

Minutes of the Cabinet meeting held on Tuesday, 1 December 2020 in Virtual Meeting - Zoom Webinar, Basingstoke and Deane Borough Council at 6.30 pm

Members of the Cabinet in attendance: Councillor K Rhatigan (Chair), Councillor S Bound, Councillor R Bean, Councillor H Eachus, Councillor H Golding, Councillor J Izett, Councillor T Robinson and Councillor M Ruffell

32/20 Apologies for absence

There were no apologies for absence.

33/20 Declarations of interest

Councillor Eachus declared an interest in relation to agenda item 9 due to her employment as a partner in a business located in the Bid area.

34/20 Urgent matters

There were no urgent matters.

35/20 Minutes of the meeting held on 10 November 2020

The minutes of the meeting held on 10 November 2020 were confirmed as an accurate record and signed by the Chair.

36/20 Quarter 2 Revenue Monitoring Report and Covid-19 Financial Impact Update 2020/21

Cabinet considered a report which presented the 2020/21 forecast outturn position as at 30 September 2020 for revenue expenditure and income against working budgets and the funding position resulting from Covid-19.

The Cabinet member for Finance and Service Improvement stated that Covid-19 continued to have a huge impact on the council's finances with the most significant impact of £5.53 million currently forecast to be in the 2020/21 financial year. She added that the council had reduced expenditure where possible and with government funding had enabled stability in funding for core services and across the council plan. She highlighted that the government funding was less than the funding pressures of the council resulting from Covid-19. She added that the moratorium on spend and recruitment freeze would continue and the council would continue to lobby central government for financial support now and in future years. She concluded that the financial climate would continue to be challenging and further work would be required to manage the council's finances throughout the year.

Visiting Member, Councillor McCormick, was invited to address Cabinet. He appreciated that the council were in a dynamic situation with changing developments and asked the following questions:

- 1) Clarification regarding the government funding figures quoted in the report of £2.36 million in table 1 and £3.36 million in table 2.
- 2) In relation to the adverse variance of £0.72 million against the rebased budget for 2020/21, was this in addition to the funding gap identified in the budget proposals?
- 3) Referencing the Business Tax and Council Tax collection rates, both below target, what plans were in place to address and monitor the collection rates in the future?

He also referred to the government funding figures in table 1 of the report and commented that the council seemed to be receiving a low share of the government funding allocation, particularly in relation to test and trace, Covid marshals and business rates, and that the funding wouldn't address the funding gaps of the council. He asked whether that was because the authority was a relatively well provisioned and financially stable council as opposed to an authority that was more in need of financial support.

Resolved: To note

- 1) The significant financial implications that Covid-19 is having on the council, including the current estimated cost of £5.53M in 2020/21 which exceeds the current £2.36M of funding received or allocated from Government, as detailed in section 5 of the report;
- 2) The likely ongoing financial implications of Covid-19 on the MTFs in future years and that current savings plans must continue to be delivered where possible to prevent further deterioration in the council's financial position;
- 3) Lobbying Government for further funding continues both directly and through other associations and societies;
- 4) The 2020/21 budget has been rebased as outlined in the quarter one report;
- 5) An adverse variance of £0.72M against the rebased budget for 2020/21. Details of the significant variances can be seen in section 6 of the report;
- 6) The 2020/21 savings position is as detailed in section 7 of the report;
- 7) Budget virements amounting to £1.35M were processed in quarter two, as summarised in section 8; and
- 8) The risks associated with the revenue forecasts are as detailed in section 9 of the report.

