

## **CABINET**

**Date and Time:** Thursday 1 February 2024 at 7.00 pm

**Place:** Council Chamber

**Present:**

Neighbour (Leader), Bailey, Clarke, Cockarill, Collins, Oliver and Quarterman

**In attendance:** Axam (virtual), Dorn, Forster and Smith

**Officers:**

Daryl Phillips, Chief Executive

Graeme Clark, Executive Director, Corporate Services & S151 Officer

Joanne Rayne, Finance & Property Manager

Nicola Jenkins, Community Partnerships & Projects Officer

Christine Tetlow, Planning Policy - Strategic & Corporate Projects Manager

Sharon Black, Committee and Member Services Manager

### **80 MINUTES OF THE PREVIOUS MEETING**

The minutes of 4 January 2024 were confirmed and signed as a correct record.

Proposed by Cllr Neighbour; Seconded by Cllr Bailey. Agreed unanimously by those present at the January meeting.

### **81 APOLOGIES FOR ABSENCE**

Apologies had been received from Cllr Radley.

### **82 DECLARATIONS OF INTEREST**

Cllr Oliver declared a non-prejudicial interest in Agenda Item 9, UKSPF, as he was a member of Fleet Town and one of the bids was from the Town Council. However, he had not worked on the bid.

Cllr Bailey declared a personal interest in Agenda Item 9, UKSPF, as a close family member had been involved in writing one of the bids. He also declared a non-prejudicial interest as he was a member of Yateley Town Council although he had not been involved in the team working on the bid. Due to the personal interest, Cllr Bailey declared that he would leave the meeting at the end of agenda item 8. Cllr Bailey also wished it to be noted that he had previously declared an interest when discussions on UKSPF had taken place.

Cllr Cockarill declared a non-prejudicial interest in Agenda Item 9, UKSPF, as he was a member of Yateley Town Council, although he had not worked on the bid.

Cllr Quarterman declared a non-prejudicial interest in Agenda Item 9, UKSPF, as he was a Member of St Peter's Church which had submitted a bid for funding. Cllr Quarterman's wife had been part of the bid submission team, but he felt that this would not prejudice his decision.

Cllr Dorn declared a non-prejudicial interest in Agenda Item 9, UKSPF, as he sat on the District Executive for the Scout Groups, although they had no operational control of the individual scout groups.

It was queried whether those organisations that might benefit through either an individual or a member of their family should be declared as part of the declarations of interest process. It was confirmed by the Chief Executive that so long as the individual was not personally involved in the bid and had come to the meeting with an open mind, then that was acceptable. However, it was for the individual members to determine themselves.

### **83 CHAIRMAN'S ANNOUNCEMENTS**

The Chairman had no announcements.

### **84 PUBLIC PARTICIPATION (ITEMS PERTAINING TO THE AGENDA)**

There were no items of public participation.

### **85 Q3 FORECAST OUTTURN REPORT 2023-24**

This report set out the 2023/24 budget outturn latest forecast.

Members heard:

- the headline figures were similar to those presented in Q2
- employee costs were now showing a surplus of £480k since the last forecast, primarily due to the pay settlement, pension payments and current vacancies
- service suppliers had shown some movement following Cabinet decisions made at the December meeting
- Planning income was showing an increase of £100k
- Interest rates on reserves continued to be over 5%

Members queried:

- Whether the movement updates were against the original budget
- Whether the figures were the most up to date available

Cabinet:

- i. Noted the projected outturn
- ii. Noted the capital overview
- iii. Noted the project overview
- iv. Noted the treasury management position

## 86 DRAFT BUDGET 2024/25

This report summarised the draft revenue and capital budget proposals, for a balanced budget for 2024/25 together with the revised medium term financial strategy for the following three years.

Members heard:

- That a reserves review had been completed during the summer 2023
- The review of the detailed budgets had been completed, and the S151 Officer gave his thanks to those involved in the exercise
- That effective monitoring was in place and quarterly reports were presented to both Overview and Scrutiny and Cabinet
- A mid year medium term strategy forecast had last been brought to Cabinet in the autumn of 2023
- There was a balanced budget for 2024/25 being presented together with a plan on how the Council was aiming to address the projected shortfall in future years
- The Government grant bundle had been increased slightly, although there was no certainty around future increases
- Variations from the current year's budget were set out in the appendices to the report, including some growth proposals in targeted high priority areas where there was increased demand
- Capital investment across the district had also been set out in the report appendices

Members queried:

- Whether potential lower interest rates in future would have a detrimental effect on future budgets.
- The Heathlands Court project was included in the capital programme being proposed. The S151 Officer confirmed that it was not and that funding would need to be agreed for this project once the options appraisals were received and approved by Cabinet.
- Whether the suggestion of Overview and Scrutiny that additional "health checks" on the budget be undertaken had been actioned. The S151 Officer advised that this suggestion would be taken up from Q1 2024/25, and that a discussion would be held to determine how additional monitoring would be undertaken until then.

Members noted:

- That several fixed-term investments had been secured which paid a higher rate of interest that was locked in for at least 2024/25
- That a funding bid for climate change had been submitted on a matched funding basis, and a decision should be heard soon.

It was agreed to move the recommendations in one block.

Proposed by: Cllr Neighbour; Seconded by: Cllr Bailey

Members debated:

- This was an encouraging budget, particularly as several other local authorities were finding it difficult to produce a balanced budget in the current economic situation.
- The proposals for growth items in some of the high-priority areas such as housing and community safety were very much welcomed

Thanks were given to the Portfolio Holder for Finance, the S151 Officer, and the finance team for all their work on producing a balanced budget for 2024/25.

