



Meeting	The Overview and Scrutiny Committee
Date and Time	Monday, 26th November, 2018 at 6.30 pm.
Venue	Walton Suite, Guildhall, Winchester

AGENDA

PROCEDURAL ITEMS

- 1. Apologies and Deputy Members**
To note the names of apologies given and Deputy Members who are attending the meeting in place of appointed Members.
- 2. Disclosures of Interests**
To receive any disclosure of interests from Members and Officers in matters to be discussed.

Note: Councillors are reminded of their obligations to declare disclosable pecuniary interests, personal and/or prejudicial interests in accordance with legislation and the Council's Code of Conduct.

If you require advice, please contact the appropriate Democratic Services Officer, prior to the meeting.
- 3. Chairman's Announcements**
- 4. Membership of Sub-Committees and Informal Groups etc**
- 5. Minutes** (Pages 5 - 18)
Minutes of the meetings held on 3 September 2018 (less exempt minute) and 15 October 2018.
- 6. To note the Scrutiny Work Programme for 2018/19 and the Forward Plan for December 2018** (Pages 19 - 28)



BUSINESS ITEMS

7. Public Participation
To receive and note questions asked and statements made from members of the public on matters which fall within the remit of the Committee
8. Housing Revenue Account Budget Options 2019/20 (OS214) (Pages 29 - 50)
9. Q2 Financial and Performance Monitoring (OS212) (Pages 51 - 98)
10. Council Strategy Update (OS213) (Pages 99 - 132)
11. Medium Term Financial Planning (OS211) (Pages 133 - 152)
12. EXEMPT BUSINESS: To consider whether in all the circumstances of the case the public interest in maintaining the exemption outweighs the public interest in disclosing the information.
 - i) To pass a resolution that the public be excluded from the meeting during the consideration of the following items of business because it is likely that, if members of the public were present, there would be disclosure to them of 'exempt information' as defined by Section 100 (l) and Schedule 12A to the Local Government Act 1972.

Item

Para No. of Schedule
12a to the Act giving description of
exempt information giving rise
to the exclusion of the public

Minutes of the meeting held on 3 September 2018
(Exempt Minute)

3 & 5

13. **Minutes of the meeting held on 3 September 2018 (exempt minute)**
(Pages 153 - 154)

L Hall
Head of Legal Services (Interim)

Members of the public are able to easily access all of the papers for this meeting by opening the QR Code reader on your phone or tablet. Hold your device over the QR Code below so that it's clearly visible within your screen and you will be redirected to the agenda pack.



16 November 2018

Agenda Contact: Claire Buchanan, Senior Democratic Services Officer
Tel: 01962 848 438 Email: cbuchanan@winchester.gov.uk

**With the exception of exempt items, Agenda, reports and previous minutes are available on the Council's Website www.winchester.gov.uk*

MEMBERSHIP

Chairman: Learney (Liberal Democrats) **Vice-Chairman:** Stallard (Conservative)

Conservatives

Cunningham
Gemmell
McLean
Weston
Lumby

Liberal Democrats

Clear
Evans
Thompson
Tod

Deputy Members

Berry and Mather

Hiscock and Weir

Quorum = 4 members

Relevant Portfolio Holders:

Having regard to the content of the agenda, the Chairman requests that The Leader and all relevant Portfolio Holders attend meetings of the committee

PUBLIC PARTICIPATION

A public question and comment session is available at 6.30pm for a 15 minute period. There are few limitations on the questions you can ask. These relate to current applications, personal cases and confidential matters. Please contact Democratic Services on 01962 848 264 in advance of the meeting for further details. If there are no members of the public present at 6.30pm who wish to ask questions or make statements, then the meeting will commence.

Voting:

- apart from the Chairman, every Member has one vote when a matter before the meeting requires a decision.
- in the event of an equality of votes, the Chairman may exercise a casting vote and that vote may be exercised in any way seen fit.
- a Member may abstain from voting, or vote differently from how they may have indicated during the debate, without further explanation.
- the way each Member voted will not be recorded in the minutes, unless a motion to have a Recorded Vote has been passed.

DISABLED ACCESS:

Disabled access is normally available, but please phone Democratic Services on 01962 848 264 or email democracy@winchester.gov.uk to ensure that the necessary arrangements are in place.

Public Document Pack Agenda Item 5

THE OVERVIEW AND SCRUTINY COMMITTEE

Monday, 3 September 2018

Attendance:

Councillors
Learney (Chairman)

Clear
Cunningham
Evans
Gemmell

McLean
Thompson
Tod
Weston

Deputy Members:

Councillor Berry (as deputy for Stallard)

Others in attendance who addressed the meeting:

Councillors Horrill (Leader), Brook (Portfolio Holder for Built Environment) and Porter

Others in attendance who did not address the meeting:

Councillors Ashton (Portfolio Holder for Finance) and Godfrey (Portfolio Holder for Professional Services).

Apologies for Absence:

Councillors Stallard

1. **DISCLOSURES OF INTERESTS**

Councillor Learney declared a personal (but not prejudicial interest) in respect of Item 5 (OS208) due to her role as Parish Councillor for Littleton and Harestock Parish Council, as the report referred to the Parish. Similarly, Councillor Cunningham also declared a personal (but not prejudicial) interest in this matter due to this role as Chairman of Littleton and Harestock Parish Council.

Furthermore, Councillors Clear and Evans also declared personal (but not prejudicial) interests in respect of item 5 due to their roles on Wickham Parish Council.

Councillor Tod declared a personal (but not prejudicial interest) in item 5 due to his role as a County Councillor and the report referred to Hampshire County Council.

2. **MINUTES**

RESOLVED:

That the minutes of the previous meeting held on 9 July 2018 be approved and adopted.

3. **SCRUTINY WORK PROGRAMME FOR 2018/19 AND THE FORWARD PLAN FOR OCTOBER 2018**

The Committee noted that a special meeting had originally been scheduled to take place on 24 September 2018 to consider a report on Station Approach - Carfax RIBA Stage 2 Design. However, this meeting had since been cancelled.

At the invitation of the Chairman, the Head of Programme addressed the Committee to provide an update on the project and answered Members' questions thereon.

In summary, the Head of Programme set out the following: delays to the timetable and the anticipated timetable going forward; a background on the current status of the scheme for the Carfax site, currently at RIBA Stage 2. It was noted that the design scheme had been frozen following issues raised by Hampshire County Council regarding access; the Cattlemarket site, which would be taken forward as part of the future project; and the Gateway Public Realm works whereby in July, the Cabinet (Station Approach) Committee had agreed the procurement of the Design Team for this element.

In conclusion, the Committee noted that it was anticipated that the report for RIBA Stage 2 would be brought forward to the Committee for consideration during February 2019.

In relation to the Scrutiny Work Programme, the Committee raised the following matter:

(i) Environmental Services Contract - Members expressed a wish to view the tender documents process and to keep a general overview on the contract, including details of the recruitment of staff and the transitional way forward. In response, the Strategic Director reported that Council would have the opportunity to oversee these developments. However, Members considered that there was a need for local Councillors to be involved in the process, in order to review the specification of how to bring this service forward.

In addition, although not specific to the work of the Committee, Members raised the recent introduction of the modern.gov committee system and suggested that it would be beneficial to look at the implications of the technology, including the use of bookmarks within uploaded documents for ease of reference. In response, the Strategic Director: Resources reported that a survey would be sent to all Councillors shortly to capture their views and establish the way forward for all users.

RESOLVED:

That, subject to the noting the comments above, the Scrutiny Work Programme for 2018/19 and Forward Plan for October 2018, be noted.

4. **PUBLIC PARTICIPATION**

At the invitation of the Chairman, Councillor Porter addressed the Committee with regard to Report OS208, as summarised under the relevant agenda item below.

5. **COMMUNITY INFRASTRUCTURE LEVY - OPERATIONAL REVIEW**
(OS208)

Councillor Brook introduced the report which reviewed the progress with the protocols and the committing of CIL income since the Council approved its CIL spending protocol in June 2016. It was emphasised that, whilst protocols and priorities were considered sound, the Council now had significant CIL reserves and had undertaken a review to simplify the process and proposed additional measures including introducing additional means by which external groups such as Parish Councils could make formal proposals for further investment in their areas.

The Committee considered the financial, legal and procurement, workforce and property and asset implications set out in the report. The proposed appointment of a dedicated CIL Officer to work solely with those applying for a CIL contribution was welcomed. The officer would also help to enable the Council to work closely with relevant groups and organisations to achieve a system where CIL funds are allocated efficiently.

In summary, Councillor Porter, stated that the Regulation 123 list, as set out in Appendix 1 to the report, needed to be inclusive of all projects from her perspective as a County and City Councillor and considered that paragraph 3.4 within the report was not a definitive statement. She raised concern regarding the lack of help available in local areas where work to support community facilities and projects were required (i.e. Post Office in Sutton Scotney) and it was Hampshire County Council's policy to spend CIL close to where it was generated.

In conclusion, Councillor Porter welcomed the review of the Regulation 123 list, which she suggested should be carried out annually and asked the Committee to consider an extension to or change to the time of year when parishes could apply for funding as this currently coincided with their budget setting process during January to March.

During questions and debate, Members raised a number of questions which were responded to accordingly, as summarised below:

- (i) In response to questions regarding a possible increase to the 15% Parish Council contributions (with the exception of Denmead who receive 25% due to their approved neighbourhood plan), it was reported that there was

strict guidance in statute to be adhered to which dictated the level of CIL contributions nationally;

- (ii) It was suggested that the CIL officer have an appropriate level of authority where they are able to resolve matters autonomously and consult with Ward Members and Parish Councils to address local issues directly and keep all parties informed of developments within their area.

In response, the Corporate Head of Regulatory agreed to review the wording of the pro-forma, set out in Appendix 2 to the report for this to be simplified and made more 'user friendly' and clarified that the officers would be seeking to make an appointment of a suitably qualified person to work autonomously following adequate training.

- (iii) Councillor Brook confirmed that Parish Council's were included as part of this CIL review, together with the provision of small amounts of contributions towards projects and improving the regularity of transfers. For major issues such as flood alleviation, Parish Council's could apply for central CIL funding.
- (iv) In response to queries regarding the Regulation 123 list, Councillor Brook clarified that list had been in existence since 2014 and that there would be opportunity to review the Regulation 123 list for a full refresh, with Ward Members to be included on projects.
- (v) The Committee suggested that consideration be given to allowing requests outside of the January to March period as this was a demanding time of year when the parishes would be setting their budget precepts.

RESOLVED:

1. That the Leader and other relevant Portfolio Holder notes the comments of the Committee above and the following matters be drawn to the attention of Cabinet.

- (i) That the Committee wishes to ensure that the new applicant to be appointed as CIL Officer is capable of working independently to programme projects;
- (ii) That improvements be made to the transparency of reporting in relation to CIL contributions available to Parish Council's;
- (iii) That the pro-forma, set out in Appendix 2 to the report, be simplified and clear for the application of smaller CIL grants; and
- (iv) That consultation with Parish Council's and Ward Members in the evaluation of proposals be improved.

6. **Q1 FINANCIAL AND PERFORMANCE MONITORING REPORT**
(OS207)

Councillor Horrill introduced the Report and together with the other members of Cabinet present, responded to detailed questions. Councillor Horrill emphasised that following considerable work and new initiatives the Council was in a good position with its individual performance measures, with the majority of the Council Strategy indicating a positive 'green' status. The report set out some areas where further emphasis was required going forward. In summary, the following matters were raised by the Committee.

- (i) The management of varying staffing levels within the Development Management Team and the long term retention of staff in this area.
- (ii) The development of the Smart City app, the finalisation of the Portfolio Holder Decision Notice in the respect, working with providers to understand what the market was currently offering and the changes towards monitoring the savings plan on a quarterly basis.
- (iii) Future funding for the LEADER programme.
- (iv) Delays to the progress levels towards establishing a Housing Company and clarification of the scope of the company. Councillor Horrill reported that consultation had taken place locally to form a company to deliver the project but this had not been finalised at this stage.
- (v) Progression with the Article 4 direction due to an increased movement of properties transferring to HMO's in other parts of the City as well as Stanmore, Highcliffe and Winnall. Councillor Horrill reported that a paper had been prepared for circulation to Members focussing on knowledge gained and levels of growing concentration in order to progress this matter.
- (vi) In respect Health and Happiness, as set out in Appendix 1 of the report, the Portfolio Holder for Health and Wellbeing be asked to provide feedback to the Committee regarding healthy life expectancy and the measures taken to tackle inequality.
- (vii) The levels of performance assigned for the Council's major projects be reviewed for inclusion within the next quarterly report
- (viii) In response to questions regarding meanwhile uses, Councillor Horrill reported that the redevelopment of Coitbury House, establishment of opportunities for people to have adequate work space on site and improvements to the public realm were all specific pieces of work being the focus of Cabinet (Central Winchester Regeneration) Committee. An advisory group was due to be established to complete this work over the next few months, with the longer term development of the site scheduled to be progressed once a clear understanding of the land available on site

had been evaluated in order for the longer term plans for the overall site to be recognised.

- (ix) The Strategic Director: Resources informed the Committee that government legislation in responding to Freedom of Information (FOI) requests remained unchanged.

Following debate, the Committee welcomed the Report and the use of clear graphic formats, making the information contained therein more readily reviewable.

RESOLVED:

That the Leader and other relevant Portfolio Holders notes the comments of the Committee but that no items of significance to be drawn to the attention of Cabinet.

7. **EXEMPT BUSINESS**

RESOLVED:

1. That in all the circumstances, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

2. That the public be excluded from the meeting during the consideration of the following items of business because it is likely that, if members of the public were present, there would be disclosure to them of 'exempt information' as defined by Section 100I and Schedule 12A to the Local Government Act 1972.

<u>Minute Number</u>	<u>Item</u>	<u>Description of Exempt Information</u>
##	Environmental Services Contract Decision Making (Exempt Report and Appendices)	<p>) Information relating to the financial or business affairs of any particular person (including the authority holding that information). (Para 3 Schedule 12A refers)</p> <p>) Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings. (Para 5 Schedule 12A refers)</p>

8. **ENVIRONMENTAL SERVICES CONTRACT DECISION MAKING (EXEMPT REPORT)**
(CAB3044)

The Committee considered the above report which recommended a way forward regarding the Environmental Services contract (detail in exempt minute).

The meeting commenced at 6.30pm and concluded at 9.35pm.

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THE OVERVIEW AND SCRUTINY COMMITTEE

Monday, 15 October 2018

Attendance:

Councillors
Learney (Chairman)

Stallard
Clear
Cunningham

Evans
Gemmell
Tod

Deputy Members:

Councillor Berry (Standing Deputy for Councillor McLean).
Councillor Hiscock (Standing Deputy for Councillor Thompson).
Councillor Mather (Standing Deputy for Councillor Weston).

Others in attendance who addressed the meeting:

Councillor Humby (Portfolio Holder for Business Partnership).

Apologies

Councillors McLean, Thompson and Weston

1. DISCLOSURES OF INTERESTS

Councillor Tod declared a personal (but not prejudicial interest) in item 7 (Community and Voluntary Sector Grants Review) as he was a Trustee of the Friends of Dean Garnier Garden (based in Winchester). He was also Chief Executive of the national Men's Health Forum charity - which is a member of the Department of Health's Health and Well-being Alliance. Neither of these bodies had made a request for grant assistance. In addition, as a County Councillor he had rights to give grants (from County funds).

Councillors Hiscock and Stallard both declared a personal (but not prejudicial interest) in item 7 (Community and Voluntary Sector Grants Review) as County Councillors they had rights to give grants from County funds and the County was also a partner in grant giving as well.

Councillor Mather declared a personal (but not prejudicial interest) in item 7 (Community and Voluntary Sector Grants Review) as she was a Council representative on the Trinity Winchester Advisory Board.

2. CHAIRMAN'S ANNOUNCEMENTS

The Chairman stated that the Minutes of the previous meeting held on 3 September 2018 would be submitted to the Committee's next meeting.

3. **TO NOTE THE SCRUTINY WORK PROGRAMME FOR 2018/19 (ATTACHED TO REVERSE OF AGENDA) AND THE FORWARD PLAN FOR NOVEMBER 2018**

The Chairman stated that Winchester Markets item had been withdrawn from the Forward Plan to allow further discussion with the officers on how to proceed with matters. Following debate, the Chairman agreed that the discussion with officers be extended to include the Winchester Christmas Market and to involve the expertise of the Winchester Business Improvement District (BID), for example for advice on car parking.

RESOLVED:

That the Scrutiny Work Programme for 2018/19 and Forward Plan for November 2018, be noted.

4. **PUBLIC PARTICIPATION**

No comments or questions were made during public participation

5. **COMMUNITY AND VOLUNTARY SECTOR GRANTS REVIEW**

(Report OS210 refers)

Councillor Humby introduced the report and the Corporate Head of Engagement provided detail on the report.

During questions and debate, Members raised a number of questions which were responded to accordingly, as summarised below:

- (i) It was explained that the proposals would not take away Winchester Town Forum's input into the decision-making on community and voluntary sector grants. Monies already allocated for grants in the Winchester Town Forum budget would be ring-fenced for town use only. Organisations in the town would also be able to benefit from grants provided to the District as a whole. The proposal would remove the need for applicants to apply twice as there would be a single bid which could receive joint consideration (between members of the Panel and members of the Winchester Town Forum). Matching funding (from the Winchester Town Forum Account) could be provided if required. The Winchester Town Forum Grant Committee could comprise the Panel for grant consideration if required and this point required clarification.
- (ii) The situation referred to in paragraphs 5.1 and 5.2 of the report relating to organisations that occupied Council owned buildings, or buildings that are on the Council owned land was complex and was still being researched.
- (iii) The Council had reviewed the work of the Directory for Social Change and had benchmarked with other local

authorities in its research. It had also worked in association with Community First.

- (iv) The reporting cycle and monitoring of organisations would be in relation and appropriate to the size of grant provided and the risk and nature of the organisation.
- (v) The proposal to provide funding over a three year period would provide more security for organisations.
- (vi) Kayak had now been renamed Unit 12.
- (vii) Deprivation, need and health had been taken into consideration in setting the target figures for objectives and priorities. Issues relating to mental health (including mental health of young people) could be given further consideration.
- (viii) the Council's Strategy and its periodic review would be the mechanism for objectives and priorities to evolve over time. Flexibility would also be retained to respond to new priorities as they emerged.
- (ix) A wider scope and broader view of the voluntary sector was achieved by working with Community First. There was also joint consideration of grants and partnership working between the District Council and the County Council and also by Member representation on the Southern Health Trust. Capturing volunteering (for example through Action Hampshire which oversaw community groups) was also important. It would also be beneficial to achieve joined up working between similar organisations delivering similar outcomes.
- (x) The small grant Local Panel's membership was still to be determined and grants would be provided in tranches, perhaps three times per year, over a trial period. The Panel may include Ward Members that were local to its sitting. There was value in taking the Panel out into the District as it could be active in local decision-making and could bring people together in a local area and avoid duplication between bodies. The Panels would meet in public but could retire to discuss issues in private as required. The meeting places for Panels could also be flexible to include other locations in addition to those suggested in paragraph 11.42.
- (xi) The Crowd Funding of projects would be third party hosted and would consider items such as gift aid and obeying charity laws. It was intended that Crowd Funding would bring groups together. The vetting and questioning of groups would be part of exercising due diligence. The

Council could act to increase leverage for groups, for example by using its Twitter Account to promote a scheme.

- (xii) Training days could be held to provide support and advise on the grant application process for the smallest of grant applicants, such as playgroups or local youth football teams, so that they were included in the grants process. The changes were to make and the grants application process simpler.

In conclusion, the Chairman summarised the significant items to be raised with Cabinet, as set out in the resolution below, and suggested that the Report be submitted to Cabinet for its consideration and then be reconsidered by this Committee for further review. This approach was supported by Councillor Humby.

RESOLVED:

That the following matters of significance be brought to the attention of Cabinet:

- (a) That clarity be sought about how Town Forum funding would be kept accountable and separate from District funding without disadvantaging town area organisations.
- (b) That the approach to organisations leasing property or land from the Council be brought back to Committee.
- (c) That consideration be given to more frequent than annual reporting for larger organisation.
- (d) That detail about how changes to priorities and unforeseen requirement are dealt with be provided.
- (e) That consideration to be given as to how the Council consults with residents whose needs are not met at the current time.
- (f) That in respect of small grants, a map be provided showing areas covered by each centre and that consideration be given to the provision to consider awards in private alongside networking.
- (g) That support and advice be provided to assist smaller organisations and marginalised communities in particular in accessing grants.
- (h) That the Committee recognises the value of Council grants to the local community and the effective way

the Council officers administer the existing programme.

- (i) That the Overview and Scrutiny Committee wish to see the paper again prior to the final Cabinet decision.

6. **ANNUAL REPORT: LOCAL GOVERNMENT AND SOCIAL CARE
OMBUDSMAN 2017/18**
(Report OS209 refers)

In summary, matters were raised regarding the pattern and trends of complaints and how the level of compensation was calculated when a case was upheld by the Ombudsman.

RESOLVED:

That the Report be noted.