The Cabinet Member for Finance and Service Improvement introduced the report which informed Cabinet of changes in the capital programme for the period 2020/21 to 2023/24. She stated that the capital programme continued to be impacted by the Covid-19 pandemic however the council was committed to delivering investment to the borough. She added that the report indicated a higher level of delayed expenditure than usual, although several projects had been brought forward in order to support local communities such as section 106 contributions to part fund an extension to St Luke's Hall in Overton to enable community groups to use the hall with social distancing in place. She added that funding had also been bought forward for improvement projects in Buckskin and Chineham. She also highlighted a new Capital scheme to support four additional one bedroom social rented homes in the borough as a welcome investment. She further highlighted that capital expenditure for 2020/21 was forecast to be £2.367 million lower than the latest approved budget, largely attributed to delayed spend, which was regularly monitored by the capital programme board. She concluded that the Covid-19 pandemic continued to challenge the timely implementation of the capital programme but was not stopping the delivery of improvements to community facilities.

Councillor McCormick was invited to make his comments to Cabinet. He raised a number of questions:

- 1) How much of the capital budget was being spent on addressing the climate emergency and how had that been impacted by Covid-19?
- 2) Referring to the replacement boiler at Carnival Hall, what is it being replaced with and should consideration be given to phasing out boilers to address the climate emergency?
- 3) With regard to town centre car park improvements, which car parks were being worked on and why was there a review of need?
- 4) How many green initiatives had been completed this year and how many had been delayed?
- 5) The report indicated reduced balances in spite of delayed works which indicates capital grants and contributions were not being paid as agreed. Why was this and what action was being taken to address it?

Cabinet responded to the questions. The Cabinet Member for Finance and Service Improvement agreed to provide a written response to the questions with the assistance of the Cabinet Member for Environment and Enforcement.

With reference to community facilities, the Cabinet Member for Communities, Culture and Partnerships clarified that the most efficient boilers and equipment were put in where possible.

The Cabinet Member for Homes and Families welcomed the capital investment for the additional four units of single person accommodation and funding for the low

cost home ownership scheme.

Resolved: To note

- 1) That forecast capital expenditure for 2020/21, as at the end of quarter two is £41.723M as shown in section 4. This is £2.367M less or 5.37% below the latest agreed capital programme budget;
- 2) The 2020/21 significant outturn variations and explanations for them are shown in section 5 of the report;
- 3) The addition of £0.247M to the programme since the last reported position in September 2020, under Council approval and delegated powers as shown in section 3 and Appendix 1 of the report;
- 4) The rephasing of £0.116M within the capital programme since the last reported position in September 2020, under delegated powers as detailed in section 3 and Appendix 1 of the report;
- 5) The quarter two forecasts and impact of scheme variances for 2020/21 on future year's capital expenditure were reported to the Capital Programme Board in October 2020;
- 6) The latest forecast of capital receipts, grants and contributions for 2020/21 in section 6 of the report;
- 7) The risks associated with the capital forecasts are as detailed in section 9 of the report; and
- 8) The capital programme remains fully funded up to 2023/24 based on the latest forecast of available resources.

38/20 **Annual Property Plan Half Year Report For Quarter 2 2020/21 (Property Investment Strategy)**

The Cabinet Member for Regeneration and Property introduced the report which set out the activity within the council's Property Service Team in implementing the approved Property Investment Strategy Annual Property Plan for the investment portfolio for the period 1 July and 30 September 2020.

He stated that good progress had been made with the full implementation of the 2017-18 Property Investment Strategy resulting in a return of £1.75 million of additional income which would increase to £2.3 million on completion of the new Eli Lilly HQ.

He stated that future proactive management of the portfolio was important and work was ongoing to restructure ground leases which would bring new investment to sites, and a rent review at Basing View, Daneshill, Houndmills and Viables. He added that JLL had been appointed as the council's new Property Investment Advisors. They would advise on possible options to consider in a future property

strategy on various sectors such as retail, offices, industrial or hotels and advise on disposals and regeneration, with the overall objective to increase rental income and work towards a more balanced, efficient and stable property portfolio. A performance index to measure the portfolio's performance was also being considered.

He concluded that in response to the covid-19 pandemic, help had been provided to some of the council's business tenants with deferred rents or conversion from quarterly to monthly payments.

