESOLVED** that 100% discretionary rate relief be awarded to Places for People Leisure to 31st March, 2025, as set out in Report No. OS2102.

64. **ALDERSHOT LIDO - PROPOSAL FOR OPENING 2021 SEASON –**  
(Cllr Maurice Sheehan, Operational Services Portfolio Holder)

The Cabinet considered Report No. OS2104, which set out a proposal for the opening of the Aldershot Lido for the 2021 season.

Members were reminded that when Places for People Leisure had been awarded a four-year contract to run the Aldershot Pools Complex, it had been agreed that work would be done to assess the viability of opening the Aldershot Lido for the 2021 season. The Report set out projections by Places for People Leisure of the start-up and operating costs, including projected costs of around £109,000 to prepare the facility for opening. Whilst the running costs for the Lido could be accurately estimated based on data from previous years, the income received would be largely dependent on the weather and, therefore, more difficult to predict.

The Cabinet expressed strong support for the Aldershot Lido, both in terms of the opening for the 2021 season and of the long term future of the facility.

**The Cabinet RESOLVED** that

- (i) the opening of the Aldershot Lido to the public for the 2021 season, taking account of the implications set out in Report No. OS2104, be approved;

- (ii) a spend of £110,000 from existing budgets, to allow for essential pre-season works and maintenance to the facility and the provision of an additional £100,000 to cover the operation of the facility, based on forecasts, as set out in the Report, be approved; and
- (iii) the entering into an agreement with Places for People Leisure for the operation of the Aldershot Lido, working with the Council on an open-book basis to optimise the performance of the facility, be approved.

**65. LOCAL GOVERNMENT ASSOCIATION EQUALITIES AND DIVERSITY PEER CHALLENGE –**

(Cllr Adrian Newell, Democracy, Strategy and Partnerships Portfolio Holder)

The Cabinet considered Report No. ACE2102, which set out the findings of the Local Government Association (LGA) Equalities Peer Challenge. The Chairman welcomed Cllr J.B. Canty, Chairman of the Policy and Project Advisory Board, who had requested to address the Cabinet on this issue.

The Report set out background information relating to the Council's approach to equality and diversity issues, following the Notice of Motion passed in June, 2020 to record the Council's solidarity in the fight against racism following the death of George Floyd. As part of this approach, Members were reminded that the peer challenge exercise had been carried out during January, 2021. Following this, the LGA had published its recommendations and this had led to the development of an action plan.

The Cabinet then heard from Cllr Canty, who set out the role of the Policy and Project Advisory Board (PPAB) in developing the Council's approach to equalities and diversity, including the commissioning of the peer challenge exercise. The importance of the local context to this work was stressed, along with the need to ensure that proposed actions were followed through. In this respect, PPAB supported the approach of linking the action plan, wherever possible, to the Council's existing policies and procedures.

The Cabinet welcomed the findings of the peer challenge exercise and expressed commitment to make further progress in this area.

**The Cabinet RESOLVED** that

- (i) the Equality Peer Challenge Report, as set out in Report No. ACE2102, be approved; and
- (ii) the draft Action Plan, as set out in Annex B to the Report, be approved.

**66. RUSHMOOR ROUGH SLEEPING STRATEGY 2021-22 –**

(Cllr Maurice Sheehan, Operational Services Portfolio Holder)

The Cabinet considered Report No. OS2103, which set out the Council's Rough Sleeping Strategy 2021-2022.

Members were reminded that the Homelessness Act 2002 had placed a range of duties on local housing authorities, including to undertake periodic reviews of homelessness and to develop strategies for preventing and tackling homelessness based on the outcomes of such reviews. This strategy would complement the Council's Housing and Homelessness Strategy and would allow the Council to provide assistance to its most vulnerable residents.

**The Cabinet RESOLVED** that the Rushmoor Rough Sleeping Strategy 2021-2022 and associated delivery plan, as set out in Report No. OS2103, be approved.

67. **REGENERATING RUSHMOOR PROGRAMME - UNION STREET, ALDERSHOT REGENERATION SCHEME –**

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

The Cabinet considered Report No. RP2103, which set out the outcomes and recommendations from the due diligence work undertaken in relation to the delivery options and funding routes for the Council's plans to redevelop land at Union Street, Aldershot and sought approval to move to the next stage of project delivery.

The Report and appendices set out the background in relation to the site and the significant work and due diligence undertaken to date and options for the way forward. Planning permission had been secured in 2020 for 100 residential units (20% affordable), 16 commercial units and 128 rooms of student accommodation, originally intended for the University of the Creative Arts (UCA). Members were informed of the work of the cross-party Cabinet working group and its involvement in the due diligence process. It was confirmed that the Group was supportive of the recommendations to move to the final stage of design and preliminary site works.

In terms of options for the ongoing ownership of the scheme, following the UCA withdrawing from lease negotiations in relation to the 128 bed spaces within the consented scheme, the Council had been undertaking soft market testing with student accommodation operators and had commissioned external consultants to understand the scope and feasibility for considering an alternative approach to delivery, focused on direct lets to the student market or on nominations agreements with higher education institutions.