The meeting commenced at 6.30 pm and concluded at 8.25 pm

Chairman

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THE OVERVIEW AND SCRUTINY COMMITTEE WORK PROGRAMME FOR 2018/19					
26 NOVEMBER 2018					
	BUSINESS	LEAD OFFICER	COMMITTEE DATE		STATUS/ COMMENTS
			Original	Revised	
	Q2 Financial and Performance Monitoring	Joseph Holmes	26 November 2018		CAB3095/OS212
	Council Strategy Update	Joseph Holmes	26 November 2018		CAB3094/OS213
Page 19	Medium Term Financial Planning	Darren Kennedy	26 November 2018		CAB3103/OS211
	Housing Revenue Account Budget Options 2019/20	Richard Burden/Richard Botham	26 November 2018		CAB3098 (HSG)/OS214
13 DECEMBER 2018					
	BUSINESS	LEAD OFFICER	COMMITTEE DATE		STATUS/ COMMENTS
			Original	Revised	

	Station Approach – RIBA Stage 2 Design and Outline Business Case	Ian Charie/Zoe James	13 December		Additional meeting in advance of the Cabinet (Station Approach) Committee on Tuesday 18 December. These meetings will consider the outline business case for the Carfax scheme and progression from RIBA stages 2 to 3.
	The future of the Traffic/Transport and On Street Parking Agency Agreements	Richard Botham	13 December 2018		
	Environmental Services Kerbside Glass Collection and Contract Strategy	Steve Tilbury	26 November 2018	13 December 2018	CAB3108 (Exempt Appendices - TBC)
28 JANUARY 2019					
	BUSINESS	LEAD OFFICER	COMMITTEE DATE		STATUS/COMMENTS
			Original	Revised	
	Medium Term Financial Strategy	Joseph Holmes	28 January 2019		
	General Fund Budget 2019/20	Joseph Holmes	28 January 2019		
	Treasury Management Strategy	Joseph Holmes	28 January 2019		
	Housing Revenue Account Budget 2019/20 and Business Plan 2019/2049	Richard Botham	28 January 2019		

	Capital Strategy	Joseph Holmes	28 January 2019		
	Leisure Centre – Full Business Case	Andrew Hickman/Jo Anderson	28 January 2019		Please note: This report is expected to be moved to an additional meeting date – date to be confirmed

25 FEBRUARY 2019

	BUSINESS	LEAD OFFICER	COMMITTEE DATE		STATUS/COMMENTS
			Original	Revised	
Page 21	Annual Emergency Planning Report	David Shaw	25 February 2019		
	Community Safety Partnership Performance Review	Sandra Tuddenham	25 February 2019		
	Q3 Financial and Performance Monitoring	Joseph Holmes	28 January 2019	25 February 2019	
	Asset Management Plan	Kevin Warren	25 February 2019		TBC

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Forward Plan of Key Decisions

December 2018

The Forward Plan is produced by the Council under the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012. The purpose of the Plan is to give advance notice of Key Decisions to be made by the Cabinet, Cabinet Committees, Portfolio Holders or officers on its behalf. This is to give both Members of the Council and the public the opportunity of making their views known at the earliest possible stage.

This is the Forward Plan prepared for the period **1 - 31 December 2018** and will normally be replaced at the end of each calendar month.

The Plan shows the Key Decisions likely to be taken within the above period. Key Decisions are those which are financially significant or which have a significant impact. This has been decided, by the Council, to be decisions which involve income or expenditure over £200,000 or which will have a significant effect on people or organisations in two or more wards.

The majority of decisions are taken by Cabinet and its committees, together with the individual Portfolios held, where appropriate. The membership of Cabinet and its committees, and their meeting dates can be found [via this link](#). Other decisions may be taken by Portfolio Holders or Officers in accordance with the Officers Scheme of Delegation, as agreed by the Council (a list of Portfolio Holders used in the Plan is set out overleaf).

The Plan has been set out in the following sections:

Section A – Cabinet and Committees

Section B - Individual Portfolio Holders

Section C – Officer Decisions

Anyone who wishes to make representations about any item included in the Plan should write to the officer listed in Column 5 of the Plan, at the above address. Copies of documents listed in the Plan for submission to a decision taker are available for inspection on the Council's website or by writing to the above address. Where the document is a committee report, it will usually be available five days before the meeting. Other documents relevant to the decision may also be submitted to the decision maker and are

available on Council's website or via email democracy@winchester.gov.uk or by writing to the above

Regulation 5 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 refers to the requirement to provide notice of an intention to hold a meeting in private, inclusive of a statement of reasons. If you have any representations as to why the meeting should be held in private, then please contact the Council via democracy@winchester.gov.uk or by writing to the above address. **Please follow this link to definition of the paragraphs** (Access to Information Procedure Rules, Part 4, page 32, para 10.4) detailing why a matter may be classed as exempt from publication under the Local Government Acts, and not available to the public.

If you have any queries regarding the operation or content of the Forward Plan please contact David Blakemore (Democratic Services Manager) on 01962 848 217.

Cllr Caroline Horrill

Leader of the Council

31 October 2018

Cabinet Members:

- Cllr Caroline Horrill
- Cllr Rob Humby
- Cllr Guy Ashton
- Cllr Caroline Brook
- Cllr Stephen Godfrey
- Cllr Lisa Griffiths
- Cllr Stephen Miller
- Cllr Jan Warwick

Portfolio Held:

Leader & Portfolio for Housing Services

Deputy Leader & Portfolio for Business Partnerships

Finance

Built Environment

Professional Services

Health & Wellbeing

Estates

Environment

	Item	Portfolio Holder	Cost (over £200,000)	Wards Affected	Lead Officer	Documents submitted to decision taker	Decision taker (Cabinet, Committee, Portfolio Holder or Officer)	Date/period decision to be taken	Committee Date (if applicable)	Open/private meeting or document? If private meeting, include relevant exempt paragraph number
1	Local Plan 2036 - Update & Next Stages	Portfolio Holder for Built Environment	tbc	All Wards	Jenny Nell	Committee Report	Cabinet (Local Plan) Committee	Dec-18	3-Dec-18	Open
2	Approval of SHELAA for Publication	Portfolio Holder for Built Environment	tbc	All Wards	Jenny Nell	Committee Report	Cabinet (Local Plan) Committee	Dec-18	3-Dec-18	Open
3	Adoption of revised Statement of Community Involvement	Portfolio Holder for Built Environment	tbc	All Wards	Jenny Nell	Committee Report	Cabinet (Local Plan) Committee	Dec-18	3-Dec-18	Open
4	Updated Local Development Scheme	Portfolio Holder for Built Environment	tbc	All Wards	Jenny Nell	Committee Report	Cabinet (Local Plan) Committee	Dec-18	3-Dec-18	Open

	Item	Portfolio Holder	Cost (over £200,000)	Wards Affected	Lead Officer	Documents submitted to decision taker	Decision taker (Cabinet, Committee, Portfolio Holder or Officer)	Date/period decision to be taken	Committee Date (if applicable)	Open/private meeting or document? If private meeting, include relevant exempt paragraph number
5	Council Strategy Update	Leader and Portfolio Holder For Housing	tbc	All Wards	Simon Howson	Committee Report	Cabinet	Dec-18	12-Dec-18	Open
6	Medium Term Financial Planning	Portfolio Holder for Finance	tbc	All Wards	Joseph Holmes	Committee Report	Cabinet	Dec-18	12-Dec-18	Open
	Q2 Financial and Performance Monitoring	Portfolio Holder for Finance	n/a	All Wards	Joseph Holmes	Committee Report	Cabinet	Dec-18	12-Dec-18	Open
8	Community and Voluntary Sector Grants Review	Portfolio Holder for Business Partnerships	tbc	Town Wards	Susan Robbins	Committee Report	Cabinet	Dec-18	12-Dec-18	Open
9	Approval of brief for strategic advisor	Leader and Portfolio Holder For Housing	tbc	All Wards	Veryan Lyons	Committee Report	Cabinet	Dec-18	12-Dec-18	Open

	Item	Portfolio Holder	Cost (over £200,000)	Wards Affected	Lead Officer	Documents submitted to decision taker	Decision taker (Cabinet, Committee, Portfolio Holder or Officer)	Date/period decision to be taken	Committee Date (if applicable)	Open/private meeting or document? If private meeting, include relevant exempt paragraph number
10	Land Transaction	Portfolio Holder for Estates	tbc	All Wards	Kevin Warren	Committee Report	Cabinet	Dec-18	12-Dec-18	Part exempt 3
11	The future of the Traffic/ Transport and On Street Parking Agency Agreements	Portfolio Holder for Environment	tbc	All Wards	Richard Botham	Committee Report	Cabinet	Dec-18	12-Dec-18	Part exempt 1,2,4
12	Environmental Services Contract Update	Portfolio Holder for Environment	tbc	All Wards	Steve Tilbury	Committee Report	Cabinet	Dec-18	12-Dec-18	Part exempt 3
13	Station Approach - Outline Business Case & Progression RIBA Stage 2 to 3	Portfolio Holder for Estates	tbc	St Bartholomew; St Paul	Ian Charie	Committee Report	Cabinet (Station Approach) Committee	Dec-18	18-Dec-18	Part exempt 3

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REPORT TITLE: HOUSING REVENUE ACCOUNT (HRA) BUDGET OPTIONS 2019/20

26 NOVEMBER 2018

REPORT OF PORTFOLIO HOLDER: LEADER WITH PORTFOLIO FOR HOUSING – CLLR CAROLINE HORRILL

Contact Officer: Richard Burden Tel No: 01962 848136

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WARD(S): ALL

PURPOSE

This report provides an update on the Housing Revenue Account (HRA) budget for 2018/19 and sets out options for Members to consider in relation to the budget for 2019/20. It updates Members on the latest forecasts for the Housing Capital Programme for 2018/19, (together with a proposed programme for the next 9 years) and also sets out the impact on the long term HRA business plan, which remains sustainable throughout the 30 year planning period.

RECOMMENDATIONS:

To Cabinet (Housing) Committee:

1. The revised forecasts for the HRA for 2018/19, as detailed in Appendices 1 and 2 be approved.
2. The amended capital programmes for Housing Services and New Build Projects together with the funding schedule for 2018/19 to 2027/28 as detailed in Appendices 3, 4 and 5 are approved.
3. The rent reduction for Council dwellings of 1% in 2019/20, as highlighted in paragraph 11.7, in line with MHCLG rent setting policy is approved.
4. The latest forecast for the rectification works, as outlined in paragraph 11.11,

for Victoria House are noted.

5. Recommend to Council, that subject to the Corporate Head of Housing being satisfied that suitable delivery arrangements are in place and the completion of a funding agreement between Wickham Community Land Trust (WCLT) and the Council, a supplementary capital estimate of £410k be approved and a grant award of this sum be made to WCLT for the provision of affordable housing.

To The Overview and Scrutiny Committee:

That the Overview and Scrutiny Committee raises with the Leader or relevant Portfolio Holder any issues arising from the information in this report, having regard to the recommendations as set out above.

IMPLICATIONS:1 COUNCIL STRATEGY OUTCOME

- 1.1 Providing good quality housing and new affordable homes is a strategic priority for the Council. Effective management of the resources available to the Council enable it to take advantage of new opportunities and ensure that satisfaction levels remain high amongst tenants in relation to their home and community.

2 FINANCIAL IMPLICATIONS

- 2.1 These are fully detailed in Section 11 of the report and accompanying appendices.

3 LEGAL AND PROCUREMENT IMPLICATIONS

- 3.1 The Council is required under statute to maintain a separate Housing Revenue Account with a positive working balance. MHCLG recently announced that the HRA borrowing cap would be removed on 29 October 2018. Further announcements are expected from MHCLG before the end of March 2019 on the use of right to buy receipts and from CIPFA on potential changes to the prudential borrowing code. This paper updates the latest HRA financial position based on the existing HRA debt cap remaining in place. The HRA business plan will be revised in January 2019 forming part of the 2019-20 HRA Budget paper. The January 2019 paper will also take into consideration any further funding announcements and a review of the New Build programme. . Effective management of the HRA is necessary to ensure that both of these requirements are met.
- 3.2 Any Housing Services contracts and new build schemes will be procured in accordance with the Council's Contract Procedure Rules and where applicable, The Public Contract Regulations 2015. Any projects with costs in excess of £100,000 will be subject to a financial appraisal in line with Financial Procedure Rules.
- 3.3 The proposals and the business plan projections included in this report have been prepared based on the restrictions imposed by the HRA debt cap rules. However, the debt cap has now been lifted as detailed in this report..
- 3.4 Provided that the grant terms, in relation to the proposed WCLT grant award, adequately describe the purposes for which the grant can be used, and make certain provisions about the receipts of shared ownership staircasing (ie the sale of a greater proportion of the shared ownership house to the occupant), then the grant will be treated as compensation for delivery of a public service obligation, which is excluded from the State aid regime.

4 WORKFORCE IMPLICATIONS

- 4.1 The 2019/20 forecast and future years in the business plan include the impact of the closure of the car leasing scheme in September 2019.
- 4.2 The employee cost forecast for 2019/20 includes known additional costs arising from the proposed salary assimilation process.

5 PROPERTY AND ASSET IMPLICATIONS

- 5.1 In order to meet one of the key principles of the Council Strategy, the HRA is required to provide sufficient financial resources to both maintain existing stock to decent homes standard and to enable new affordable housing to be built to help meet local demands.

6 CONSULTATION AND COMMUNICATION

- 6.1 This report will be reviewed by the Overview & Scrutiny Committee on 26 November.
- 6.2 The report was reviewed and approved by the TACT support group on 5 November.

7 ENVIRONMENTAL CONSIDERATIONS

- 7.1 The Housing Service considers environmental factors when preparing and developing major projects e.g. working closely with Planning and Landscape Officers when considering new build developments to meet the required codes for sustainable housing.

8 EQUALITY IMPACT ASSESSMENT

- 8.1 There are no equality issues arising from this report.

9 DATA PROTECTION IMPACT ASSESSMENT

- 9.1 None required.

10 RISK MANAGEMENT

- 10.1 The key risks impacting on the HRA budget are shown below.

Risk	Mitigation	Opportunities
<i>Property That the Council fails to adequately maintain housing stock and their condition falls below decent home standards.</i>	An effective and well funded programme of capital works linked to a comprehensive stock condition survey and sound future planning ensures decent home	The government are currently looking at a potential revision to decent home standards following the Grenfell Tower disaster in 2017.

	standards are met and maintained.	
<i>Community Support Consultation is required with tenants regarding HRA budgets and with the wider community over new build developments.</i>	Regular communication is maintained with tenants and leaseholders on a variety of housing issues. The Council consults with local residents and stakeholders on proposed new build schemes.	Pro-active consultation can bring forward options that otherwise may not have been considered.
<i>Timescales Delays to new build contracts results in lost revenue and potentially increased costs. An achievable new build programme is necessary to avoid the Council having to repay Right to Buy 1-4-1 receipts with interest or penalties.</i>	New build contracts contain clauses to allow the Council to recover damages if the project is delayed due to contractor actions. Close control is maintained on Right to Buy receipts and these are monitored against future spending plans to ensure action can be taken if necessary.	The MHCLG have recently consulted on the use of Right to Buy receipts, including extending the retention of existing receipts from 3 to 5 years. There is also the potential for the use of receipts on shared ownership properties. An announcement following the consultation is expected later in 2018/19.
<i>Project capacity The HRA debt cap and rules around the use of Right to Buy receipts may limit the ability of the Council to implement proposed new build schemes at the required pace. Staffing resources (sometimes outside of Housing) reduce the time available to push forward new build schemes at the required pace.</i>	Regular monitoring of budgets and business plans, together with the use of suitable financial assessment tools enables the Council to manage resources effectively. Staff resources within Housing are regularly reviewed and regular project meetings are held with colleagues in other Departments to enable an ambitious new build programme to be delivered.	The MHCLG have announced the lifting of the HRA debt cap from 30 October 2018. This will allow the Council to control the level of debt taking into consideration prudential funding rules and the ability to service debt within the HRA balance. This will allow the Council to fund more housing development activity in the future.
<i>Financial / VfM The current rent reduction rules are directly impacting on the Council's ability to</i>	Regular budget monitoring and opportunities to save costs assist with	

<p><i>maintain services at existing levels but new announcements should allow an element in business planning until 2025.</i></p> <p><i>The roll out of Universal Credit (UC) in Winchester is due to complete by December 2018. This will have an impact on the level of arrears and the potential for rent write offs in future years.</i></p>	<p>maintaining services at required levels.</p> <p>Winchester is working closely with the DWP and tenants who are affected by UC. Additional resource has been included in the 2018/19 budget to support tenants and minimise the impact on rent arrears.</p>	
<p><i>Legal</i> <i>Changing Government priorities and a greater emphasis on “social housing” (as compared to affordable housing) may impact on the Council’s new build programme.</i></p>	<p>Government policy changes are being followed closely to identify any new risks or opportunities that they bring.</p>	
<p><i>Innovation</i> <i>The introduction of a Housing Company to support the new build programme is brought in without reference to existing rules and consents.</i></p>	<p>Legal and business planning advice is being sought on an appropriate solution.</p>	
<p><i>Reputation</i> <i>Failure to complete major housing projects due to resources would be likely to affect both customer satisfaction levels and the Council’s reputation.</i></p>	<p>Business planning tools with regular updates are utilised to make sure resources are available to complete projects.</p>	
<p><i>Other</i> <i>None.</i></p>		

11 SUPPORTING INFORMATION:

11.1 Local Authority Housing Update

11.2 In the last couple of months there have been some significant funding changes & proposals announced by MHCLG. At the end of September the Council submitted a £52m bid for additional borrowing under the £2bn

MHCLG HRA additional borrowing programme 2019-2022. The bid demonstrated Council intention to deliver a significant number of new social housing units over the next 3 financial years. The size of the bid, together with a number of high bids nationally, contributed to the decision to remove the HRA debt cap from 30 October 2018. The removal of the HRA debt cap and potential changes on the use of right to buy receipts will give local authorities more freedom to plan and deliver additional social housing properties in the future. The 2019/20 HRA budget paper, to be presented to Cabinet (Housing) Committee on 30 January 2019, will include a revised 10 year business plan assuming no HRA debt cap. The business plan will focus on the delivery of new social housing properties, taking into consideration any changes to prudential borrowing rules and existing revenue commitments.

- 11.3 Proposals identified in the MHCLG use of right to buy receipts consultation include more tenure flexibility, allowing receipts to be used for shared ownership developments in addition to social & affordable rent. Other proposals include allowing receipts to be used in addition to Homes England grant on the same scheme and the potential for local authorities to retain more than the current 30% of right to buy sales. An announcement on the conclusions of the consultation is expected before April 2019.
- 11.4 In August MHCLG issued a green paper consultation on “A New Deal for Social Housing” asking for comment from housing providers on a wide range of questions & proposals. MHCLG are keen to understand how social housing providers view the future management and regulation of the sector, including funding and tenant involvement.
- 11.5 Housing Revenue Account Updated Forecast 2018/19
- 11.6 The 2018/19 working budget is showing an improved position for the current financial year. The latest forecast is showing a surplus of £1.59m for the year against the original budget of £627k deficit. Appendices 1 & 2 detail the service and subjective HRA summaries as they are now forecast.
- 11.7 Repair costs, including response, voids and cyclical repairs, are forecast to increase by £170k compared to budget.
- 11.8 Depreciation has increased by £616k compared to the budget. This is as a result of change of calculation identified during the 2017/18 year end audit review. The new calculation basis will be followed in future years.
- 11.9 Rental income is forecast to reduce by £200k compared to budget. This is as a result of delays in the handover of new build properties during the year.
- 11.10 Housing Rents 2019/20 and beyond
- 11.11 For 2019/20, it is proposed that rents for all Council dwellings be reduced by 1% in line with the current MHCLG policy. 2019/20 will be the final year of the

national “rent reduction” proposals, after which all registered providers are able to set rents based on an annual increase of CPI+1%.

- 11.12 The 1% rent reduction effectively results in £266k reduced income and has an immediate and direct impact on the HRA business plan. However, the projections in Appendix 8 demonstrate that this reduction can be afforded whilst still retaining revenue reserves at a reasonable level.
- 11.13 Housing Capital Programme Updated Forecast 2018/19
- 11.14 The Housing Services Programme shows a net decrease of £270k compared to the original budget of £8.44m. The decrease is as a result of the timing of external envelope repairs, including roof work, which will be carried forward into 2019/20.
- 11.15 The new build programme shows a net decrease of £70k compared to the original budget. The changes compared to budget are as follows;
- Victoria House – The cost is forecast to increase by £30k compared to the original £410k budget. This includes taking into consideration the additional costs of the completion works less a claim against the original contractor performance bond. The scheme is being managed to completion by Rekan following HH Drew going into administration. Overall contract costs are still within the 10% overspend limit but it is possible further costs may arise before the scheme is completed at the end of December.
 - Winnall Flats – The scheme will not start on site until 2019/20 resulting in reduced expenditure of £430k during the year.
 - Meryon Road – The budget included initial feasibility costs of £100k but the scheme has now been put on hold.
- 11.16 Appendices 3 & 4 show the revised forecasts for 2018/19 together with the proposed budgets for the next 9 years.
- 11.17 Housing Capital Programme Budgets 2019/20 to 2027/28
- 11.18 Within Housing Services, the major repairs budgets from 2019/20 are based on the latest stock condition information. Forecast cost predictions over the 30 year business plan have been broken down into 5 year bandings to smooth the effect of the major repairs programme over the life of the plan.
- 11.19 The projected stock condition information gives a reduction in repair spend until 2024/25 when a £2.8m increase in mechanical & electrical services is required for a period of 5 years. For the remainder of the 30 year plan from 2028/29 repair costs reduce back down to the current level.