Councillor McCormick was invited to address Cabinet with his comments. He referred to investment in commercial property and investment in Eli Lilly and asked to what extent the people of Basingstoke directly benefit from the investment and whether similar investments could be expected in football and the ice rink when in need.

The Leader of the Council responded that it was not the strategy of the council to invest in private enterprise. The property Investment Strategy indicated high rates of return on the assets, far in excess of the return on deposit, which was invested into the borough to keep low council tax and high services. The council needed to remain financially stable and not take risks with the property owning lottery that other authorities had found themselves in.

Council McCormick responded that the council did own a significant amount of the land at the Camrose ground and did build and initially own the ice rink, which were of manifest public benefit, and when in need, it was incumbent on the council to assist them.

The Cabinet Member for Regeneration and Property stated that residents directly benefit from the holdings in commercial property. The council did not borrow to invest in property and the returns wouldn't be achievable in relation to a football club or ice rink. He added that the value of the ice rink to residents was understood and in relation to the Camrose the council had the freehold but it was subject to a very long lease and the council's ownership of part of the land at the Camrose had been remote.

Resolved: That the Property Investment Strategy Half Yearly Report for Q2 2020/21 be noted.

39/20 **Infrastructure Funding Statement**

The Cabinet Member for Planning, Infrastructure and Natural Environment introduced the report and explained the requirement for the council to publish the Infrastructure Funding Statement on its website by 31 December 2020 to meet the Government's statutory legislation, which sets out the factual information in relation to S106 and the Community Infrastructure Levy (CIL) in respect of the amounts received and spent. It also detailed where the Council expects to spend money received from CIL in the future. The report also sought approval of the infrastructure List, the same as the existing Reg 123 list relating to transport, education, community sports, green infrastructure, flooding and water.

Visiting Member Councillor Freeman referred to the Infrastructure List in relation to education and the expansion of existing secondary schools and asked whether it was necessary, when Hampshire County Council had said that Basingstoke had enough secondary provision and that secondary school provision would not be built on Manydown in the near future. She expressed concern over the impact that expanding existing secondary schools would have on the Winklebury and Manydown area of Basingstoke where there was not secondary provision within walking distance.

Cabinet responded to the concerns, commenting that:

- Further investment in secondary schools should be welcomed and the secondary provision on Manydown would be determined by the population growth around it. Land had been provided for a secondary school on Manydown.
- The List had been drafted based on the content of the Reg 123 list which was due to be revisited as part of the Local Plan Update, so may be reviewed at that time. The List was the current position.
- The education of youth was vital and it was important that there was the right expansion in the right place.
- Expansion doesn't necessarily mean admissions or extending buildings. Engagement had been had with the Education Authority to ensure the council has information to inform the Local Plan Review so there are school places where they are required.

Visiting Member Councillor McCormick raised a number of questions relating to the List regarding the expected timeframe for the delivery of Chineham Station; what CIL funding could be expected for libraries; of the 13 sports facilities listed, 9 were in rural areas with 2 in the town, what proportion of funding would the schemes attract given that the rural schemes serve less than 40% of the borough's population; why was there nothing allocated to address the climate emergency or air quality issues?

In response, the Cabinet Member for Borough Development and Improvement agreed to provide a written response regarding the details of the sports facilities.

The Cabinet Member for Planning, Infrastructure and Natural Environment added that there was going to be new development in areas such as Kingsclere, Overton, Whitchurch and Bramley so new populations and expanding sports facilities go hand in glove. The existing population in Basingstoke would not necessarily receive funding from CIL or S106 to support facilities but would get capital grants and funding via other means. This was a measure of where funding might come from through new development. He further referred to the question regarding Chineham Station and stated that there were ongoing discussions with Network Rail in relation to its inclusion in the council's transport strategy. There were also broader plans regarding cycle lanes and conversations regarding mass rapid transport. He added that he would look into whether there should be a section included on the List for climate change.