## **Decision**

Cabinet unanimously recommended to Council:

- i. a 2.99% increase in Hart District Council's Band D Council Tax Charge for 2024/25,
- ii. changes to fees and charges for 2024/25 in line with the principles set out in this report, with full details being reported to the full Council,
- iii. approval of the draft Revenue Budget for 2024/25 as summarised in paragraph 15 and Appendix 1, incorporating the baseline net service cost variations included at paragraph 17 and Appendix 1,
- iv. approval of Capital Bids as detailed in Appendix 2,
- v. approval of the Medium-Term Financial Strategy as set out in Appendix 3,
- vi. noting the emerging pressures and risks set out in the report and the S151 Officer's intention to undertake a mid-year review of detailed budgets
- vii. approval of the continuation of the capital receipt flexibility strategy detailed in the report under the Direction issued by the Government early in 2022
- viii. agreeing not to change the Council's existing Council Tax Support Scheme other than the required statutory uprating

## **87 TREASURY MANAGEMENT POLICY AND CAPITAL STRATEGY ANNUAL STATUTORY REVIEW**

To present the draft Treasury Management Strategy Statement for 2024/25 which incorporates the Annual Investment Strategy, Minimum Revenue Provision (MRP) Policy and Prudential and Treasury Indicators.

Members were reminded that it was a legal obligation to set a Capital Strategy, which was also presented for review. This strategy provided the strategic framework for the treasury activity.

The 2024/25 draft documents did not suggest any major changes as compared to the approved ones for the current year.

Members noted:

- there had previously been significant changes to the policy statements to update ESG assessment and credential-checking requirements
- Policy and practice had been robust in year, with quarterly reports to Overview and Scrutiny on treasury

Members questioned:

- Whether requiring ESG for our investments had any impact on fund managers to move money into best details. It was confirmed that this was not the case as highly rated institutions on the whole had good ESGs.

Proposed by: Cllr Neighbour; Seconded by: Cllr Collins

## **Decision**

Cabinet unanimously recommended that Council:

- i. approves the Treasury Management Strategy Statement 2024/25 and the revised Minimum Revenue Provision policy contained within it,
- ii. approves the Annual Investment Strategy for 2024/25 and;
- iii. approves the Capital Strategy 2024/25.

(Cllr Bailey left at 7.36pm)

## **88 UKSPF PROJECTS UPDATE**

Cllr Forster declared a non-prejudicial interest as Hampshire County Councillor Cabinet Member with responsibility for Schools. Some of the projects on the list were from schools across the district.

Members were reminded that Hart District Council (HDC) had been granted £1million through the Government's UK Shared Prosperity Fund (UKSPF) to fund projects identified in HDC's Local Investment Plan (LIP).

This report provided details of the Community Hub and Young Persons projects to be delivered in 2024 and provided an update on the programme to date.

Members heard:

- UKSPF was part of the levelling up programme
- A major data mining exercise had been undertaken to help inform spending plans and the criteria for the two funding rounds
- There had been a good response and both funding rounds had been oversubscribed
- An Officer evaluation group had marked the bids against pre-determined criteria – all projects had to be completed by 31 March 2025
- In the light of questions raised at Overview and Scrutiny, the officer recommendations and the financial summary had been updated
- Stakeholder engagement and communications had been through a wide variety of methods

Members questioned:

- Whether any of the recommendations had been updated since they had been presented to Overview and Scrutiny. It was noted that both the paper and some of the recommendations had been updated
- Who had been the senior officer who had reviewed the process

- Whether there had been any weighting applied to the scoring criteria as suggested in the Cabinet Office guidance
- How was the reach of each bid analysed in the scoring process
- Was reach part of any of the scoring criteria in the bid process
- Whether any minority groups were involved in the bid at any point, and if any were likely to benefit
- Whether any consideration had been given to making sure that there was a fair geographical spread of funding being allocated

Members noted:

- That the applicants provided an answer as to how the reach was used and that if there was any clarity required from a bidding organisation then further information had been sought
- That reach formed part of the value-for-money criteria for all bids
- The main criteria in the scoring each had an equal rating
- Any funding not committed by the end of March 2025 would likely be clawed back by the Government
- That if an organisation was unable to deliver a scheme within the timescale then it would be possible to return to Cabinet with alternative projects to use the funding for
- That no financial assessment of any of the applying organisations had been undertaken
- Overview and Scrutiny would receive a half year review to monitor spending on these projects
- There was an anomaly in that two projects had scored the same, with one being accepted and one not
- Whilst there were some minor concerns regarding the criteria used, it would not be feasible to ask organisations to rewrite bids in line with revised criteria

The Chairman thanked everyone involved in both submitting the bids from the community and also the officers involved in the scoring process.

In light of the anomaly that had arisen, the Chairman wished to propose that funding for the Hook Access Project (Hook Village Hall Charitable Association) be added to the list of recommendations being put before the Cabinet. It was noted that there was a contingency in the UKSPF funds of £30K, although the project would cost £60K. It was proposed that the contingency be used and then alternative source of funding for the additional cost be found. The S151 Officer agreed with this proposal.

Both the recommendation and the amendment were proposed by Cllr Neighbour and seconded by Cllr Clarke. Both were agreed unanimously.

## **Decision**

That Cabinet agrees:

- i. To approve the Community Hub and Young Persons Engagement applications recommended to be delivered in 2024
- ii. To approve the revised financial plan in **Appendix 1** which includes all changes since Cabinet last approved the plan in March 2023 and reflects the officer-recommended grant amounts in the report
- iii. To approve the revised Programme Plan in **Appendix 2**
- iv. To add the Hook Access Project (Hook Village Charitable Association) project to be funded in part from the UKSPF contingency funds

## **89 CABINET WORK PROGRAMME**

The Cabinet Work Programme was considered, but no amendments were made.

The meeting closed at 8.24 pm