- 11.20 The Estate Improvements programme is set to continue at £250k per annum until 2027/28. Sheltered housing upgrades will remain at £100k per annum until 2021/22 and reduce to £50k per annum until 2028/29.
- 11.21 For the new build programme, no further known schemes have been added to programme. From 2021/22 funding of £8m per annum has been allocated within the 30 year business plan to cover the future new build programme, including small sites and schemes funded by RTB sales.
- 11.22 HRA Capital Programme Funding
- 11.23 Appendix 5 gives full details of how it is proposed to fund the Housing Services & New Build budgets from 2018/19 to 2027/28.
- 11.24 The 30 year business plan takes into consideration the current HRA debt cap of £168m. It has been announced that the HRA debt cap will be lifted from 30 October 2018 which will allow further borrowing to deliver more new build properties. Precise details on the prudential borrowing rules that will be required have not yet been published but this is expected shortly.
- 11.25 There has also been a recent MHCLG consultation on the use of RTB receipts, the results of which are expected by the end of 2018/19. There is the potential for use of RTB receipts on other tenures including shared ownership and a short term increase in the 3 year time limit for utilising existing receipts to 5 years.
- 11.26 Prudent assumptions have been made on the future funding programme the HRA business plan on shared ownership and S106 receipts.
- 11.27 Housing Management Budgets 2019/20 to 2047/48
- 11.28 The car leasing scheme will close in September 2019, following which all cars will be handed back. Staff affected may be given the alternative of an essential car user allowance depending on the level of annual mileage. Savings will be limited in 2019/20, allowing for the early termination of leases. From 2020/21 annual savings are expected to be £117k and will continue for the remainder of the 30 year business plan.
- 11.29 The forecast for 2019/20 includes known costs arising from the Local government pay award and the 1% increase in employer pension contributions.
- 11.30 HRA Business Plan 2019/20 to 2047/48 – Key assumptions
- 11.31 The latest iteration of the 30 year HRA business plan uses the 2018/19 latest forecast position as the base.
- 11.32 The business plan includes the current 1% rent reduction for 2019/20 and the MHCLG policy of increasing rents by CPI +1% for 5 years from 2020/21 until

2024/25. Rents will revert to base CPI only from 2025/26 for the remainder of the plan.

- 11.33 Appendices 6 & 7 show extracts from the business plan operating account and loan financing schedule. Internal loan funding of £4.5m is required in 2020/21 to fund the current capital programme. Appendix 7 demonstrates a gradual repayment of the outstanding loan finance over the life of the plan.
- 11.34 As outlined in previous housing cabinet papers, the garage stock is being transferred to the general fund over 4 years commencing in March 2019. The business plan assumes a 25% reduction in rental income for each of the 4 years with a capital payment from the general fund. Garage rent is predicted to increase by RPI annually until all garages have been transferred to the general fund.
- 11.35 There are no specific budget options identified other than to maximise the level of new build development within the current HRA debt cap.
- 11.36 General assumptions used in the plan have been reviewed and amended, details of which are shown at Appendix 8.
- 11.37 Wickham CLT funding requirement
- 11.38 The Council have been approached by Wickham Community Land Trust (WCLT) to financially support the development of 10 affordable homes (5 affordable rent, 5 shared ownership) in Wickham. WCLT is a registered provider (RP) and has previously developed (with Council financial support) 8 affordable homes in Wickham. The WCLT proposals relate to land in Wickham that already has a planning permission for a mixture of market and affordable homes (with a S106 Agreement requiring the provision of affordable homes). This means without the funding requested it is likely that all the affordable homes would still be provided but by a larger RP, however WCLT ownership would offer local stewardship of the homes and help build their asset base which, in turn, would enable further local development in the future. Any funding agreement would include conditions excluding the grant from the State aid regime.
- 11.39 The Council promotes a mixed economy of affordable housing provision in order to accelerate and maximise the supply of affordable housing. It is a founding partner of the Hampshire Community Housing Partnership and its own Housing Strategy seeks to adopt an innovative approach to new provision, including community led housing. Community led housing (housing where ownership and stewardship is vested in community based groups) is being promoted by Government, including through its “New Deal for Social Housing” Green Paper and the Community Housing Fund.
- 11.40 The total scheme costs are estimated to be £1.7m with WCLT funding from a mixture of its reserves, commercial loans and the requested grant from the Council. The financial details presented by WCLT, and analysed by the Council, indicate a funding gap of £410k, being the amount requested by

WCLT. The offer of grant would assist WCLT in finalising negotiations on delivery. Should Members be minded to approve the award of grant no payment would be made until there was certainty over the delivery.

- 11.41 The Council's agreement with MHCLG allows retained RTB 1-4-1 receipts to be paid to a partner for the development of replacement social housing but with the same restrictions that apply to the Council using 1-4-1 receipts. This includes only using funds for rented (not shared ownership) housing, being unable to use the receipts where Homes England grant is being received for the development and with a maximum of 30% of relevant development and/or acquisition costs.
- 11.42 Due to these limitations, the value of RTB 1-4-1 receipts that can be allocated to this scheme is restricted to £244k, leaving a gap of £166k to be found. This can be met from the following sources:
- £40k from the Community Housing Fund grant (already awarded by Government to the Council); and
 - £126k from S106 developer contributions.
- 11.43 The Council currently has £360k of available S106 developer contributions that have not been allocated to other development schemes. The HRA business plan has taken into consideration the use of the proposed £126k from available S106 developer contributions.

BACKGROUND DOCUMENTS:-

Previous Committee Reports:-

CAB 3016(HSG) HRA Budget 2018/19 and Business Plan 2018 – 2048; 31 January 2018

CAB 3036(HSG) HRA 2017/18 Outturn and Key Performance Indicators; 4 July 2018

Other Background Documents:-

HRA Business Plan 2018 to 2048, from which Appendices 6 and 7 are extracted.

APPENDICES:

Appendix 1 – Housing Revenue Account Revised Budget Forecast 2018/19 – Service Summary

Appendix 2 – Housing Revenue Account Revised Budget Forecast 2018/19 – Subjective Summary

Appendix 3 – Housing Services Re-Forecast Capital Programme 2018/19 and Proposals for 2019/20 to 2027/28

Appendix 4 – New Build Re-Forecast Capital Programme 2018/19 and Proposals for 2019/20 to 2027/28

Appendix 5 – Housing Capital Programme Funding Re-Forecast and Proposals for 2019/20 to 2027/28

Appendix 6 – HRA Business Plan Extract – Operating Account 2018/19 to 2047/48

Appendix 7 – HRA Business Plan Extract – Financing Schedule 2018/19 to 2047/48

Appendix 8 – HRA Business Plan – Updated Assumptions

Housing Revenue Account - Re-Forecast Service Summary 2018/19			CAB3098(HSG) Appendix 1	
	18/19 Original Budget £	18/19 Working Budget £	18/19 Further Adjustments £	18/19 Forecast Budget £
Housing Management General				
Estate Management	1,260,431	1,260,431	0	1,260,431
HRA General	2,147,271	2,247,271	0	2,247,271
Removal Incentive Scheme	50,000	60,000	0	60,000
Rent Accounting	260,211	260,211	0	260,211
Tenants Information	116,249	136,249	0	136,249
Vacant Dwellings	9,200	9,200	0	9,200
New Build Programme Support	668,468	718,468	0	718,468
	4,511,830	4,691,830	0	4,691,830
Housing Management Special				
Communal Services	(90,500)	(90,500)	0	(90,500)
Disabled Adaptations	115,245	115,245	20,000	135,245
Estate Maintenance	511,717	531,717	0	531,717
Homelessness	(66,600)	(66,600)	0	(66,600)
Sewage Works	185,179	185,179	0	185,179
Sheltered Housing	760,988	830,988	0	830,988
	1,416,029	1,506,029	20,000	1,526,029
Repairs				
Responsive Maintenance	2,351,407	2,200,000	200,000	2,400,000
Voids	585,000	950,000	(100,000)	850,000
Cyclic	850,000	750,000	50,000	800,000
Sub - total Repairs Works	3,786,407	3,900,000	150,000	4,050,000
Repairs Administration	1,244,978	1,253,978	0	1,253,978
	5,031,385	5,153,978	150,000	5,303,978
Debt Management Expenses				
Debt Management Expenses	18,297	18,297	0	18,297
Interest Payable	5,182,000	5,168,000	0	5,168,000
Depreciation of Fixed Assets	6,044,100	6,044,100	616,000	6,660,100
	11,244,397	11,230,397	616,000	11,846,397

			CAB3098(HSG)	
			Appendix 1 (continued)	
Rents and Other Income				
Dwelling Rents	(26,097,400)	(26,097,400)	200,000	(25,897,400)
Garage Rents	(650,240)	(650,240)	0	(650,240)
Other Income	(264,800)	(264,800)	0	(264,800)
Sheltered Charges	(517,400)	(517,400)	0	(517,400)
Interest Receivable	(21,000)	(21,000)	0	(21,000)
	(27,550,840)	(27,550,840)	200,000	(27,350,840)
Surplus for year on HRA Services	(5,347,199)	(4,968,606)	986,000	(3,982,606)
Capital Expenditure funded by HRA	5,550,000	5,550,000	(3,207,000)	2,343,000
Right to Buy Admin Fees	(20,800)	(20,800)	0	(20,800)
Net (increase)/decrease in HRA Balance before transfers to or from reserves	182,001	560,594	(2,221,000)	(1,660,406)
Transfer re Insurance Reserve	66,300	66,300	0	66,300
(Increase)/ decrease in HRA Balance	248,301	626,894	(2,221,000)	(1,594,106)
HRA Working Balance				
Opening Balance	(9,116,004)	(9,116,004)	0	(9,116,004)
Add Projected Deficit/(Surplus)	248,301	626,894	(2,221,000)	(1,594,106)
Projected Balance at Year End	(8,867,703)	(8,489,110)	(2,221,000)	(10,710,110)

Housing Revenue Account - Re-Forecast Subjective Summary 2018/19			CAB3098(HSG) Appendix 2	
	18/19	18/19	18/19	18/19
	Original Budget	Working Budget	Further Adjustments	Forecast Budget
	£	£	£	£
Employees	3,967,922	3,967,922	0	3,967,922
Premises	5,074,653	5,208,246	170,000	5,378,246
Transport	305,526	305,526	0	305,526
Supplies & services	868,054	1,117,054	0	1,117,054
Third party payments	106,500	116,500	0	116,500
Support Services	2,027,212	2,027,212	0	2,027,212
Net Interest	5,185,090	5,171,090	0	5,171,090
Depreciation on Fixed Assets	6,044,100	6,044,100	616,000	6,660,100
External income	(28,926,256)	(28,926,256)	200,000	(28,726,256)
Surplus for year on HRA Services	(5,347,199)	(4,968,606)	986,000	(3,982,606)
Capital Expenditure funded by HRA	5,550,000	5,550,000	(3,207,000)	2,343,000
Right to Buy Admin Fees	(20,800)	(20,800)	0	(20,800)
Net (increase)/decrease in HRA Balance before transfers to or from reserves	182,001	560,594	(2,221,000)	(1,660,406)
Transfer re Insurance Reserve	66,300	66,300	0	66,300
(Increase)/ decrease in HRA Balance	248,301	626,894	(2,221,000)	(1,594,106)
HRA Working Balance				
Opening Balance	(9,116,004)	(9,116,004)	0	(9,116,004)
Add Projected Deficit/(Surplus)	248,301	626,894	(2,221,000)	(1,594,106)
Projected Balance at Year End	(8,867,703)	(8,489,110)	(2,221,000)	(10,710,110)

Housing Services Re-forecast Capital Programme 2018/19 and Proposals 2019/20 to 2027/28												CAB3098(HSG) Appendix 3	
Housing Services Programme	2018/19	2018/19	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	Total
	Budget.	July Update	Forecast	Budget.	Budget.	Budget.	Budget.	Budget.	Budget.	Budget.	Budget.	Budget.	Budget.
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Major Repairs													
External Envelope Works	2,942	2,942	2,642	2,743	2,864	2,927	2,991	3,055	3,389	3,453	3,521	3,348	30,933
External Ground Works	933	500	600	509	525	541	557	574	503	519	534	550	5,412
External Window/Door/Screens	417	417	275	348	359	370	381	392	229	236	243	250	3,083
Internal Structure & Finishes	231	231	303	49	50	52	53	55	67	69	71	73	842
Kitchen & Bathroom Renewals	763	1,100	1,100	996	1,027	1,057	1,089	1,122	1,224	1,261	1,298	1,337	11,511
Mechanical & Electrical Services	797	1,762	1,762	1,232	1,271	1,309	1,348	1,388	4,011	4,131	4,255	4,383	25,090
	6,083	6,952	6,682	5,877	6,096	6,255	6,419	6,586	9,423	9,669	9,923	9,941	76,871
Improvements & Conversions													
Estate Improvements	250	285	285	250	250	250	250	250	250	250	250	250	2,535
Loft Conversions/Extensions	60	60	60	60	0	0	0	0	0	0	0	0	120
Sheltered Housing Conversions	0	0	0	0	0	0	0	0	0	0	0	0	0
Sheltered Housing Upgrades	100	100	100	100	100	100	50	50	50	50	50	50	700
	410	445	445	410	350	350	300	300	300	300	300	300	3,355
Disabled Adaptations													
Disabled Adaptations	770	806	806	770	770	770	770	770	770	770	770	770	7,736
Other Capital Spending													
Sewage Treatment Works	100	100	100	103	106	109	111	114	117	121	124	127	1,132
Total HS Capital Programme	7,363	8,303	8,033	7,160	7,322	7,484	7,600	7,770	10,610	10,860	11,117	11,138	89,094

Housing New Build & Other Capital Re-forecast Capital Programme 2018/19 and Proposals 2019/20 to 2027/28													CAB3098(HSG) Appendix 4	
New Build Programme & Other Capital	2018/19	2018/19	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	Total	
	Budget	July Update	Forecast	Budget.	Budget.	Budget.	Budget.	Budget.	Budget.	Budget.	Budget.	Budget.	Budget	
Scheme Name/Description	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
Victoria House		410	440										440	
Hillier Way		10	10										10	
Chesil Street - Extra Care	560	1,980	1,980										1,980	
Mitford Road	267	425	425										425	
The Valley, Stanmore	3,975	850	850	9,000	6,120								15,970	
Mayles Lane, Knowle	1,530	1,540	1,540	386									1,926	
Bailey Close	300	525	525										525	
Rowlings Road, Weeke	680	250	250	1,170									1,420	
Wykeham Place, Stanmore	50	50	50	800	1,000								1,850	
Meryon Road, Alresford	250	100											0	
Abbotts Barton (Charles/Dyson)	700	100	100	662	2,638								3,400	
Dolphin Hill, Twyford	500	260	260	240									500	
Woodman Close, Sparsholt	50	50	50	950									1,000	
Hookpit, Kings Worthy	3,750	750	2,050		6,364								8,414	
Winnall Flats		500	70	1,650	6,606								8,326	
Wickham CLT				410									410	
Sheltered Conversions	200	200	200										200	
Sheltered Wi-Fi Scheme	38	143	143										143	
Small sites / unallocated programme						5,614	5,550	6,006	6,366	5,360	4,000	7,070	39,966	
Sites funded by RTB 1-4-1 receipts	1,820	1,300		250	250	2,000	2,000	1,500	3,000	1,800	2,000	1,055	13,855	
Other Capital Total				410									410	
Total New Build Programme	14,670	9,443	8,943	15,108	22,978	7,614	7,550	7,506	9,366	7,160	6,000	8,125	100,350	

HRA Re-Forecast Capital Programme Funding 2018/19 and Proposals for 2019/20 to 2027/28										CAB3098(HSG)	
										Appendix 5	
HRA Capital Programme Funding	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	Total
	Forecast	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Right to Buy 1-4-1 Receipts	1,584	1,825	4,116	1,629	1,039	1,060	1,082	1,104	1,126	1,149	15,714
Right to Buy Other Retained receipts	610	505	527	548	570	593	617	641	666	692	5,969
New Build Sales	3,127		3,991		250	250	250	250	250	250	8,618
Other capital receipts	967	40									1,007
S.106 Contributions	360	200	200	250	250	1,600	3,500	2,600	1,400	4,400	14,760
Garage Transfers to General Fund	3,078	2,361	1,977	1,510							8,926
HCA Grants		1,501	1,501								3,002
HCC Extra Care Grant	716										716
HRA Revenue Contributions to Capital	2,343	6,858	6,355	3,627	5,226	3,694	6,175	4,773	4,727	3,519	47,297
Additional/Refinanced Borrowing			4,490								4,490
Major Repairs Reserve	4,191	9,388	7,143	7,534	7,815	8,079	8,352	8,652	8,948	9,253	79,355
Total Funding	16,976	22,678	30,300	15,098	15,150	15,276	19,976	18,020	17,117	19,263	189,854
Housing Services	8,033	7,160	7,322	7,484	7,600	7,770	10,610	10,860	11,117	11,138	89,094
Other		410									410
New Build	8,943	15,108	22,978	7,614	7,550	7,506	9,366	7,160	6,000	8,125	100,350
Capital Programme Total	16,976	22,678	30,300	15,098	15,150	15,276	19,976	18,020	17,117	19,263	189,854

HRA Business Plan Extract - Operating Account

CA52986(HSG)

Appendix 6

Year	Year	Income				Expenditure				Other Revenue spend	Misc expenses	Total expenses	Capital Charges	Net Operating (Expenditure)	Repayment of loans	RCCO	Surplus (Deficit)		Surplus (Deficit)		Interest	Surplus (Deficit)	
		Net rent Income	Other income	Misc Income	Total Income	Management	Depreciation	Responsive & Cyclical	for the Year								b/fwd	Interest					
		£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000
1	2018.19	26,174	1,209	1,304	28,687	(8,607)	(6,660)	(4,070)	(32)	(235)	(19,605)	(5,188)	3,895	0	(2,343)	1,552	9,116	43	10,711				
2	2019.20	26,752	1,246	1,109	29,106	(8,807)	(6,904)	(4,031)	(12)	(243)	(19,997)	(5,888)	3,222	0	(6,858)	(3,636)	10,711	38	7,113				
3	2020.21	27,540	1,282	878	29,700	(8,826)	(7,145)	(4,154)	(13)	(250)	(20,387)	(6,074)	3,239	0	(6,353)	(3,115)	7,113	22	4,021				
4	2021.22	28,920	1,318	680	30,918	(8,953)	(7,533)	(4,338)	(13)	(258)	(21,095)	(6,199)	3,624	0	(3,627)	(3)	4,021	14	4,032				
5	2022.23	29,310	1,343	689	31,342	(9,128)	(7,815)	(4,472)	(14)	(265)	(21,694)	(6,200)	3,449	0	(5,226)	(1,778)	4,032	11	2,265				
6	2023.24	30,640	1,370	699	32,708	(9,326)	(8,079)	(4,608)	(43)	(273)	(22,330)	(6,212)	4,167	0	(3,694)	472	2,265	9	2,747				
7	2024.25	32,368	1,397	708	34,473	(9,537)	(8,352)	(4,747)	(44)	(282)	(22,963)	(6,216)	5,294	0	(6,175)	(881)	2,747	9	1,874				
8	2025.26	32,601	1,424	718	34,744	(9,756)	(8,653)	(4,891)	(46)	(290)	(23,636)	(6,215)	4,892	0	(4,773)	119	1,874	8	2,001				
9	2026.27	33,438	1,452	728	35,618	(9,982)	(8,948)	(5,040)	(47)	(299)	(24,316)	(6,215)	5,087	0	(4,727)	360	2,001	8	2,370				
10	2027.28	34,283	1,481	739	36,502	(10,214)	(9,254)	(5,191)	(48)	(308)	(25,014)	(6,214)	5,274	0	(3,519)	1,755	2,370	11	4,136				
11	2028.29	35,124	1,510	750	37,384	(10,451)	(9,562)	(5,344)	(117)	(317)	(25,792)	(6,205)	5,386	0	(4,156)	1,230	4,136	15	5,381				
12	2029.30	35,974	1,539	761	38,274	(10,694)	(9,875)	(5,500)	(121)	(327)	(26,517)	(6,205)	5,552	0	(5,516)	35	5,381	16	5,433				
13	2030.31	37,551	1,570	772	39,893	(10,943)	(10,197)	(5,657)	(125)	(336)	(27,258)	(6,206)	6,429	0	(5,656)	773	5,433	17	6,224				
14	2031.32	37,732	1,601	784	40,117	(11,199)	(10,530)	(5,817)	(128)	(346)	(28,021)	(6,180)	5,917	0	(5,679)	238	6,224	19	6,480				
15	2032.33	38,643	1,632	797	41,072	(11,460)	(10,874)	(5,981)	(132)	(357)	(28,804)	(6,134)	6,133	0	(5,928)	205	6,480	19	6,704				
16	2033.34	39,575	1,664	809	42,048	(11,728)	(11,229)	(6,149)	(136)	(367)	(29,610)	(6,134)	6,304	0	(5,914)	391	6,704	20	7,115				
17	2034.35	40,528	1,697	822	43,048	(12,002)	(11,596)	(6,322)	(140)	(379)	(30,438)	(6,135)	6,475	0	(4,045)	2,430	7,115	24	9,569				
18	2035.36	42,302	1,731	835	44,869	(12,283)	(11,974)	(6,498)	(144)	(390)	(31,290)	(6,074)	7,505	0	(4,045)	3,460	9,569	31	13,060				
19	2036.37	42,503	1,765	849	45,117	(12,571)	(12,364)	(6,679)	(149)	(402)	(32,165)	(6,074)	6,878	0	(4,072)	2,805	13,060	39	15,905				
20	2037.38	43,525	1,800	863	46,188	(12,866)	(12,768)	(6,864)	(153)	(414)	(33,065)	(6,031)	7,093	(6,610)	(4,216)	(3,733)	15,905	38	12,210				
21	2038.39	44,571	1,836	878	47,285	(13,168)	(13,184)	(7,054)	(158)	(426)	(33,990)	(5,827)	7,468	0	(4,189)	3,279	12,210	38	15,527				
22	2039.40	45,641	1,872	893	48,407	(13,477)	(13,614)	(7,248)	(162)	(439)	(34,941)	(5,827)	7,639	0	(853)	6,786	15,527	50	22,363				
23	2040.41	46,737	1,909	908	49,555	(13,794)	(14,058)	(7,448)	(167)	(452)	(35,919)	(5,826)	7,809	(4,490)	(794)	2,525	22,363	62	24,950				
24	2041.42	48,778	1,947	924	51,650	(14,119)	(14,516)	(7,652)	(172)	(466)	(36,924)	(5,697)	9,029	(10,000)	(353)	(1,324)	24,950	64	23,689				
25	2042.43	49,005	1,986	941	51,932	(14,452)	(14,989)	(7,861)	(178)	(479)	(37,959)	(5,350)	8,624	0	(267)	8,357	23,689	73	32,119				
26	2043.44	50,179	2,025	958	53,162	(14,793)	(15,477)	(8,075)	(183)	(494)	(39,021)	(5,350)	8,791	0	(97)	8,694	32,119	94	40,907				
27	2044.45	51,380	2,066	975	54,421	(15,142)	(15,981)	(8,294)	(188)	(509)	(40,114)	(5,350)	8,957	0	(949)	8,008	40,907	115	49,030				
28	2045.46	52,609	2,107	993	55,709	(15,500)	(16,501)	(8,519)	(194)	(524)	(41,238)	(5,350)	9,121	0	(823)	8,299	49,030	136	57,465				
29	2046.47	53,867	2,149	1,011	57,027	(15,867)	(17,039)	(8,749)	(200)	(540)	(42,394)	(5,345)	9,288	(10,000)	(405)	(1,117)	57,465	145	56,493				
30	2047.48	56,215	2,192	1,030	59,437	(16,242)	(17,593)	(8,985)	(206)	(556)	(43,582)	(4,995)	10,860	(5,000)	(313)	5,547	56,493	151	62,192				