The Cabinet Member for Environment and Enforcement stated that in relation to the climate emergency, a lot of work had been undertaken and the consultation in relation to the council's Climate Strategy had just ended. Officers were looking at possible funding through government grants and other avenues. Regarding other greener ways of travel, a lot of work was underway regarding electric vehicles and the installation of charging hubs in car parks, residential areas and community centres. She provided assurance that funds were available from various avenues to support the climate emergency.

The Cabinet Member for Homes and Families referred to Chineham Station stating that one of the reasons why the station had not been developed was due to resistance from Network Rail due to there being a single line between Basingstoke and Reading on which a significant amount of freight travelled so there was a reluctance to add a further commuter station. He also reiterated comments that the CIL and S106 was not the only source of funding for the development of infrastructure in the borough and attracting private investment into the borough to fund schemes was important. He also welcomed the fact that the report did not focus purely on hard infrastructure but included green infrastructure such as strategic open space provision.

Resolved: That

- 1) The content of the report, including proposals to undertake a review of the areas of future spend associated with the Community Infrastructure Levy in the spring be noted.
- 2) The Infrastructure List outlined in Appendix 1 of the report for inclusion into the Infrastructure Funding Statement publication on the Borough Council's website prior to 31 December 2020 be approved.
- 3) The Head of Planning, Sustainability and Infrastructure be granted delegated powers to approve the other elements of the Infrastructure Funding Statement in consultation with the Portfolio Holder for Planning, Infrastructure and the Natural Environment.

Reason for the decision:

To comply with the statutory requirement in the CIL regulations.

40/20 **Basingstoke Together Business Improvement District Ballot**

Cabinet considered a report which provided details of a ballot following the end of a five year term of the Basingstoke Together Business Improvement District (BID).

Visiting Member Councillor McCormick asked a number of questions in relation to the report regarding the option for the Council to veto the BID proposal; the impact of the collapse of Arcadia and Debenhams on the BID proposals; an update on the New River deal given the current climate; and why continue with the New River retail proposals if the town centre was under threat.

The Leader of the Council responded that the Chief Executive could veto the BID proposals if fault was found in the ballot. He stated that the collapse of Arcadia and Debenhams was distressing. Debenhams was a flagship store of Festival Place and any loss would have an impact. Discussions were still ongoing with New River Retail and consideration would be given to any impact on the town centre, however there was a need to enhance the retail offering in Basingstoke.

Councillor McCormick stated that he supported the sentiment by the proposals and would like to see more independent retail and arts and crafts in the town. The diversity of the retail offering needed to be improved however he recognised the future challenges given the climate but also opportunities as had been demonstrated during the pandemic with online orders and local deliveries. Examples of good practice should be used to support retailers in the town.

The Leader of the Council responded that the Borough Basket was an online marketplace to support independent retailers. The Cabinet Member for Borough Development and Improvement added that the empty units at the Top of Town were not owned by the council which proved challenging and the BID were a valuable partner and the council needed to do everything possible to support them.

Resolved: That

- 1) The content of the report and the intention of the Basingstoke Together BID to hold a ballot on 8 January 2021, subject to approval by the Board of Directors, be noted.
- 2) Subject to the outcome of the Extraordinary BID Board meeting on 16 December 2020 and consideration of the final BID Proposals, the renewal of the BID is in principle, endorsed.
- 3) Following the Extraordinary BID Board meeting on 16 December 2020 and consideration of the final proposals, the Leader will determine whether the Council endorses the renewal.
- 4) The Chief Executive be authorised to complete the ballot paper in the BID ballot on behalf of the Council in consultation with the Leader.
- 5) Should it be necessary, the Chief Executive be authorised in consultation with the Leader, to veto the BID proposals within 14 days of the ballot.

Reasons for the decision

The Basingstoke Together BID is currently considering going to ballot for a second five-year term. As part of the process, the BID will need to formally request the council to run a ballot. The council will need to consider the BID proposal and satisfy itself they are compliant with the current legislation.

The meeting ended at 7.42 pm.

Chairman