CRM Students, a leading provider of student accommodation across the country, had provided the Council with an indicative management proposal for the scheme. This had allowed for a range of sensitivities to be tested in relation to occupancy levels and rental income per room. This exercise had established that the Council had the potential to improve on the terms that had been agreed in principle with the UCA and to generate a better yearly income to underpin the delivery of the wider scheme.

Avison Young had been commissioned by the Council and had undertaken a comprehensive review of the local student accommodation market. They had then sense-checked the approved scheme in terms of likelihood of student uptake. This had endorsed the proposal provided by CRM in terms of price points and management costs associated with a direct let approach. Avison Young had also engaged with local higher education providers to gauge the appetite for purpose-built student accommodation and the feedback had been positive, with interest from the

UCA alongside other institutions based within the Guildford area. Further conversations were also planned with Farnborough College of Technology to confirm whether they would also have an interest in utilising some of the student bed spaces on offer.

Avison Young had noted in their draft report that the proposed scheme had been well designed and spacious and would appeal to both institutions and the student market. They had projected a 10-year cashflow net income based on achieving an occupancy level of 97%, with rents pitched between £165 to £175 per week, that compared favourably to the net income position that had been progressed with the UCA by way of a lease.

Members were informed that the Council's risk profile would be significantly altered in light of the fact that, at the present time, there was no confirmation of uptake of the units and such an undertaking would not be established until approximately one year prior to practical completion. The most favourable outcome would be for an institution such as UCA to enter into a nominations agreement, underwriting the rent for the entirety of the bed space offer for a period of five or ten years, which was an industry standard. The UCA were keen to explore this principle with the Council but this would not happen prior to the commencement of the build.

On the basis of the external advice received, it was felt that the current and forecasted demand for student accommodation would enable the Cabinet to proceed with the next stage of the scheme, whilst exploring further different delivery routes for the purpose built student accommodation element of the Union Street scheme. This approach would have the potential to improve the overall viability of the scheme, as long as the risks were managed effectively.

Members discussed the options and were supportive of the suggested approach, as set out in the Report.

**The Cabinet RESOLVED that**

- i) the outcomes of the due diligence process, as set out in Report No. RP2103 and in the Reports by Grant Thornton UK LLP and Lambert Smith Hampton Investment Management (LSHIM), be noted;
- ii) the risks identified in Exempt Appendices E and L and the recommendations and next steps proposed by LSHIM and officers in order to progress the scheme, as set out in Section 5 of the Report, be noted;
- iii) the Council's progression to the next stage of development, as set out in Sections 6 and 7 of the Report, be approved, on the basis of:
  - a) the Council undertaking the development of the scheme;
  - b) on completion, the Council retaining the student accommodation and commercial units and disposing of the affordable units to a Registered Provider (RP);
  - c) the Board of Rushmoor Homes Limited (RHLtd) being offered the option to acquire the remaining residential units;

- iv) the appointment of Hill Partnerships Limited to carry out the technical design and site preliminary works, as set out in Section 6 of the Report, be approved, subject to a final decision to proceed with the scheme by the Council;
- v) the utilisation of up to £2.2 million of Housing Infrastructure Fund grant funding at risk, as set out in Section 6 of the Report, to cover the costs associated with RIBA Stage 4: Technical Design and preliminary works relating to the consented scheme in order to minimise delay in the delivery of the scheme be approved and the potential for a further bid to Homes England for delivery and capacity funding be noted;
- vi) a variation (or other route) to the existing demolition contract, as set out in Section 7 of the Report, to allow for additional site preparatory works to be undertaken, be approved; and
- vii) the next steps and that a further report would be presented to the Cabinet in due course to enable a final decision to proceed with the scheme, with a recommendation to the Council to approve the further capital expenditure required to deliver the Union Street development, be noted.

**68. 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:

<b>Minute No.</b>	<b>Schedule 12A Para. No.</b>	<b>Category</b>
69	3	Information relating to financial or business affairs

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

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

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

The Cabinet considered Exempt Report No. RP2102, 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 year, a series of discussions had taken place with the tenant of one of the Council’s retail properties. The Tenant had built up rent arrears since September, 2019. Officers had worked with Lambert Smith Hampton Investment Management (LSHIM), the Council’s Asset Managers, 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. RP2102, the option agreed in principle with the Tenant, be approved as follows

- (i) changes in payment frequency to a weekly rent payment equivalent to the existing annual rent, payable from 1st May, 2021;
- (ii) should the break option in the lease be exercised on 1st July, 2024, then rent arrears accrued from October, 2020 to the end of April, 2021 to be paid back with interest;
- (iii) if the break option is not exercised, then the monies owed will not fall due to be paid;
- (iv) the Council retains the right to take enforcement action for defaults by the Tenant of its lease obligation, which may result in the Tenant being required to pay these arrears;
- (v) a payment plan be put in place to meet arrears of Service Charge due;
- (vi) a payment plan be put in place to meet arrears of topping up the rent deposit sums due; and
- (vii) the adding of the Tenant's main corporate vehicle as a guarantor to the lease.

The Meeting closed at 8.17 pm.

CLLR D.E. CLIFFORD, LEADER OF THE COUNCIL

-----