HRA Business Plan Extract - Self Financing Schedule						Appendix 7		
Year	Year	Borrowing Opening Balance	New Borrowing (from borrowing schedules)	Principal Repayments	Debt Repayments	Additional Required Borrowing	Borrowing Bal/Cfwd	Closing HRA Working Balance
		£ pa	£ pa	£ pa	£ pa	£ pa	£ pa	£ pa
1	2018.19	164,022,000	-	-	0	0	164,022,000	10,711,111
2	2019.20	164,022,000	7,300,000	7,300,000	0	0	164,022,000	7,113,191
3	2020.21	164,022,000	4,490,000	-	0	0	168,512,000	4,020,845
4	2021.22	168,512,000	-	-	0	0	168,512,000	4,031,748
5	2022.23	168,512,000	5,000,000	5,000,000	0	0	168,512,000	2,264,946
6	2023.24	168,512,000	5,000,000	5,000,000	0	0	168,512,000	2,746,512
7	2024.25	168,512,000	5,000,000	5,000,000	0	0	168,512,000	1,874,247
8	2025.26	168,512,000	5,000,000	5,000,000	0	0	168,512,000	2,001,489
9	2026.27	168,512,000	10,000,000	10,000,000	0	0	168,512,000	2,370,193
10	2027.28	168,512,000	10,000,000	10,000,000	0	0	168,512,000	4,135,852
11	2028.29	168,512,000	-	-	0	0	168,512,000	5,380,799
12	2029.30	168,512,000	-	-	0	0	168,512,000	5,432,683
13	2030.31	168,512,000	10,000,000	10,000,000	0	0	168,512,000	6,223,560
14	2031.32	168,512,000	15,000,000	15,000,000	0	0	168,512,000	6,480,260
15	2032.33	168,512,000	-	-	0	0	168,512,000	6,704,486
16	2033.34	168,512,000	-	-	0	0	168,512,000	7,115,200
17	2034.35	168,512,000	15,000,000	15,000,000	0	0	168,512,000	9,569,109
18	2035.36	168,512,000	-	-	0	0	168,512,000	13,060,294
19	2036.37	168,512,000	10,000,000	10,000,000	0	0	168,512,000	15,904,844
20	2037.38	168,512,000	-	7,300,000	0	0	161,212,000	12,210,299
21	2038.39	161,212,000	-	-	0	0	161,212,000	15,526,961
22	2039.40	161,212,000	-	-	0	0	161,212,000	22,362,748
23	2040.41	161,212,000	-	4,490,000	0	0	156,722,000	24,949,709
24	2041.42	156,722,000	-	10,000,000	0	0	146,722,000	23,689,351
25	2042.43	146,722,000	-	-	0	0	146,722,000	32,118,723
26	2043.44	146,722,000	-	-	0	0	146,722,000	40,907,091
27	2044.45	146,722,000	-	-	0	0	146,722,000	49,030,421
28	2045.46	146,722,000	-	-	0	0	146,722,000	57,465,149
29	2046.47	146,722,000	-	10,000,000	0	0	136,722,000	56,493,273
30	2047.48	136,722,000	-	5,000,000	0	0	131,722,000	62,191,729

Appendix 8

HRA Business Planning Assumptions

There are a number of assumptions required for the 30 year HRA business plan. The key assumptions are detailed below.

Inflation

Year	RPI	CPI	Repairs	Staffing
2019/20	3.3%	2.4%	3.3%	2.0%
2020/21	3.1%	2.1%	3.1%	2.0%
2021/22	3.0%	2.0%	3.0%	2.0%
Thereafter	3.0%	2.0%	3.0%	2.0%

NB RPI and CPI percentages for 2019/20 are based on September 2018 actual figures as published by the ONS. Repairs contracts are often linked to BMIS factors, produced by RICS. Staffing indices reflect those being used for the General Fund.

Average Rents

The average weekly rent levels used for the HRA business plan are based on the properties in management as at 31 March 2018 and new properties developed over the life of the 30 year plan.

No of Bedrooms	Social Rent	Affordable Rent	Temporary Accommodation
Bedsit	£62.47	-	£92.78
1	£86.68	£114.73	£88.51
2	£100.18	£148.04	£103.89
3	£114.10	£172.24	£120.45
4	£122.97	£216.21	-
5	£144.41	-	-
6	£146.44	-	-
Overall Average	£100.35	£151.53	£94.52

Rent Increases

Year	Social & Affordable Rents	Shared Ownership Rents
2019/20	-1.0%	RPI + 1%
2020/21 to 2024/25	CPI + 1%	RPI + 1%
Thereafter	CPI + 0%	RPI + 1%

NB Affordable rents have a requirement to reset the rent level in relation to current market rents when a property is re-let. However, in business planning terms, it is assumed that market rent income will rise in line with CPI.

Appendix 8 (continued)

Voids and Bad Debts

Year	Voids		Bad Debts	
	Social & Affordable	Temporary Accommodation	Social & Affordable	Temporary Accommodation
2018/19	0.40%	15.0%	0.5%	2.0%
2019/20	0.40%	10.0%	0.8%	2.2%
2020/21	0.40%	10.0%	1.2%	2.6%
2021/22	0.40%	10.0%	1.6%	3.0%
2022/23	0.40%	10.0%	4.0%	4.0%
Thereafter	0.40%	10.0%	3.0%	3.0%

NB The potential effect of Universal Credit has been factored in to the bad debt allowances.

Right to Buy Sales

16 sales have been assumed for 2018/19 and all subsequent years.

HRA Working Balance

The minimum HRA working balance for 2018/19 has been set at £1,118,000 with the minimum requirement increasing by CPI thereafter.

Interest Rates*Internal*

All internal transactions with the General Fund are determined by the Treasury Management Strategy approved by the Council. All interest rates are variable and the current rates are set at 0.25% on both internal borrowings and credits in the HRA and reserves.

External

All current external borrowing was undertaken in March 2012 to fund the self-financing payment to DCLG. Loans outstanding were all for fixed terms and currently total £156,722,000 with interest rates ranging from 2.56% to 3.52% depending on the length of the loan. The first repayment is due in March 2023 and no assumptions have been made on early repayment due to the likely cost of penalties imposed by PWLB for this facility.

The latest business plan assumes that further external borrowing of £4.5m is required in March 2021 at an interest rate of 2.8%. Later in the plan it will be necessary to re-finance some of the existing loans from 2023. It is assumed that these loans will bear an interest rate of between 2.8% and 3.0%. The loan balance at the end of the 30 year business plan is currently forecast at £136,722,000.

OS212
THE OVERVIEW AND SCRUTINY COMMITTEE

REPORT TITLE: Q2 FINANCE AND PERFORMANCE MONITORING

26 NOVEMBER 2018

REPORT OF CABINET

Contact Officer: Joseph Holmes Tel No: 01962 848 220 Email:
jholmes@winchester.gov.uk

WARD(S): ALL

PURPOSE

This report provides a summary of the Council's performance and financial position during the second quarter of 2018/19.

This second report of 2018/19 includes progress updates for the Council's major projects, the Council Strategy outcomes and key performance measures.

A financial summary is also included for the General Fund revenue and capital budgets as well as the Housing Revenue Account (HRA).

RECOMMENDATIONS:

That the Overview and Scrutiny Committee raises with the Leader or relevant Portfolio Holder any issues arising from the information in this report and considers whether there are any items of significance to be drawn to the attention of Cabinet.

IMPLICATIONS:1 COUNCIL STRATEGY OUTCOME

- 1.1 This report forms part of the framework of performance and financial monitoring in place to check the progress being made against the projects and programmes included in the Portfolio Plans and the achievement of the outcomes included in the Council Strategy.

2 FINANCIAL IMPLICATIONS

- 2.1 The financial implications of this report are detailed in Appendix 1. Almost all the projects included in the Council Strategy and Team Service Plans have financial implications, some significant and these are agreed and reported separately before the commencement of the project.
- 2.2 The following supplementary budget requests, which Cabinet will be asked to approve at its next meeting on 12 December, are detailed below:
- a) £75k related to a grant of £50k to the Science Centre and £25k to Jane Austen Tourism, funded by the Community Grants and Commissioning earmarked reserve (see Portfolio Holder Decision Notice PHD799 refers).
 - b) The Council has the opportunity to purchase the licenses to use its IDOX system for a one-off capital purchase rather than paying an annual license fee. The IDOX system is one of the Council's core systems and is used for Planning, Building Control, Environmental Health, Licensing, HMO, Land Charges and Estates Management. The current license costs, as well as maintenance for the system is £87k and rises with inflation each year. For a one-off fee of £97k, the new ongoing costs will be £44k p.a. and this will be at a fixed level with no inflation for the next three years. The total over four years at present is forecast to be £359k whereas, including the £97k one-off purchase which would be included and funded within the capital programme, the costs over four years is £273k, an overall reduction of £86k. In the revenue budget, this will create an on-going saving of £43k which will be included within the revenue budget for 2019/20.

3 LEGAL AND PROCUREMENT IMPLICATIONS

- 3.1 None directly in this report, though individual projects are subject to review by Legal Services where required.

4 WORKFORCE IMPLICATIONS

- 4.1 None directly, although naturally staff will be required to deliver each project.

5 PROPERTY AND ASSET IMPLICATIONS

5.1 None directly in this report.

6 CONSULTATION AND COMMUNICATION

6.1 Cabinet members, Executive Leadership Board (ELB) and Heads of Team have been consulted on the content of the report.

7 ENVIRONMENTAL CONSIDERATIONS

7.1 None.

8 EQUALITY IMPACT ASSESSEMENT

8.1 None required arising from the content of the report, although some of the projects will require an Equality Impact Assessment to be undertaken

9 DATA PROTECTION IMPACT ASSESSMENT

9.1 None.

10 RISK MANAGEMENT

Risk	Mitigation	Opportunities
<i>Property - none</i>		
<i>Community Support – Lack of consultation on for example major projects, affects residents and can cause objections or delay.</i>	Regular consultation and engagement with stakeholders and residents regarding major projects or policy changes.	Positive engagement and consultation can bring forward alternative options that might not have otherwise been considered.
<i>Timescales – delays to project delivery can lead to increased cost and lost revenue.</i>	Regular project monitoring undertaken to identify and resolve slippage.	
<i>Project capacity – availability of staff to deliver projects.</i>	Resources to deliver projects are discussed at the project planning stage and agreed by the project board.	Opportunities present themselves for staff to get involved in projects outside their normal role enabling them to expand their knowledge and skills base as well as working with others.
<i>Financial / VfM – budget deficit or unforeseen under or overspends.</i>	Regular monitoring of budgets and financial position including forecasting to year end to avoid unplanned over/underspends.	Early notification of unplanned under/overspends through regular monitoring allows time for plans to be put in place to bring the finances back into line with budget forecast.

Risk	Mitigation	Opportunities
<i>Legal – none.</i>		
<i>Innovation – none.</i>		
<i>Reputation – ensuring that the Council delivers the outcomes as set out in the Council Strategy.</i>	Regular monitoring and reporting of the progress the Council is achieving against its priorities included in the Council Strategy, including this report.	

11 SUPPORTING INFORMATION:

- 11.1 This report provides an update on the Council's performance during the second quarter of 2018/19 and financial position as at 30 September 2018.
- 11.2 The quarterly Finance and Performance Management Report, attached as Appendix 1, is arranged into four sections with each covering the significant areas of performance that the Council is monitoring. An introduction and summary is also included at the beginning of the report.

12 OTHER OPTIONS CONSIDERED AND REJECTED

- 12.1 None.

BACKGROUND DOCUMENTS:-

Previous Committee Reports:-

CAB3070 – Q1 Finance and Performance Monitoring Report

Other Background Documents:-

None.

APPENDICES:

Appendix 1 Q2 Finance and Performance Management Report 2018/19



FINANCE & PERFORMANCE MANAGEMENT REPORT SECOND QUARTER 2018/19



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Introduction and Summary

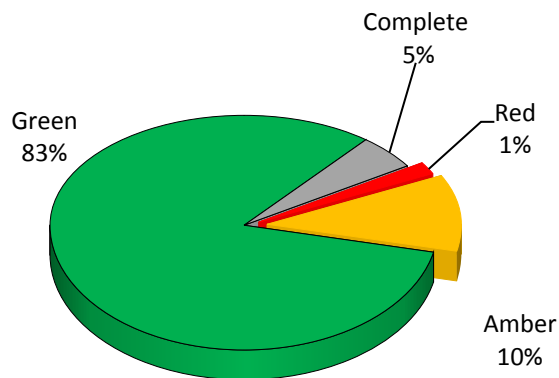
The purpose of this report is to demonstrate the performance of the Council at the end of each quarter throughout the financial year in relation to the aims and objectives in the Council Strategy, progress of the Council's major projects, the financial position and corporate health performance indicators.

The report does not provide detailed information relating to the numerous activities included in individual team service plans but includes the significant projects that the Council is undertaking.

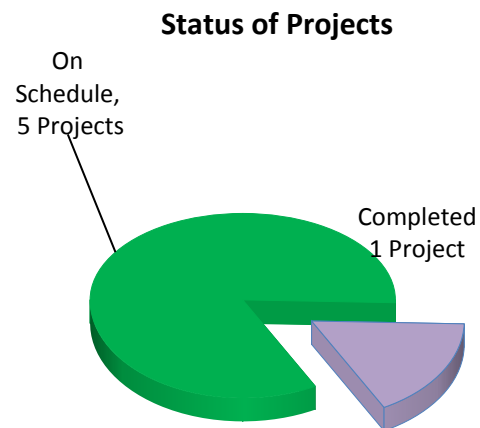
Similarly there are performance measures that are not reported here but support the business of that team and managed by each Corporate Head of Service.

The following diagrams provide a summary of the position of the Council as at the 30 September 2018 (Quarter 2) across the key areas of performance. Further information is provided in the following appendices.

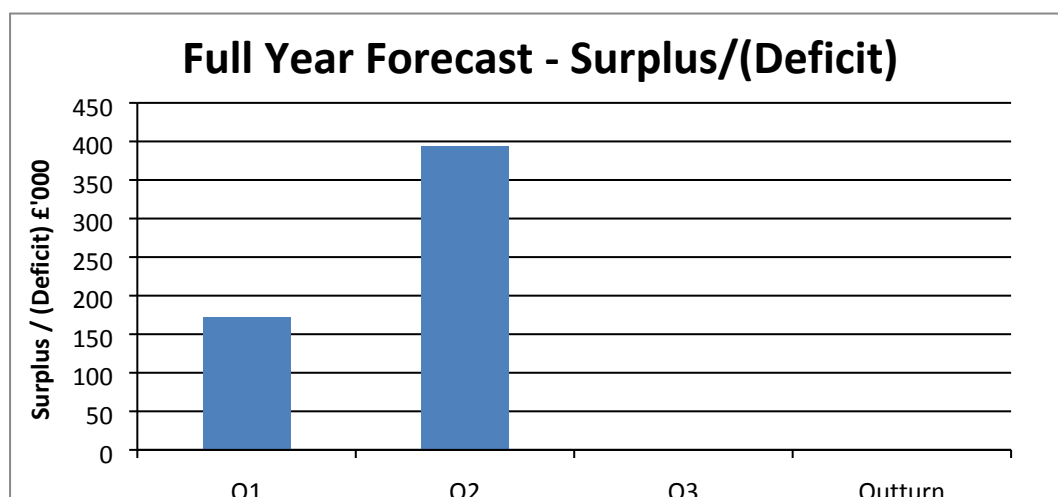
Council Strategy Q2 2018/19



Project Monitoring Q2 2018/19



Summary General Fund Revenue Financial Service Forecast



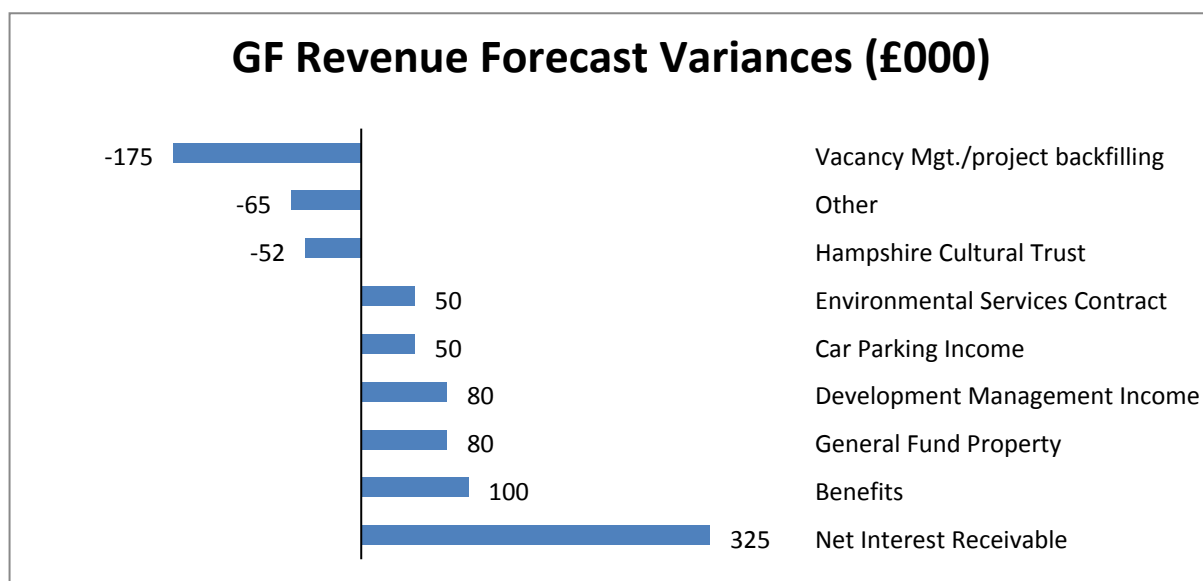
Section 1 – Financial Update as at 30 September 2018

This section presents a summary of the Council's financial position as at 30 June 2018 with regard to the General Fund and Housing Revenue Account budgets.

General Fund Revenue

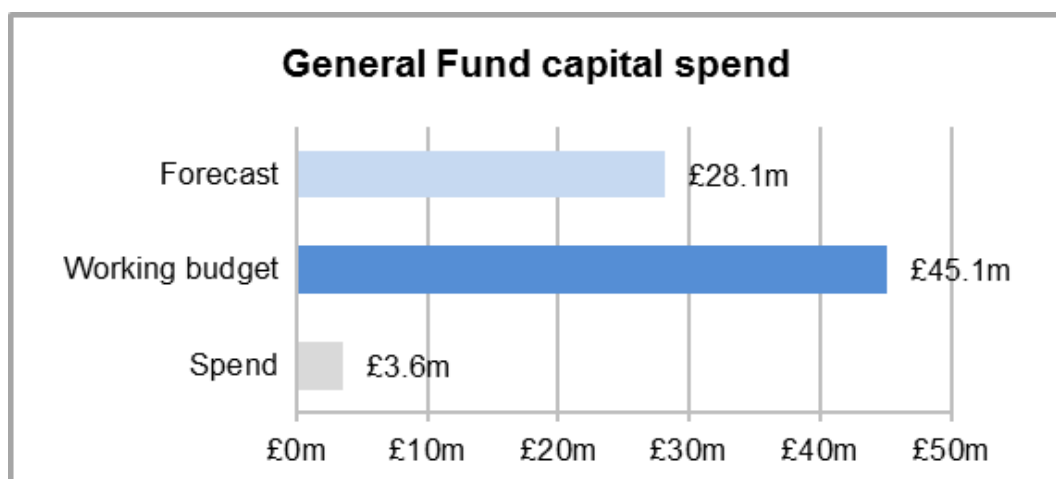
1. The in-year reporting process for Q2 2018/19 has highlighted additional full year forecast income / underspends totaling £0.78m which is expected to fund additional in-year pressures of £0.39m, with a net underspend of £0.39m.
2. Also included in this appendix is a report that shows the progress and status of the 2018/19 Outcome Based Budgeting proposals. The overall target status is green, meaning we are on target to achieve the net savings target of £0.67m.
3. Quarter 2 full year forecast variances (>£50k):
 - i) **Net Interest receivable** – (+£325k) higher than budgeted cash balances during Q1 have resulted in a revised forecast net receivable interest of £325k.
 - ii) **Development Management Income** – (+£80k) higher planning fees and a number of larger applications have led to an increased total planning fee forecast of £960k.
 - iii) **Non-investment Property Income** – (+£80k) higher than planned income of £80k relates mainly to the Vaultex site (Coventry House).
 - iv) **Environmental Services Contract** – (+£50k) a revised (lower) inflation estimate for 2018/19 will reduce the total contract expenditure.
 - v) **Museums** – a grant towards re-organisation costs was approved in Q1.
 - vi) **Car Parking Income** – (+£50k) additional full year income relating of off street car parking.
 - vii) **Vacancy Management** - (-£175k) additional employee spend reflecting lower than expected vacancies, and backfilling for major procurement projects such as environment services.

Table 1 – General Fund Forecast Variances 2018/19



General Fund Capital

- General Fund capital expenditure to the end of September was £3.6m of which the single largest item was £1.6m on the acquisition and associated stamp duty in respect of Coventry House (Vaultex) followed by the new Sports & Leisure centre (£0.6m), and Disabled Facilities Grants (£0.3m).
- Capital budgets for 2018/19 were revised for brought forward balances, and three additional budgets, as part of the 2017/18 outturn reporting process and were approved at July Cabinet. In the Q1 report, a further three budgets were approved: Replacement Large Format Printer (£50k); High Street Security Bollards reflecting the contribution from the County Council (additional £75k); and Brooks Car Park Lighting Refurbishment (additional £50k).
- The full year forecast has been revised down by £17.0m with the largest single item (£5.0m) being the new Sports & Leisure Centre as main construction works will not begin until the new financial year. The second largest item (£3.8m) is the new doctors' surgery; this is currently delayed due to ongoing negotiations with the prospective tenants but progress is being made and it is now expected to commence in 2019/20. The objectives of some other projects are currently under review. The car park at the Dean, Alresford is also subject to delay (£1m) as negotiations continue with the developers.



4. Key items of capital expenditure as at end September 2018 include:

- **Coventry House (Vaultex)** Total Budget: £2,091k

Expenditure: Prior years £57k Q1-2 £1,620k Total £1,677k

The purchase of Coventry House was completed in May 2018. The Council is leasing the property for 12 months generating an income of £95,000. During this period, the Council will be able to undertake preliminary work (e.g. surveys) in preparation for future development of the site.

- **New Sports & Leisure Centre** Total Budget: £38,000k

Expenditure: Prior years £888k Q1-2 £623k Total £1,511k

To date £2,215k of capital expenditure has been approved to take the project to RIBA stage 4 (technical design) and to transition to RIBA stage 5 design stage. The contractor has been procured and the operator procurement is underway. The build is subject to approval of the Full Business Case which is to be considered by February Cabinet.

- **Disabled Facilities Grants** Total Budget: £1,207k

Expenditure: recurring Q1-2 £349k

The amount of funding from central government has increased significantly in recent years. Spend to date is on target and two significant grants totalling in excess of £300,000 are expected to be made in 2018/19 to enable individuals with long term immobility to return to their own homes.

5. **Other General Fund capital budget changes**

IDOX licence purchase

The Council has the opportunity to purchase the licenses to use its IDOX system for a one-off capital purchase rather than paying an annual license

fee. The IDOX system is one of the Council's core systems and is used for Planning, Building Control, Environmental Health, Licensing, HMO, Land Charges and Estates Management.

By purchasing the licence for a one-off fee of £97k, the annual maintenance cost of £87k will reduce to a fixed fee of £44k which represents an overall saving of £86k over 4 years.

Approval is therefore sought for a supplementary estimate and expenditure of £97,000 in 2018/19 to be funded by the IMT reserve.

		Current Situation (@2% inflation)		
		ORB-it	Maintenance	Total
Year 1		£62,546	£24,611	£87,157
Year 2		£63,797	£25,103	£88,900
Year 3		£65,074	£25,605	£90,679
Year 4		£66,375	£26,117	£92,492
Total:		£257,792	£101,436	£359,228

	Capital Purchase of Orbit Licenses Proposal			
	Capital Purchase	New Maintenance	Existing Maintenance	Total
Year 1	£97,000	£19,400	£24,611	£141,011
Year 2		£19,400	£24,611	£44,011
Year 3		£19,400	£24,611	£44,011
Year 4		£19,400	£24,611	£44,011
Total:	£97,000	£77,600	£98,444	£273,044

Forecast Net saving:	£86,184
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General Fund 2018/19

	General Fund Revenue					General Fund Capital	
	Budget		Forecast			Budget	Forecast
	Income	Expenditure	Net contribution / (spend)	Full Year Forecast	Variance		
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Total Housing	210	(1,791)	(1,581)	(1,581)		1,532	1,282
Total Environment	10,081	(13,585)	(3,503)	(3,858)	(355)	2,352	836
Total Health & Happiness	372	(2,384)	(2,012)	(2,064)	(52)	14,924	5,714
Total Business	215	(1,613)	(1,399)	(1,389)	10	21,113	15,963
Total Operational Delivery	3,206	(7,201)	(3,995)	(3,873)	122	1,926	930
Total Investment Activity	3,014	(409)	2,605	3,010	405	3,009	3,009
Total Organisational Management	427	(7,182)	(6,755)	(7,012)	(257)	236	236
Corporate	25	(1,846)	(1,821)	(2,106)	(285)		
Council Tax Support Grant to Parishes		(77)	(77)	(77)			
Cost recharge to HRA		1,852	1,852	1,852			
	<u>17,550</u>	<u>(34,236)</u>	<u>(16,687)</u>	<u>(16,538)</u>	<u>(412)</u>	<u>45,092</u>	<u>27,970</u>
Total Tax and Grant Income			14,192	14,371	179		
Total Financing & Treasury Activity			(225)	(225)			
Total Reserve Related Movements			2,721	3,347	626		
Total Funding			<u>16,687</u>	<u>17,492</u>	<u>805</u>		
Transfer to General Fund Balance					393		

Housing Revenue Account 2018/19

Housing Revenue Account				
Budget			Forecast	
Income	Expenditure	Net contribution / (spend)	Full Year Forecast	Full Year Forecast Variance
£'000	£'000	£'000	£'000	£'000
27,551	-	27,551	27,351	(200)
131	(4,866)	(4,735)	(4,735)	
1,165	(2,668)	(1,503)	(1,503)	
100	(5,214)	(5,114)	(5,114)	
	(5,168)	(5,168)	(5,168)	
-	(6,044)	(6,044)	(6,660)	(616)
-	(5,550)	(5,550)	(2,343)	3,207
21	(85)	(64)	(64)	
28,968	(29,595)	(627)	1,764	2,391
		9,116	9,116	
		(627)	1,764	2,391
		8,489	10,880	2,391

Housing Revenue Account Capital 2018/19

	HRA Capital Programme	
	Budget	Forecast
	£'000	£'000
Housing Major Works	6,952	6,952
Improvements and Conversions	1,251	1,251
Other Capital Spend	243	243
New Build Programme	9,300	9,930
	17,746	18,376

Notes:

1. The rental income forecast for the year has been reduced by £200k to reflect delays in the handover over of new build properties.
2. The depreciation charge for the year has been increased by £616k to reflect a change in the calculation method approved by external audit following the 2017/18 audit.
3. The forecast for the capital programme includes the revised forecasts approved by Cabinet (Housing) in report CAB3036 (HSG) July 2018. This has reduced the projected capital expenditure funded by the HRA by £3.2m.
4. The final completion costs at Victoria House are projected to increase by £630k as the rectification costs were higher than anticipated following the previous contractor going into administration

Outcome Based Budgeting – 2018/19 Progress Monitoring

The General Fund Budget 2018/19 report ([CAB3011](#), 14 February 2018 refers) included a number of budget proposals for 2018/19 that would achieve savings of £1.1m which would enable a balanced budget for 2018/19 and contribute towards savings for future years.

The table below provides an update on the progress achieved against the proposals for savings.

Item	Budget £'000	Achieved £'000	On-target £'000	Total £'000	Status	Comments
Savings Proposals						
Removal of ISDN line	45		19	19	Amber	Project delayed until a target November implementation, full year forecast unchanged
External Audit fee reduction	25	25		25	Green	
Internal Audit fee reduction	20	20		20	Green	
Changes to MRP to the annuity basis	43	43		43	Green	
Benefits restructure	25	25		25	Green	
Un-utilised transport budget removed	217	217		217	Green	
Internal Managed Vacancy Factor moved to 2% (£350k 18/19)	105	26	79	105	Green	
Print Room Structure changes	20			0	Amber	Project currently under review
IT – GIS Support Technician	18	18		18	Green	
HRA/ GF Asset transfer	100		88	88	Green	
Customer Services/ Digitalisation Review	50		30	30	Amber	

Item	Budget £'000	Achieved £'000	On-target £'000	Total £'000	Status	Comments
Re-investment of car parking charges	100		100	100	Green	
Review of grants and commissioning	140	140		140	Green	
New trading opportunities	25			0	Amber	Project currently under review
Increased planning fees	160		160	160	Green	
TOTAL	1,093	514	476	990		

Section 2: Council Strategy 2018-20 Progress Update

The following chart and tables provide a summary of the progress against the actions included in the refreshed Council Strategy 2018-20, that was adopted at Council on 22 February 2018 (Report [CL139](#) refers) as at the end of the second quarter of 2018/19 (30 September 2018).

The Council Strategy 2018-20 includes sixty performance measures supporting the delivery of the Council's four strategic outcomes.

Each action, which includes a performance measure, is assigned to a responsible manager, with previously agreed timescales and targets that are set out in the Council Strategy.

Progress against the agreed timescales and targets is presented using a Red/Amber/Green status. These categories are defined as follows:

- **Red** – Unlikely to deliver against agreed timescales and/or budget. Corrective Action Plan required.
- **Amber** – Some slippage or overspend, corrective action required to bring to meet schedule.
- **Green** – On schedule to be delivered on time.

Measures where actions have been completed are shown as complete.

As of 30 September 2018 there were four measures that had been completed and forty nine measures on schedule and to be delivered on time (Green).

A further six actions are showing as Amber, with some slippage.

There is one measure showing as Red where the agreed timescale or target has not been met or is unlikely to be met.

Further detailed information against each of the outcomes and performance measures is given in the following pages.

Council Strategy – Progress Report (Quarter 2 – 2018/19)Winchester will be a premier business location

	Aim	How we will deliver our outcomes	Delivery Date	Current Status	Key Issues / comments
1.	Promote a sustainable economy by enabling major regeneration schemes	Support the regeneration of the Central Winchester area. Measure: <i>Adoption of Central Winchester SPD by summer 2018.</i>	Sept 2018	SPD Complete	Central Winchester Regeneration SPD adopted at Cabinet on 20 June 2018 Report CAB3034 refers). Discussions for next steps underway.
		Manage the project and support the regeneration of the Station Approach area of Winchester, both Carfax scheme and adjacent Public Realm works. Measure: <i>Increased office floor space on the Carfax/ Station Approach site of 140,000ft²</i>	Original Date Mar 2019 Revised- Public Realm Mar 2021 Carfax 2022	Green	A report presenting the Concept scheme will be reported to Station Approach Cabinet in December 2018, requesting for approval to progress to detailed design and a planning application submission in March 2019, along with the Outline Business Case. A Business Case was submitted to the LEP in November 2018 for a £5m grant being sought for public realm and other works to support the Carfax development scheme.
2.	Prioritise support for the knowledge-based, creative and tourism sectors	Development of an Economic Strategy Measure: <i>adoption of updated Economic Strategy, including Action Plan and performance measures included in the Strategy</i>	Mar 2019	Green	Work has commenced on the drafting of a new strategy. Meeting with key people are being arranged to gather insight as to the direction and focus of the new strategy. The programme is on track.
		Sustain our rural economy by supporting existing businesses to grow and new enterprises to start including Fieldfare LEADER Programme Measure: <i>LEADER support for 70 businesses (WCC only)</i>	Mar 2020	Amber	Staffing shortages had put this project at risk of underspend. Officers continue to work to deliver a compliant and successful programme. The recent deadline for applications has seen an increase in those submitted and the team are working to ensure as many of these

	Aim	How we will deliver our outcomes	Delivery Date	Current Status	Key Issues / comments
					progress to approval.
3.	Utilise our environment to drive business growth	Facilitate and support the development and delivery of strategically important sites across the District and working with partners to deliver employment opportunities. Measure: <i>additional floor space identified/ provided</i>	Mar 2020	Green	An update on the progress of the Station Approach and Central Winchester Regeneration projects is given in the Major Projects update on pages 37 to 44 of this report.
		Seek to secure partners for a public service hub to be based around the City Offices/West Wing/Guildhall buildings Measure: <i>Number of partners secured/ amount of floor space utilised</i>	Mar 2020	Green	Winchester CAB to relocate to the Council offices early in 2019 following refurbishment of the main reception area in Colebrook Street.
		Use a Strategic Asset Purchase Scheme to generate financial and community returns Measure: <i>Additional £500k generated from Strategic Asset Purchase Scheme.</i>	Mar 2019	Red	Budgeted returns for 2018/19 are £225k based on existing purchases.
		Develop an up to date car parking strategy which manages demand with sufficient spaces in appropriate locations including Park and Ride expansion where there is a demonstrable need Measure: <i>Adoption of new Winchester Car Parking Strategy by Dec 2018</i>	Dec 2018 Revised April 19	Amber	Work on a new parking strategy has already begun with a parking survey carried out in May this year. However it is sensible to wait for the City of Winchester Movement Strategy as this will inform the City Council's future approach to developing a parking strategy for the city.
		Undertake a strategic review of traffic and transport issues affecting Winchester and produce high level	Dec 2018	Green	City Of Winchester Movement Strategy is progressing well with first round of public consultation, member briefings and

	Aim	How we will deliver our outcomes	Delivery Date	Current Status	Key Issues / comments
		options to improve movement Measure: <i>Adoption of the Movement Strategy by December 2018</i>			stakeholder workshops completed along with the development of a database. Next step is to use this information to carryout computer modelling of a number of options to assess their effects on movement in and around the city before preparing a draft strategy for consultation in the autumn. The exact timescales for carrying out this consultation and ultimately adopting the strategy may need to be reviewed depending upon how long it takes to complete the modelling work which will commence shortly.
		Support new businesses set up in the District with advice to thrive and prosper Measure: <i>Number of new businesses supported, including with grants and advice</i>	Mar 2020	Green	456 business hours training have been spent at cultural network events; 160 officer and volunteer hours assisting LEADER applicants; Enterprise First contract proving successful with both monthly workshops and informal networking sessions very well attended.
4.	Develop new employment opportunities across the District	Directly develop space to support Small, Medium Enterprises to grow Measure: <i>New net floor space provided for SME's</i>	Mar 2020	Green	The Council continues to review opportunities as they become available.
5.	Work with strategic partners to deliver critical digital infrastructure projects across the District	Support the roll-out of Super Fast Broadband in line with the aims of the Council Digital Strategy Measure: <i>to achieve 95% access across Hampshire to SuperFast Broadband</i>	Mar 2019	Green	Hampshire led project has achieved 95% access to SuperFast Broadband across Hampshire.

	Aim	How we will deliver our outcomes	Delivery Date	Current Status	Key Issues / comments
6.	Be innovative by exploring opportunities to generate additional revenue and maximise key revenue streams	Work with partners to implement and promote the provision of online services as set out in the Digital Strategy Measure: <i>Achieve 100% of all services available online</i>	Mar 2020	Green	A pilot project is in development to install additional digital access points for visitor information and to generate advertising income linked to the new Tourist Information Centre and Guildhall. (This will provide a link to the city Wi-Fi and proposed visitor app, and compliment and enhance the opportunities for promotion).
		Explore the opportunities to establish joint-ventures to enable more efficient services Measure: <i>Number of joint venture opportunities explored and potential efficiency savings</i>	Mar 2019	Green	Ongoing. Opportunities reviewed as they present themselves.
		Carry out improvements to the current City Offices while reviewing the long term options for staff office accommodation Measure: <i>Refurbishment completed March 2018, Works and longer term study complete March 2019</i>	Mar 2019	Green	Refurbishment to City Offices reception underway that will improve the customers' experience. Further refurbishment of staff office accommodation being discussed.

Delivering quality housing options

	Aim	How we will deliver our outcomes	Delivery Date	Current Status	Key Issues / comments
1	Deliver good housing stock condition and energy performance for Council owned dwellings that meet the Decent homes standard	Carry out repairs and maintenance improvements as per the capital repairs programme Measure: 100% of housing stock meets the Decent Homes Standard with and energy performance ratings	Mar 2020	Green	Programme on track. Roofing programme on city estates under review to determine best approach to deliver value for money whilst minimising impact on residents
2.	Respond to the need to provide more affordable housing in the District	Significantly increase the number of council houses built in the period 2017 – 2020 Measure: An additional 600 new homes delivered by 2020	Mar 2020	Green	Over 200 units now delivered or with planning approved. Chesil Lodge now open. Victoria Court due for completion in December 18.
		Bid for grant to support additional development Measure: 50% of New Homes Programme supported by grant	Mar 2020	Green	£3.2m grant secured for the Valley development in Stanmore
		Establish a housing company or other specialist vehicle to support the delivery of sub-market rented housing Measure: Housing company established	May 2018	Amber	Work ongoing to identify appropriate vehicle to support Council programme.
3.	Drive down homelessness across the District and support partner agencies in the drive for an improved life for those in need	Avoiding reliance on B&B as a housing option by focussing on preventing homelessness and effective use of temporary accommodation Measure: No use of B&B accommodation (other than in exceptional circumstances)	Mar 2020	Green	Minimal use of B&B this quarter (3 placements) due to emergency situations.
		Support an increase in the provision of supported housing units/move on accommodation by establishing and	Mar 2019	Green	Social Inclusion Forum now well established with all relevant agencies represented.

	Aim	How we will deliver our outcomes	Delivery Date	Current Status	Key Issues / comments
		leading multi agency Homelessness/ Social Inclusion forum Measure: <i>Provision of 10 supported/ move-on units</i>			
4.	Provide good access to affordable housing options across a range of tenures, including affordable and sub market rent (within Local Housing Allowance rates), market rent, shared ownership, student housing etc.	Work with private landlords through “City Lets” initiative offering effective management and lettings service Measure: <i>Increase of 30 to 50 homes by March 2019</i>	Mar 2019	Complete	50 private rent units now managed through City Lets scheme
		Support and enable development partners/ Registered Social Landlords (RSLs) to develop more affordable housing Measure: <i>Number of affordable homes developed by other organisations in the District</i>	Mar 2020	Green	Positive discussions with providers re 106 sites, rural exception sites.
		Develop an effective “shared ownership” programme Measure: <i>At least 30 affordable shared ownership homes developed by March 2020</i>	Mar 2020	Green	Shared Ownership units at Chesil Lodge and Mitford Rd, Alresford, all sold and Victoria Court progressing well.
5.	Be proactive in our Tenant engagement, achieving effective representation and insight across all tenant and customer groups	Making a more effective use of the Survey of Tenants and Residents through better use of data and wider engagement Measure: <i>Increase the number of ‘involved’ tenants to 200</i>	Mar 2019	Green	Survey of Tenants and Residents (STAR) planned for 4 th quarter 2018/19.
6.	Restrict permitted development rights in Winchester so that new Houses of Multiple Occupation (HMOs) require planning permission	Make an Article 4 Direction(s) where evidence shows the proliferation of HMOs is unbalancing housing stock in Winchester, or parts of the city. Measure: <i>Number of Article 4 Directions approved.</i>	Mar 2020	Green	Article 4 Direction now active in Stanmore and Winnall. Survey of HMOs in Winnall to be undertaken shortly to provide more accurate baseline data. Data regarding other areas (Fulford and

	Aim	How we will deliver our outcomes	Delivery Date	Current Status	Key Issues / comments
					Badger Farm) being analysed. New HMO Licensing scheme being implemented in October which will provide improved data for all areas as well as additional controls re conditions.
7.	Support residents to buy their own home.	Develop an effective “shared ownership” programme (shared target with aim to “Provide good access to affordable housing options”) Measure: <i>At least 30 affordable shared ownership homes developed by 2020.</i>	Mar 2020	Green	As 4 above
		Provide access to custom build initiatives Measure: <i>Two custom build plots identified</i>	Mar 2020	Green	The Council is currently considering potential sites to be used for self-build properties
		Create a Partner Home Purchase Scheme to enable residents to buy their own home in a shared equity scheme with the Council Measure: <i>Ten households (by March 2018) and a total of 50 by March 2019</i>	Mar 2019	Green	The first couple who have bought a new home using the PHP scheme moved in during October 2018. A total of 12 applications have been received with a number of these well advanced.

Improve the health and happiness of our community

	Aim	How we will deliver our outcomes	Delivery Date	Current Status	Key Issues / comments
1.	Work with partners to reduce health inequalities in the District and to promote good mental and physical health	Council grants programme to prioritise sport and physical activity programmes Measure: <i>Number of grants and the total financial amount approved for sports groups</i>	Mar 2019	Green	Sport and physical activity grants being considered as part of the wider review of the Council's grants programme.
		Develop the Exercise Referral programme to include classes for adults with long term health conditions Measure: <i>Achieve 265 referrals and class attendance during 2018/19.</i> <i>Achieve 2,300 throughput of attendees at community classes</i>	Mar 2019	Green	Q1 - 71 Referrals Q2 – 56 Referrals Most common referrals are for obesity, mental health and diabetes Q1 690 throughput Q2 655 throughput Most popular classes are for falls prevention and for patients with neurological conditions. Escape pain and an additional neuro fit class will commence in 2019
		Promote and encourage health walks across the District, helping everyone live longer, healthier and happier lives Measure: <i>Achieve 5,900 participants taking part in health walks during 2018/19</i>	Mar 2019	Green	Q1 – 1,259 throughput Q2 – 1,593 throughput Most popular walks are Bishops Waltham, Weeke and Winchester
		Target discretionary business rates relief towards sports clubs Measure: <i>Number of sports clubs</i>	Mar 2019	Complete	Sports clubs/ associations, and organisations associated with sport and physical activity are well supported by

Aim		How we will deliver our outcomes	Delivery Date	Current Status	Key Issues / comments
		<i>receiving rate relief</i>			the Council's policy with all eligible sports clubs currently claiming discretionary business rates relief. In 2017/18, of the £272k discretionary relief awarded, less than £51k was for organisations <i>not</i> associated with sport
		Increase the number of adults participating in sport or physical activity Measure: <i>Number of adults participating in sport and physical activity per week.</i> <i>Inactive – target 21.2%</i> <i>Fairly active – target 14.5%</i> <i>Active – target 66.5%</i>	Mar 2019	Green	Sport England – Active Lives Data 17/18 – figures published Oct 2018. Inactive – 19.8% Fairly Active 11% Active 69.2% The above figures are for March 2018 2018/19 figures will be available in Oct 2019.
		Support and promote the successful delivery of the Winchester junior parkrun open to children aged 4 to 14 Measure: <i>5,000 junior participants in 2018/19</i>	Mar 2020	Amber	Q1 – 1,017 junior participants Q2 – 779 junior participants This is the first year of this event therefore the throughput figure was difficult to estimate accurately. Marketing campaign for winter months to include Facebook advertising and primary school promotion work.
		Support and promote the Winchester adult parkrun Measure: <i>13,500 adult participants in 2018</i>	Mar 2019	Green	Q1 - 3,860 adult participants Q2 - 4,853 adult participants
		Support and promote the Whiteley adult parkrun Measure: <i>10,000 participants in 2018/19</i>	Mar 2019	Green	Q1 – 2,925 adult participants Q2 – 2,480 adult participants A Junior parkrun has been launched in

	Aim	How we will deliver our outcomes	Delivery Date	Current Status	Key Issues / comments
Page 77					Whiteley in Oct 2018 with signs of good attendance in the first few weeks. Data will be available for Quarters 3 and 4.
		Support the delivery of the Golden Mile event involving primary schools across the Winchester District Measure: <i>Participation of 20 schools and 4,000 pupils who have collectively walked 50,000 miles.</i>	Mar 2020	Green	2,545 pupils at 19 schools in the District – May 2018 data The Golden Mile is launching a new software platform which has resulted in no data being recorded in recent months. This whole school programme aims to tackle childhood obesity in Primary Schools across the District. Newsletters will be published and sent to schools every term to highlight school successes Challenges and fun competitions will be set for schools to keep them engaged.
		Invest annually in disabled facilities grants in line with Government funding to help people in their own home Measure: <i>100 residents given assistance to remain in their own home</i>	Mar 2020	Green	QTR 1 – 19 grants issued. Completion of DFG's delayed this quarter due to necessary policy and financial approval amendments. Approved in July via the Housing (Cabinet) Committee. Now on schedule to be delivered on time
		Support the delivery of the Winchester Health and Wellbeing Action Plan which includes the following high priorities; improving workplace health, reducing the number of 'increasing risk' alcohol drinkers and supporting people with dementia and their carers	Mar 2020	Amber	The current action plan expired on 31 March 2018 and was due to be reviewed and updated for the current financial year. As reported previously, this did not happen due to the absence of a key officer for several months.

	Aim	How we will deliver our outcomes	Delivery Date	Current Status	Key Issues / comments
		to lead active and fulfilling lives in their communities for as long as possible. Measure: <i>To achieve the targets as set out in the current action plan</i>			The overarching Hampshire Joint Health & Wellbeing Strategy also ended in 2018 and is currently being revised for publication in April 2019. In order to inform the revised strategy, the District Health & Wellbeing Forum is holding a workshop at the Eastleigh Borough Council offices on 13 November for district council Portfolio Holders and Health Leads. The aim of the workshop is to feed into the strategy development process and identify potential district council contributions which can be addressed locally.
2.	Provide new leisure facilities in Winchester that meet the needs of a broad cross section of our communities for now and the future	Build a new Sport and Leisure Centre at Bar End Measure: <i>Start of construction in Spring 2019</i>	Spring 2019 start on site	Green	Planning application for the new Sport and Leisure Centre recommended for approval at Planning Committee held on 31 October.
3.	Encourage volunteering to support and extend local services	Promote and encourage adults to volunteer in community events and sporting activities Measure: <i>Increase to 22% the number of adults volunteering in sport</i>	Mar 2020	Green	Sport England – Active Lives Data 17/18 – latest figures published Oct 2018. Adult volunteers – 21.7% The above figure is for March 2018 (2018/19 figures will be available in Oct 2019) Local data : - Parkrun – 83 volunteers. - Health Walks – 32 volunteers - Para Personal Bests – 41 volunteers - Tri Golf Festival – 57 volunteers
4.	Support the delivery of a	Support the Winchester Festivals	Mar	Green	Winchester Festivals Group currently

	Aim	How we will deliver our outcomes	Delivery Date	Current Status	Key Issues / comments
5.	programme of festivals and events across the District	Group to deliver a range of high quality sustainable events and festivals that are safe, well organised and well attended Measure: <i>Number of events supported, held and number of attendees</i>	2020		reviewing opportunities for sponsorship. Two recent meetings held ensuring that events through the summer are well organised and safe.
		Develop the Winchester Criterium and Cyclefest to increase participation and spectators Measure: <i>8,500 spectators at the 2018 event</i>	Jun 2019	Complete	13,000 spectators attended the Criterium and Cyclefest held in June 2018 Winchester Bid has installed new footfall software to enable an accurate measure of the number of spectators at this event
	Provide support to residents who are affected by the Welfare Reform and Universal Credit changes	Support residents affected by the impact of Welfare Reform, the benefit cap and Universal Credit into work Measure: <i>Ten people supported per quarter</i>	Mar 2019	Green	There have been no specific cases recorded where residents were affected by the welfare reforms or Universal Credit (UC) changes and required support in the second quarter of this year. The DWP announced recently that they would be withdrawing funding from local government for this support and the service would be provided by the CAB from 2019. Despite this change in government policy the Benefits & Welfare team will continue to consider communications from claimants and will assist anyone who contacts them in respect of UC or welfare reform related matters, where possible.
6.	Work with partners to achieve significant and sustained change for vulnerable families	Lead the implementation of the Government's Supporting (Troubled) Families Programme in the	Mar 2020	Green	The target number of families to be identified & engaged with Winchester Supporting Families (WSF) for 2018/19

	Aim	How we will deliver our outcomes	Delivery Date	Current Status	Key Issues / comments
	with multiple, complex and persistent problems	Winchester District Measure: <i>To support 61 families during 2018/19</i>			<p>(Cohort 7) is 61 (which includes 12 Intensive Family Support places).</p> <p>At the end of Q2 31 families had signed up to the programme – on target.</p> <p>Looking ahead, the main focus of effort will be on embedding the ‘whole family’ approach within our normal working practices and processes to ensure that the transformational legacy of the programme post 2020 is not lost. Planning for a local stakeholder event in February 2019 is underway.</p> <p>Performance reports for the end of Cohort 6 (2017/18) and the latest monthly dashboard report for Cohort 7 (2018/19) can be found on the following link:-</p> <p>http://www.winchester.gov.uk/community-recreation/health-wellbeing/supporting-families-in-the-winchester-district</p>

Improving the quality of the District's environment

	Aim	How we will deliver our outcomes	Delivery Date	Current Status	Key Issues / comments															
1.	Protect , enhance and respect the District’s rich heritage and landscape whilst allowing appropriate development to take place enabling our historic to evolve over time having due regard for the landscape character	Having an adopted up-to-date Local Plan with positive policies which allow development to take place which protects and enhances the heritage associated with the built and natural environment Measure: <i>Commence local plan review in 2018</i>	Mar 2020	Green	Formal launch of the preparation of Local Plan 2036 to commence in accordance with approved timescales in Local Development Scheme.															
2.	By working with our partners and by using powers available to us, make Winchester a safer and more pleasant place to live, work and visit	Be proactive in tackling incidents reported of fly-tipping within the District Measure: <i>To reduce the overall incidents of fly-tipping across the District</i>	Mar 2020	Green	<p>The hot spot locations we are currently working against are (they are changed by the team if there is significant reduction in reports): Port Lane (Hursley) Beeches Hill (Bishops Waltham) Basingstoke Road (A33) Whiteley Lane</p> <p>The figures below show a comparison between the figures from Quarter 4 of 2017/18 against Quarter 2 2018 as it relates to the period of location change:</p> <table><tr><td></td><td>Q4</td><td>Q2</td></tr><tr><td>Port Lane</td><td>5</td><td>2</td></tr><tr><td>Beeches Hill,</td><td>4</td><td>1</td></tr><tr><td>Basingstoke Rd</td><td>17</td><td>5</td></tr><tr><td>Whiteley Lane</td><td>7</td><td>1</td></tr></table> <p><u>Action taken:</u> 7 investigation’s were undertaken within the current reporting period, of those 5</p>		Q4	Q2	Port Lane	5	2	Beeches Hill,	4	1	Basingstoke Rd	17	5	Whiteley Lane	7	1
	Q4	Q2																		
Port Lane	5	2																		
Beeches Hill,	4	1																		
Basingstoke Rd	17	5																		
Whiteley Lane	7	1																		

	Aim	How we will deliver our outcomes	Delivery Date	Current Status	Key Issues / comments
					were closed and 2 are still ongoing. 1 FPN given for low level fly tip (£400) 1 £400 FPN awaiting WCC Legal sign off. 1 prosecution case due to be heard - in court October.
		Always evaluate prosecution as a deterrent to those who fly-tip within the District Measure: <i>100% success rate for all fly-tips that have been moved forward as application to the court for prosecution</i>	Mar 2020	Green	The Enforcement Officer maintains her 100% success rate for prosecution. This is largely due to the robust early stage investigation and decision making process. A £400 FPN issued on 17 July to an individual for dumping a small amount of fly tip in a bin belonging to a business, it was paid in full by return. This is very encouraging in the future use of FPN's for low level cases.
		Investigate introducing litter fines and other incentives/ penalties (new legislation and not rolled out within the Council yet). Measure: <i>Fixed Penalty notices issued for low-level fly-tips</i>	Mar 2020	Green	Awaiting further guidance on the use of extended/new powers to tackle littering. The Council already has the power to issue FPNs for littering. There were no FPN's issued for litter within this reporting period and this is largely due to the fact that when asked to, the perpetrator will pick the litter back up and dispose of it correctly, in view of the officer.
		Conduct the area specific satisfaction survey to take action to reduce incidents or concerns of Anti Social Behaviour in priority locations, the first being in 2017	Mar 2020	Green	ASB Survey: The survey aims to provide the public with an opportunity to say how 'we' dealt with their ASB related concerns. It will go live at the start of quarter 3. Those

	Aim	How we will deliver our outcomes	Delivery Date	Current Status	Key Issues / comments
		Measure: <i>Satisfaction levels recorded via the survey</i>			<p>outcomes will be reported via an O&S Committee report when it meets in February 2019.</p> <p>Housing Survey: The ASB lead within Neighbourhood Services has the opportunity to contribute to the questions within a housing survey. This is likely to be undertaken during the next quarter and will hopefully provide us with a wider understanding of the experiences and perceptions of ASB across the district.</p>
		<p>Utilise the tools and powers provided within the ASB, Police and Crime Act 2014 to tackle and reduce crime in the District</p> <p>Measure: <i>Number of interventions to reduce incidents of ASB</i></p>	Mar 2020	Green	<p>Begging: CCTV stat's from within this reporting period show that there were 38 begging + 1 rough sleeping incident as opposed to 90 for the same period last year.</p> <p>ASB Intervention: This reporting period shows a considerable reduction in ASB type incidents in public places. This is reflected nationally whereby it is recognised that the changing behaviour of young people in relation to their use of social media as entertainment/interaction has influenced the drop in recorded ASB e.g. alcohol related ASB, nuisance gatherings.</p> <p>A breakdown of interventions used</p>

	Aim	How we will deliver our outcomes	Delivery Date	Current Status	Key Issues / comments
					<p>during this period is as follows: Acceptable Behaviour Contract = 0 Community Protection Warning = 1 Community Protection Notice = 0 Section 35 dispersal notices have also been used by the PCSOs, however the data was not available at the time of writing this report, an update will be provided in Quarter 3.</p> <p>Welcome to the Neighbourhood Booklet for students living in HMO's: the final development of this work took place within this reporting period e.g. attendance at Fresher's Fayre and the delivery of approximately 700 booklets, distributed as individual door knocks to each HMO. Confirmation of the actual number of households reached will be provided for Quarter 3.</p>
3.	Protect, enhance and increase the use of open spaces in both the towns and more rural areas of the District	<p>Deliver a rolling programme for estate improvements, including environmental and parking schemes Measure: <i>Deliver £250k annually with a range of benefits for the local communities</i></p> <p>To undertake and act upon a visitors user survey on key open spaces to ascertain current use and future demand for such space Measure: <i>Visitor usage and satisfaction rates</i></p>	<p>Mar 2020</p> <p>Mar 2020</p>	<p>Green</p> <p>Green</p>	<p>Two Stanmore parking schemes completed. Proposals for Colden Common, Curdrige, Highcliffe and Weeke (Trussell Crescent) currently out to consultation.</p> <p>Survey that seeks the views of visitors to the parks and open space across the District currently available from the Council's website, running to 30 November 2018.</p>

	Aim	How we will deliver our outcomes	Delivery Date	Current Status	Key Issues / comments
4.	Work to change attitudes to waste, fly-tipping and littering and significantly improve recycling levels	Support and encourage residents living in the District to recycle through public awareness campaigns including a focus on reducing the rates of contaminations of materials collected for recycling Measure: <i>Increase recycling from the 2016/17 baseline position</i>	Mar 2020	Green	Ongoing promotion and increasing of awareness among residents to recycle. The percentage of household waste sent for reuse, recycling and composting in 2018 shows a 1% increase in April/May/June period when compared to the same period in 2017.
		We will investigate options for additional income through increased recycling Measure: <i>Income collected through additional channels</i>	Mar 2020	Green	The Council continues to investigate opportunities to raise additional income through recycling.
5.	Work with strategic partners to continue to develop flood resilience measures to protect our communities	Support schemes that will protect residents' homes and property from the threat of flooding Measure: <i>Flood scheme assessments on all completed schemes</i>	Mar 2020	Green	Flood alleviation works ongoing. Previous report approved £75,000 for drainage works at West of Waterlooville to alleviate flooding. Additional alleviation measures are planned in Winchester (Durngate phase 2) but further investigative/technical work has identified some issues which will impact on design/cost and the Environment Agency is completing additional modelling work which will also feed into the project. Assessment will be necessary once this work has been finished when a further up-date can be provided.
6.	Improve the environment and reduce harmful emissions through holistic transport planning	Delivery and implementation of the actions included in the Winchester Air Quality Action Plan 2017 – 2023 Measure: <i>Improved air quality in</i>	Mar 2020	Green	Work is continuing regarding the implementation of the nine core and nine complimentary measures in the Action Plan with an update report considered by

	Aim	How we will deliver our outcomes	Delivery Date	Current Status	Key Issues / comments
		<i>accordance with the Air Quality Action Plan</i>			Cabinet in September 2018 (Report CAB3074 refers)
		Delivery of the 12 Actions for a Lower Carbon Council Measure: <i>Reduce by 40% or 25,000 tonnes of CO2 per annum by 2020</i>	Mar 2020	Amber	To be reviewed by the Low Carbon Board and City Council to consider progress made and whether these actions need to be refreshed or the issue of emissions/climate change addressed in a different way. It is acknowledged that meeting this local reduction in emissions as a contribution to the national target will continue to be a challenge, as was the case from the outset, bearing in mind the Council has only limited control over carbon emissions generated across the District. The Council continues to make good progress in reducing its own carbon footprint and figures for 2016/17 show a reduction of 9.1% on the previous year and 22.5% on the baseline year (2009/10).
		We will increase the use of P&R to support and encourage parking outside of the city centre Measure: <i>An additional 200 Park & Ride spaces created</i>	Mar 2019	Green	Additional P&R bus added to service (peak bus number increased from 8-9) to cope with increasing passenger demand. Further will follow on from the City of Winchester Movement Strategy.

Section 3: Programme Management – Projects Update

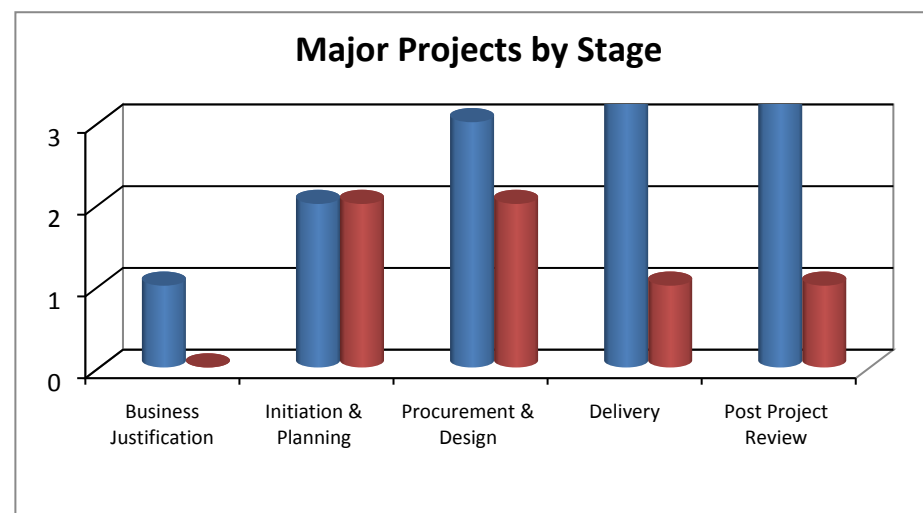
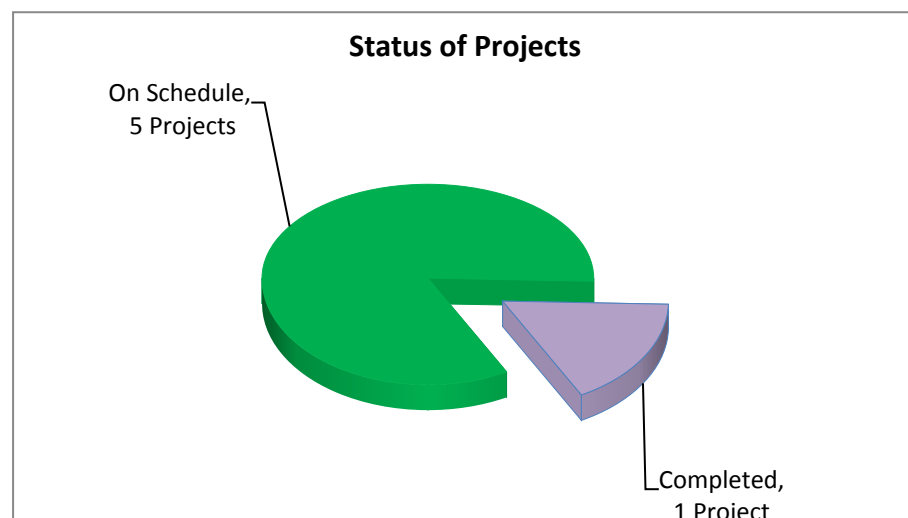
This report provides an update on the progress made against the Council's significant programmes and projects which are being or will be undertaken during the next five years. These programmes and projects have been selected for inclusion in this report following an exercise to evaluate against a number of criteria the significance, complexity and cost of each of the projects and the need for regular monitoring.

The Council's Major Projects include:



- Central Winchester Regeneration
- Chesil Lodge – Extra Care Scheme
- Environmental Services contract
- New Homes Programme
- Station Approach
- Winchester Sport and Leisure Park



Summary Report

The charts below summarise the status of the Council's significant projects as set out in the report



Management Report – Major Projects

Summary		Status & Progress		Project Milestones
<u>Winchester Sport & Leisure Park</u>		Current Quarter	Previous Quarter	<ul style="list-style-type: none">• <i>Options appraisal – 2013 to 2015 - Completed</i>• <i>Feasibility assessment of preferred option – 2016 - Completed</i>• <i>Prepare Outline Business Case for preferred option - 2016/17 - Completed</i>• <i>Outline Business Case – 16 January 2018 - Completed</i>• Planning permission recommended for approval at Planning Committee – 31 October 2018• Start on site – 2018 (now likely to be early 2019)• Completion – 2020 (now likely to be 2021)
Project Phase: Procurement and Design				
Project Start Date: 01 May 2013	Projected End Date: Spring 2021			
Project Sponsor: Chas Bradfield	Project Executive: Andy Hickman			
Project Budget: Capital: £38,000,000 Revenue: £759,402	Total Actual Spend: Total: £1,977,684			
Project Update & Next Steps				
Project Update <ul style="list-style-type: none">• RIBA Stage 4 completed• Announcement of construction contractor• Continued consultation with planning consultees• Progress of procurement process for operator• Planning further engagement with users of the centre• Preparation of the full business case• Offsite works for temporary and permanent access around the park				
Next Steps <ul style="list-style-type: none">• Progress RIBA stage 5 pre-construction design and costing, including ongoing engagement with utilities and HCC• Continue procurement for an operator for the Centre• Continued planning and delivery for offsite access works• Engagement with users of the centre• Planning determination October 2018				



Summary		Status & Progress		Project Milestones
<u>Station Approach</u>		Current Quarter	Previous Quarter	<ul style="list-style-type: none">15/12/16 - Procurement of RIBA Competitions Office - Completed20/03/17 - Cabinet to agree start of procurement – Completed14/08/17 - Cabinet (SA) to approve appointment of architects - Completed27/02/18 – Cabinet (SA) approve content of the Public Realm Strategy and Masterplan Framework - Completed12/07/18 – Cabinet (SA) approved Procurement route for Public Realm Strategy design workOct 18 – Cabinet (SA) to approve Brief for Public Realm works and note update on RIBA stage 2 Carfax scheme re-designDec 2018 – Cabinet (SA) to be requested to approve RIBA Stage 2 (Concept Design) for the Carfax site, consider the outline business case, to be requested to agree Gateway approval to RIBA Stage 3 (developed design), and consider options for delivery.Jan 2019 - Public consultationMarch 2019 - Cabinet (SA) to review RIBA Stage 3 design works prior to planning application submission.July 2019 - Cabinet (SA) to be requested to approve RIBA 3 and delivery routeSept 2019 – Planning Committee decision expectedJan 2020 - Cabinet (SA) to be requested to approve RIBA 4Mar 2020 – start on site construction(dependent on construction contract arrangements)
Project Phase: Procurement and Design				
Project Start: February 2015	Project End Date: Qtr 4 2022			
Project Sponsor: Chas Bradfield	Project Executive: Ian Charie			
Carfax Project Budget: Capital: £1,800,000 of which £400,000 approved for expenditure Revenue: £1,500,000	Carfax Expenditure: Revenue: £986,112 (current project) Committed: Revenue: £256,814 Capital: £330,481 Public Realm Expenditure: £0.00 Committed: £15,000			
Public Realm Budget: Capital (Projected): £5m (LEP) Revenue: £225,000.00				
Project Update & Next Steps				
<ul style="list-style-type: none">Cabinet (SA) Committee considered and agreed the next steps set out in CAB3083(SA) and the drawdown of capital funds for planning prep work.Completion of RIBA Stage 2 Design and preparation of a planning application with consultation with officers, including discussions regarding landscape assessments and archaeological requirements.Planning application for marketing boards for the Carfax site prepared for submission.Outline business case for Carfax and for LEP funding being drafted.Design Team developing the Concept Design Drawings for Public Realm in preparation for public consultation in January 2019 and in				

consultation with HCC as Highway Authority

- Meetings scheduled with South Western Railway to review Design requirements
- Mapping Network Rail Governance Process against PR Project Roadmap

Next Steps



- Finalisation of RIBA Stage 2 and outline business case for December Cabinet (SA) Committee Decision
- Mobilisation of technical support to meet programme.
- Public Realm -Submission of LEP Business Case targeted for end of October
- Public Realm – Preparation of Stakeholder engagement in November
- Prepare for public consultation in January 2019.



Summary		Status & Progress		Project Milestones
<u>Central Winchester Regeneration</u>		Current Quarter	Previous Quarter	<ul style="list-style-type: none">• 27/11/17 - Draft SPD reviewed and signed off• 06/12/17 – Cabinet approval to commence consultation• 11/12/17 – Start of Formal Consultation• 05/02/18 – End of Formal Consultation• 20/06/18 – Cabinet resolution to adopt SPD• 10/07/18 – Cabinet (CWR) Committee approval to proceed with next steps in relation to meanwhile uses and improvements to the existing estate• 25/09/18 – Present estimates for costs and timescales for meanwhile uses and improvements to the existing estate agreed on 10 /07/18 to Cabinet (CWR) Committee for approval to proceed
Project Phase: Initiation & Planning				
Project Start: March 2016	Project End: Ongoing			
Project Sponsor: Chas Bradfield	Project Executive: Veryan Lyons			
Project Budget: Revenue: £335,000	Spend to date: £268,084 (includes committed spend)			
Project Update & Next Steps				
<ul style="list-style-type: none">• Cabinet resolution to adopt draft SPD – 20 June 2018• Cabinet (CWR) Committee approval to proceed with next steps in relation to meanwhile uses and improvements to the existing estate – 10 July 2018• Present estimates for costs and timescales for meanwhile uses and improvements to the existing estate agreed on 10 July to Cabinet (CWR) Committee for approval to proceed on 25 September 2018				
Next Steps				
<ul style="list-style-type: none">• Set up Advisory Panels for Coitbury House, meanwhile uses and public realm• Meanwhile uses and improvements to the existing estate and public realm – produce estimates for costs and timescales for Coitbury House, and Lower High Street and Broadway paving. Begin looking into options for longer term improvements to the Broadway, meanwhile uses for vacant buildings and pop up uses for the vacant area in the bus station• Archaeology dialogue – agree dates, set up events and publicise• Movement Strategy – continue to liaise with HCC on how best to incorporate emerging themes into the development proposals for the CWR area• Further, more detailed work to inform decisions on delivery options and designs• Continue developing relationships with stakeholders and landowners• Seek to find consultants where specialist expertise is required				

- Investigate options to facilitate a process for finding a name for the CWR area
- Cabinet (CWR) Committee visits to Bath and Chester

APPENDIX 1

















Summary		Status & Progress		Project Milestones
<u>Chesil Lodge – Extra Care Scheme</u>		Current Quarter	Previous Quarter	<ul style="list-style-type: none">05/02/15 – Planning permission granted at Planning Committee11/04/16 – Construction started on site10/03/17 – ‘Topping Out’ ceremony held22/03/17 – Award of contract for catering service at Chesil Lodge (report <u>CAB2912(HSG)</u> refers)Completion / handover by contractorPhased moving in of residents
Project Phase: Post Project Review		Completed	Completed	
Project Start: January 2013	Project End: 2018			
Project Sponsor: Richard Botham	Project Executive: Andrew Palmer			
Project Budget: £15,431,560	Spend to date: £15,650,598 (pre liquidated damages) to 30 June 2018			
Project Update & Next Steps				
<ul style="list-style-type: none">Scheme handed over to the Council by contractor 21st June 2018First resident moved in June 28th, phased move in for remaining residents during July <p>Next Steps</p> <ul style="list-style-type: none">Phased moving in of residentsPractical completion of whole scheme including S278 Highway works.Formal opening event in early 2019Post project review scheduled for November 2018				













Summary		Status & Progress		Project Milestones
Environmental Services Contract		Current Quarter	Previous Quarter	<ul style="list-style-type: none">Sept 2018 - Member decision on procurementOct 2019 - Joint contract terminated
Project Phase: Initiation & Planning				
Project Start: January 2018	Project End: December 2019			
Project Sponsor: Laura Taylor	Project Executive: Steve Tilbury			
Project Budget: £225,000	Spend to date: £10,000			
Project Update & Next Steps				
<ul style="list-style-type: none">Procurement Strategy agreed by Cabinet – September 2018				
Next Steps <ul style="list-style-type: none">Project timetable currently being formulatedExternal consultancy support Plan to be formulated to deliver approved processRevised contractual arrangements must be in place to allow for mobilisation				

Summary		Status & Progress		Project Milestones
<u>New Homes Programme</u>		Current Quarter	Previous Quarter	<ul style="list-style-type: none">• The Valley – tender process underway (stage 2 mini tender)• Mitford Rd – flat completion August 2018• Bailey Close – completion November 2018• Hillier Way – completed in November 2017• Victoria House – completion delayed until Dec 18 due to insolvency• Knowle - Started on site• Rowlings Rd – Planning consent secured, preparing to Tender
Project Phase: Delivery				
Project Start: December 2012	Project End: December 2022			
Project Sponsor: Richard Botham	Project Executive: Andrew Palmer			
Project Budget: Capital: £43,942,000	Spend to date: Capital: £8,832,790 to 30 Sept 2018			
Project Update & Next Steps				
<ul style="list-style-type: none">• Mitford Rd – Flats handed over on 28th August 2018.• Bailey Close – work re-started on site following administration of original contractor. Anticipated completion November 2018• Hillier Way – completed (November 2017)• Victoria House – Contractor entered administration in April 2018; the Council has appointed construction consultants to re-engage sub contractors, completion delayed until December 2018.• Knowle - Ground works have commenced on sites.• The Valley – Homes England grant awarded of £3.2m, 2nd stage of tender process underway with design drawings and discharging pre-commencement planning conditions being immediate tasks requiring action. Full cost certainty expected December 2018.				

Section 4 – Managing the business (performance indicators)

The table below provides an update on the performance the Council is making against a set of ‘corporate health’ indicators.

Performance Indicator	2017/18				2018/19		Current Status	Annual Target	Expected Outturn
	Q1	Q2	Q3	Q4	Q1	Q2			
Average Sickness per member of staff (<i>days</i>) – rolling year	6.4	6.5	6.9	6.4	6.8	7.7		7.5	
Staff Turnover - quarterly	5.50%	5.70%	4.22%	3.25%	4.44%	5.26%	No target set	No target set	No target set
Speed of processing new Housing Benefit/ Council Tax Support Claims (<i>days</i>)	10.38	9.75	10.41	11.13	14.36	14.76		14.00	
Speed of processing changes in circumstances Housing Benefit/ Council Tax Support Claims (<i>days</i>)	3.37	3.22	3.37	3.21	4.22	4.87		7.00	
Number of overdue/ outstanding internal audit actions (<i>end of quarter</i>)	32	23	25	15	14	15		10	
Number of High Priority Overdue Internal Audit Management Actions	9	0	3	0	0	0		0	
Number Internal Audit Reports issued with ‘No Assurance’ opinion	0	0	0	0	0	0		0	
Accounts Payable – invoices paid within 30 days	96%	90%	95%	94%	96%	96%		100%	
Invoices processed with a Purchase Order	98%	100%	99%	100%	100%	100%		100%	
Number of complaints recorded on corporate complaints system	86	67	76	129	136	167	Not Applicable	No Target Set	Not Applicable

Performance Indicator	2017/18				2018/19		Current Status	Annual Target	Expected Outturn
	Q1	Q2	Q3	Q4	Q1	Q2			
Percentage of FOI requests responded to within 20 working days	73.91%	78.70%	79.88%	78.53%	72.19%	76.00%		90.00%	
Number of Fly-Tipping Incidents reported	142	200	193	249	183	194	No Target Set	No Target Set	Not Applicable
Percentage of household waste sent for reuse, recycling and composting - quarterly	37.94%	38.31%	35.30%	32.31%	38.98%	37.33%		35.87%	
Percentage of Major applications determined within 13 weeks or Agreed Extension of Time	66.67%	71.43%	83.33%	100.00%	87.50%	100.00%		60.00%	
Percentage of Non Major applications determined with 8 weeks or Agreed Extension of Time	83.13%	81.03%	88.74%	90.96%	96.91%	93.94%		65.00%	
Number of Enforcement Cases Opened	89	91	83	90	76	81	No Target Set	No Target Set	Not Applicable
Number of Enforcement Cases Closed	128	108	103	108	73	80	No Target Set	No Target Set	Not Applicable
Voids – Average re-let time (general needs and Sheltered)	12.51	12.27	12.32	12.63	13.80	14.99		13	
Arrears - Number of tenants owing more than 4 weeks rent	222	327	206	205	206	222	Not Applicable	No Target Set	Not Applicable
Repairs – Average number of days to complete responsive repairs	5.4	5.3	5.0	5.16	5.96	6.88		8	
Homelessness – Numbers presenting to Council as being at risk of homelessness	324	404	334	460	360	385	No Target Set	No Target Set	Not Applicable

Key to symbols:



This performance indicator is on target



This performance indicator is below target but within 5% of the target



This performance indicator is more than 5% of the target

Key Actions:

Freedom of Information (FOI) processes continue to be reviewed by a cross Council Information Governance group focussing on where responses are being completed outside the 20 working day target.

Performance has improved slightly during the current quarter with 76.00% of FOI requests responded to within 20 working days. Performance figures for the current period (October to November) show that 88.24% of FOI's have been responded to within 20 working days.

Responsibility for the monitoring and following up on FOI requests has now been assigned to a new member of staff and a number of incomplete requests are being cleared which is having an impact on the overall percentage responded to within 20 working days.

OS213

THE OVERVIEW AND SCRUTINY COMMITTEE

REPORT TITLE: COUNCIL STRATEGY UPDATE

26 NOVEMBER 2018

REPORT OF CABINET

Contact Officer: Joseph Holmes Tel No: 01962 848 220 Email
jholmes@winchester.gov.uk

WARD(S): ALL

PURPOSE

The Council Strategy 2017-20 was adopted by Council on 23 February 2017 and refreshed in January 2018 to take account of external changes and sharpen the Council's focus on the delivery methods and intended outcomes.

The Strategy document outlines the actions, commitments and measures to deliver overall outcomes by March 2020.

This report sets out the updated Council Strategy for the year 2019/20 which will be the final year of the current three year strategy. This update sets out to further refine the actions and objectives for 2019/20 taking into consideration external factors and opportunities that have presented themselves to the Council.

There are no proposed changes to the four strategic outcomes.

RECOMMENDATIONS:

1. That the Overview and Scrutiny Committee raises with the Leader or other relevant Portfolio Holder any issues arising from the information in this report and considers whether there are any items of significance to be drawn to the attention of Cabinet.

IMPLICATIONS:1 COUNCIL STRATEGY OUTCOME

- 1.1 This report provides details of the activities the Council will undertake during the next financial year to deliver the four priority outcomes included in the Council Strategy.

2 FINANCIAL IMPLICATIONS

- 2.1 None directly included in this report. The Strategy, along with Medium Term Financial Strategy will be the guiding document behind how the financial resources will be allocated in the future. Proposals for budget growth will be brought forward for approval as required.

3 LEGAL AND PROCUREMENT IMPLICATIONS

- 3.1 None in the Strategy, though individual projects and actions will be subject to review as required by Legal Services.

4 WORKFORCE IMPLICATIONS

- 4.1 None directly arising from the Report. To deliver the aims and objectives in the Council Strategy, resources will need to be assigned as required, following the principles as laid out in the Employee Strategy

5 PROPERTY AND ASSET IMPLICATIONS

- 5.1 None directly, although the Strategy does include commitments that will see implications for asset management.
- 5.2 Investment in asset management is a core part of the delivery of the Strategy, as well as the Council's Efficiency Plan

6 CONSULTATION AND COMMUNICATION

- 6.1 Executive Leadership Board and Senior Managers have been consulted on the content of the refreshed Strategy. All Cabinet members have contributed to the refreshed strategy.
- 6.2 Given that this is only a minor refresh to the Council Strategy it is not proposed that there will be any formal consultation, although liaison with partners and key stakeholders who will share the delivery of the Strategy or are affected by any of the amendments will be undertaken.

7 ENVIRONMENTAL CONSIDERATIONS

- 7.1 None directly included in the report, however the Council Strategy includes aims to reduce carbon emissions across the District and take steps to improve air quality that contribute to improving the health and happiness of our community and improving the quality of the District's environment.

8 EQUALITY IMPACT ASSESSEMENT

- 8.1 None, although individual projects included in the Strategy may be subject to an equality impact assessment if required

9 DATA PROTECTION IMPACT ASSESSMENT

- 9.1 None.

10 RISK MANAGEMENT

Risk	Mitigation	Opportunities
<i>Property - none</i>		
<i>Community Support</i>	Provide engagement opportunities especially through key projects.	Further opportunity to engage with our residents and community.
<i>Timescales – delivery against</i>	Quarterly monitoring of the measures included in the Strategy by Cabinet and Overview & Scrutiny Committee	
<i>Project capacity</i>	Project Team structure supports the aims as set out in the Strategy.	Ensuring that all new schemes include appropriate project support as well as support service costs, as part of the business case.
<i>Financial / VfM – Entrepreneurial Council</i>	The Council's Risk Appetite as set out in the Risk Management Policy 2017 defines the amount of financial risk that the Council is willing to consider. All major projects have their own risk register which identifies among others, financial risks and includes relevant actions to manage these risks.	New revenue streams are proposed, as well as enhancing existing schemes to enhance the Council's financial position.
<i>Legal</i>	Each significant item will be subject to its own legal consideration in appropriate reports.	
<i>Innovation</i>	Innovation through the Strategy alters the risk profile. In one way, there is increased risk through exploring new ways of working and new	This Strategy proposes some innovative proposals, and innovation is a theme which is proposed to support the delivery of the Strategy.

Risk	Mitigation	Opportunities
	projects which have not been considered before.	The risk of remaining the same is significant in that funding reductions are such that the Council would be unable to fund some of its core services.
<i>Reputation</i>	The risk of delivering the Strategy is mitigated through the monitoring of the outcome measures contained within the Strategy, and ensuring corrective action is taken. Not delivering on some of these items, especially some of the major projects will have a large financial risk to the Council through impacting on future revenue streams.	This Strategy gives the Council the opportunity to enhance its reputation through establishing a more targeted ambition for the District that is based on clear measures. Success against these key measures will enhance the Council's reputation to move key programmes of work forward and deliver for residents of the District.
<i>Other - none</i>		

11 SUPPORTING INFORMATION:

- 11.1 The Council Strategy 2017-20 was formally adopted by Council on 23 February 2017. This report presents the refreshed Council Strategy for the period 2019/20 which will be the final year of the current three year strategy.
- 11.2 The Council Strategy outlines the Council's key ambitions and is a focus for resources required to deliver the outcomes which are:
- Winchester District will be a premier business location
 - Delivering quality housing options
 - Improve the health and happiness of our community
 - Improving the quality of the District's environment
- 11.3 The Strategy document outlines 59 measures across 24 aims and commitments to deliver the four outcomes by March 2020. This document guides the work of the Council and progress is reported quarterly to Overview and Scrutiny and Cabinet. Recent reports show that good progress is being made to achieve the outcomes.
- 11.4 Given that the Council Strategy was last refreshed earlier this year, this update does not fundamentally change the content of the document, however it has provided the opportunity to:
- Review the aims under the strategic outcomes,
 - Take account of external factors such as relating to recent government announcements,

- Sharpen the Council's focus on our delivery methods and outcomes,
- Refine the measures/ metrics that are to be used to prioritise our resources,
- Revise any target dates to reflect changed circumstances,
- Remove or update any actions that have been completed as reported in the quarterly Finance and Performance reports,
- Include objectives for 2019/20 to take advantage of opportunities that have arisen,
- Ensure the listing of lead officers is up to date and in line with any recent staff changes.

11.5 There are six new actions that have been added to the Council Strategy for 2019/20 and are set out as follows:

Winchester Will be a Premier Business Location

11.6 **Work with strategic partners to deliver digital infrastructure projects across the District** – a new outcome has been added for 2019/20 to reflect the aims of the recently adopted Council Digital Strategy. This new outcome is to improve the digital experience and accessibility for residents, businesses and visitors including Wi-Fi enablement of the city centre and development of a smart app.

11.7 **Be innovative by exploring opportunities to reduce revenue expenditure and maximise key income streams** – to reflect the Council's ambition to provide all Council services online by the end of 2019, a new outcome has been added to the Council Strategy. This new outcome is to support the delivery of the ten actions as set out in the Digital Strategy including working with partners to ensure that all Council services can be accessed online.

Improving the Quality of the District's Environment

11.8 **Protect, enhance and respect the District's rich heritage and landscape whilst allowing appropriate development to take place enabling our historic environment to evolve over time having due regard for the landscape character** - as the council is planning to build a state-of-the-art leisure centre in Bar End, it has set up a new Informal Policy Group (IPG) to examine how it can best use the land at and around the existing leisure centre once the proposed new Sport & Leisure Park is up and running. In support of this, a new action is proposed for the Council Strategy which is to explore the options open to it to redevelop the current RPLC site working towards a more detailed strategic business case and feasibility study.

11.9 A further action has been added under this aim for 2019/20 to begin working on a new Green Infrastructure Strategy for the District, which will include the necessary policy information; an implementation plan and developers tool kit to support planners.

11.10 **By working with our partners and by using powers available to us, make Winchester a safe and pleasant place to live, work and visit** – the Council is planning to undertake a thorough review of its taxi licensing policy during 2019/20 so as to introduce higher standards of public safety and improve air quality. A new action setting out the review has been added to the updated Council Strategy.

11.11 The Council is planning to undertake a biodiversity audit for the District during 2019 to support a thorough refresh of its Biodiversity Action Plan that is based on up to date and robust evidence. These two new actions are proposed to be included in the 2019/20 Council Strategy and under a new aim that is to **“Work with strategic partners to identify opportunities to protect, enhance and restore the biodiversity in the District”**.

12 OTHER OPTIONS CONSIDERED AND REJECTED

12.1 The Council could choose not to have a Council Strategy or not to refresh the existing document. It is the Council Strategy that sets out the key delivery programme for the Council and enables effective business planning for teams. To not have a Strategy is not recommended.

BACKGROUND DOCUMENTS:-

Previous Committee Reports:-

CAB2899 – Council Strategy 2017-20

[CAB2980](#) – Council Strategy Refresh

Other Background Documents:-

None

APPENDICES:

Appendix 1 Proposed refreshed Council Strategy 2019/20

Appendix 2 Proposed Performance Measures



COUNCIL STRATEGY 2017 – 2020

2019 EDITION



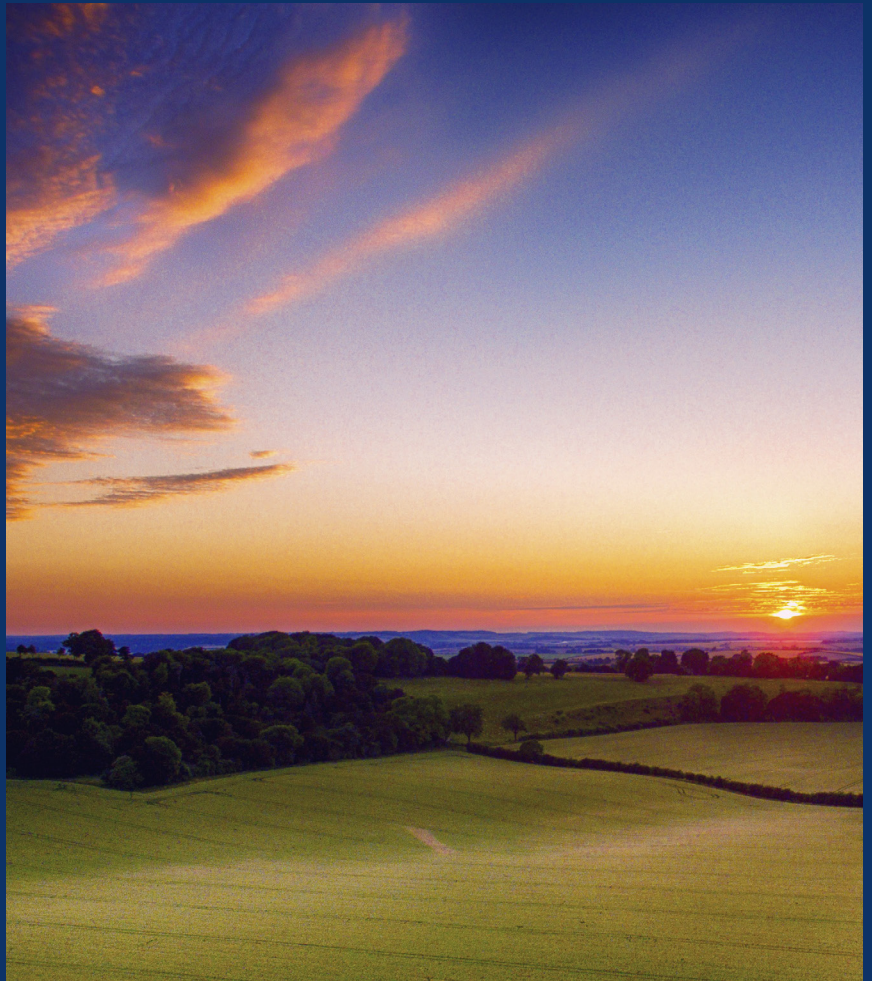
Vision

The overarching vision of Winchester City Council is to combine a blend of innovation, aspiration and pragmatism when delivering local services, looking beyond the traditional ways of doing things.

We are committed to:

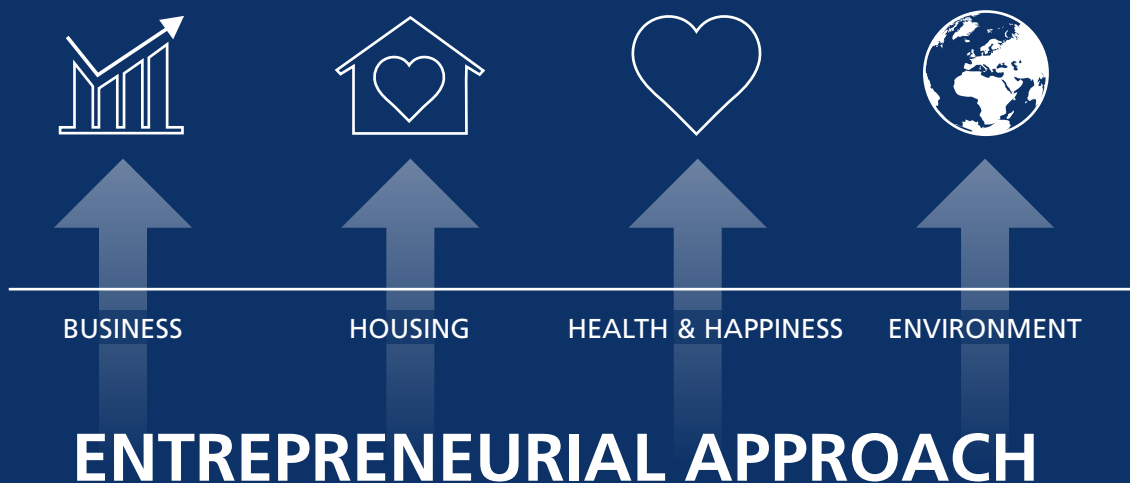
- Making the District a premier business location
- Developing quality housing with a balanced range of tenures
- Protecting and enhancing our unique environment
- Delivering services that encourage residents to lead healthy and fulfilling lives

The outcome of our combined aims will be a district where everyone enjoys the opportunities and quality of life that come from living in the Winchester District.



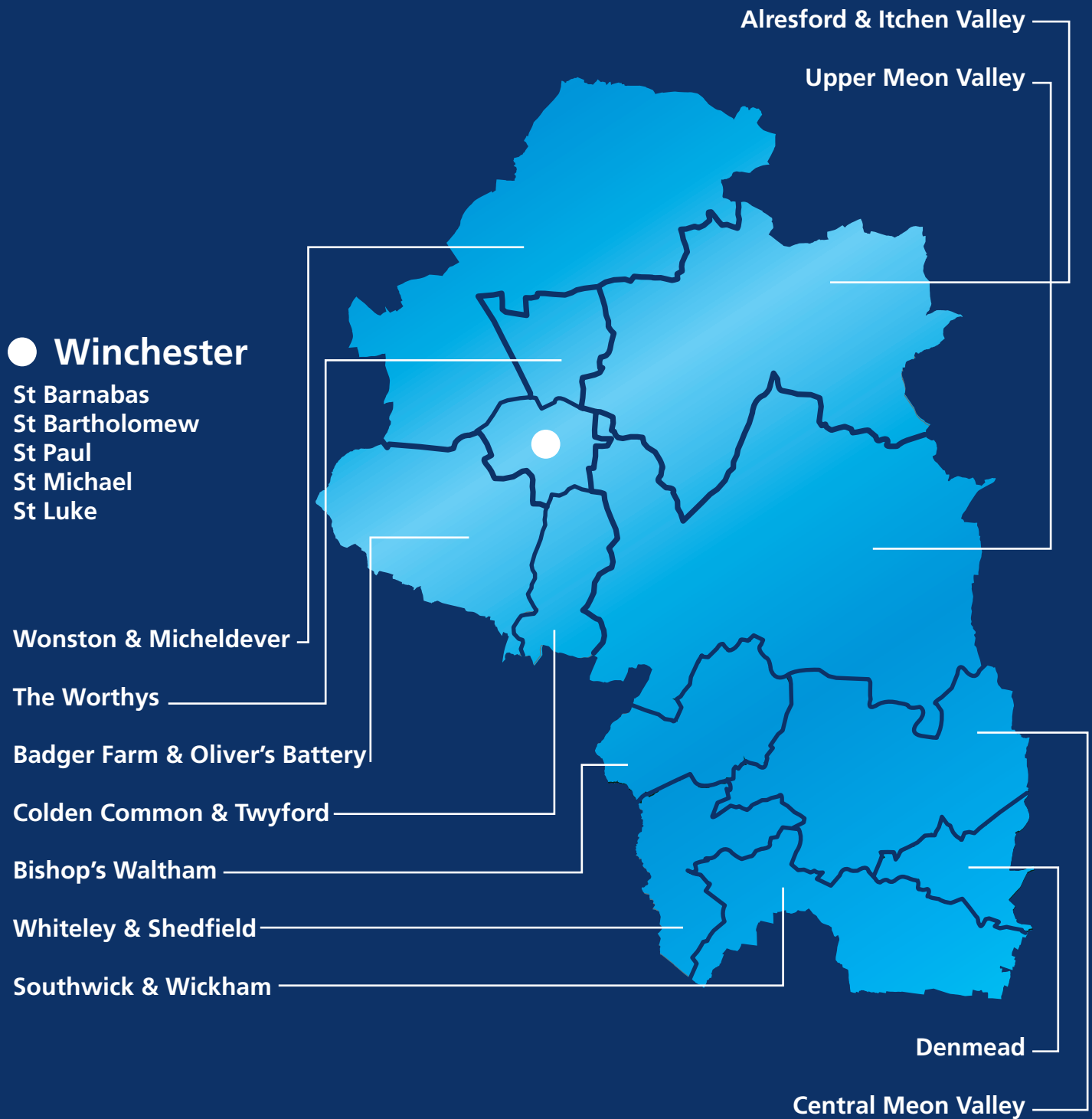
Farley Mount Winchester

A blueprint for Winchester's future



About this strategy document

This strategy outlines how the Council will deliver its vision up until 31 March 2020. We face many challenges, and our strategy sets out the key outcomes and core principles which underpin our work.



Your Council

Winchester City Council manages a wide variety of services. We have responsibility for:

- Planning management
- Housing
- Council tax
- Leisure services
- Benefits administration
- Building control
- Waste collection
- Business rates collection
- Tourism
- Economic development

Routinely praised as being one of the most desirable places to live in the UK, the Winchester District boasts up to 250 square miles of rolling countryside and economic heartland. The conservation of this unique setting is central to this document, which sets in stone the Council's ambitious and sustainable vision for the future.

The Winchester District is renowned for its strong economic foundations; contributing £4.8 billion in total output Gross Value Added (GVA) in 2015. Despite this, we know that a healthy and happy population needs more than a strong economy, which is why this strategy seeks to tackle a wide range of issues, from air quality to the condition of the public realm.

As a result, we have set out a bold vision for Winchester, driven forward by greater public engagement and investment in our city centre.

Ultimately, this document will seek to ensure that we continue to provide high quality housing, greater support for our local businesses and improve the health and happiness of our community.

Winchester District will be a premier business location



8,200

The number of businesses in Winchester District in 2016

Deliver quality housing options



91%

The number of tenants who said they were satisfied with the Council as a landlord

Improve the health and happiness of our community



TOP 30

Our District's ranking for life satisfaction in the UK

Environment



86%

Of our residents wish to maintain the District's environmental character

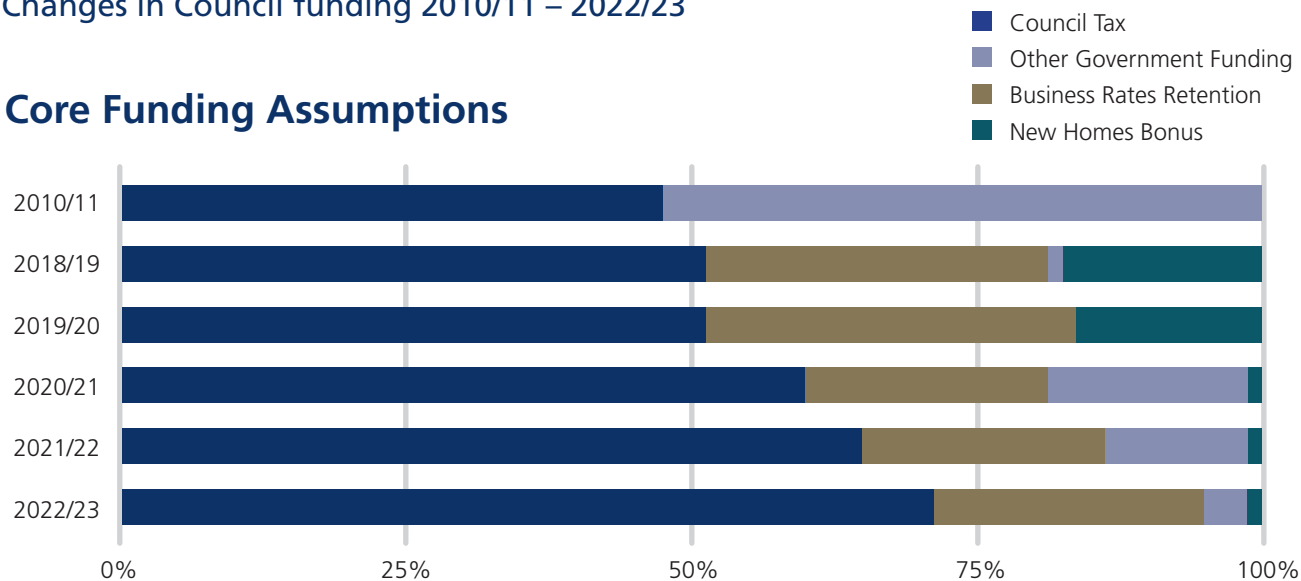


Financial challenge

How we are financed and the role of government has fundamentally changed over this decade

Changes in Council funding 2010/11 – 2022/23

Core Funding Assumptions



For us to maintain or even grow our excellent services and deliver our strategy, we need to balance these pressures on our funding and make sure we are able to grow these income streams as well as seek to obtain new sources of income. As well as setting out what we want to achieve for the District, our council strategy also sets out how we aim to be financially resilient when facing these challenges.

By 2019 we will cease to receive any core government grant. Our financial future relies upon council tax from residents, a small share of business rates from businesses in our District, new homes bonus incentive from government (though no forecast can be made on this beyond 2020), and fees and charges we raise locally for services.

To deliver the strategy we also have a significant capital programme. We are planning some major schemes for a new leisure centre, regeneration and building new homes; these need to be affordable so that we do not put undue additional financial burdens on our residents and businesses.



The Guildhall in Winchester - civic and community hub

One

Winchester District will be a premier business location

Why?

The District is an attractive place to do business. We know that we have great transport links and low unemployment levels. It is vital to us that we help support business growth and success by enabling the supply of new office and employment space, and increase job opportunities to match our growing population.

As finances for local government continue to be squeezed, we need to help drive growth in business rates to continue to provide the excellent services our residents deserve.

We have

- Driven forward our plans to regenerate the Central Winchester area, materialising opportunities for businesses and residents alike.
- Prioritised the reinforcement of our digital infrastructure, by rolling out access to superfast broadband for 95% of Hampshire.
- Hosting well attended events, such as Hack! Winchester, that seek to inspire our local businesses to work collaboratively and share ideas with one another.
- Celebrated the pioneering innovation of our local businesses, by holding our popular annual Winchester District Business Excellence Awards.
- Encouraged our smaller businesses to compete in the 'Business Innovation Fund', the winner of which will receive Council funding to further develop their organisational aspirations.

We will

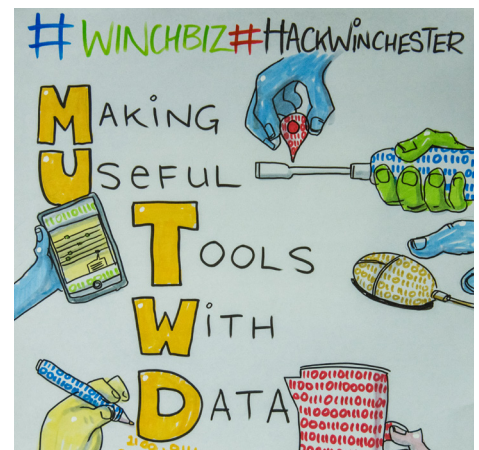
- Promote a sustainable economy by enabling major regeneration schemes.
- Prioritise support for the knowledge-based, creative and tourism sectors.
- Utilise our environment to drive business growth and create employment opportunities across the District.
- Work with strategic partners to deliver digital infrastructure projects across the District.
- Be innovative by exploring opportunities to reduce revenue expenditure and maximise key income streams.



Whiteley - a popular retail destination in our District



Virgin Voom providing support for new start-up businesses



Winchester Hack an agenda to support businesses, attract and retain young people and create co-working spaces

Two

Delivering quality housing options

Why?

We believe that it is vital that our residents have access to quality housing options, and we recognise the importance of having the right mix of housing within the District. We know that housing is expensive here, and we want to be active in helping to provide different options for our residents. At the same time, we wish to ensure that we increase the supply and quality of housing that we control (currently over 6,000 properties).



Award-winning new homes



Enabling home ownership via the Partnered Home Purchase scheme



New homes at Ashburton Road, Alresford

We have

- Completed the Chesil Lodge project, a specifically suited apartment complex aimed to provide affordable lets and support for elderly residents.
- Delivered and approved over 200 new Council houses since 2017.
- Secured a £3.2 million grant for housing and community facility development at Stanmore.
- Creation of a Social Inclusion Forum, to further our efforts in preventing homelessness in Winchester District.
- First shared home purchase completed through the Council's innovative PHP scheme in October 2018.

We will

- Deliver good housing stock condition and energy performance for Council-owned dwellings that meet the Decent Homes standard.
- Respond to the need to provide more affordable housing in the District.
- Drive down homelessness across the District and support partner agencies in the drive for an improved life for those in need
- Provide good access to affordable housing options across a range of tenures, including affordable and sub-market rent (within local housing allowance rates), shared ownership, student housing etc.
- Be proactive in our tenant engagement, achieving effective representation and insight across all tenant and customer groups.
- Restrict permitted development rights in Winchester so that new houses in multiple occupation require planning permission.
- Support residents to buy their own homes.



Chesil Lodge, providing brand new affordable accommodation for our vulnerable elderly residents

Three

Improve the health and happiness of our community

Why?

We know that people's health is key to enjoying a high quality of life. We want to focus on reducing inequalities and improving our community's health and happiness, particularly through sport and other types of activity. We also want to retain festivals and programmes of events that take place across the District, and provide a sense of cultural vibrancy.



Sport & Leisure Park

We have

- Planning recommended for approval for the construction of the new sport and leisure centre at Bar End to begin in Spring 2019.
- Recorded the completion of 1,259 health walks in Spring 2018, supporting our campaign to promote healthier lifestyles for our residents.
- Supported our local sport organisations, providing £220,000 worth of business rate relief for Winchester's sport associated enterprises.
- Delivered on our promise of promoting healthier lifestyles for our young people, with 1,017 junior participants taking part in our weekly park run.
- Just under 2,500 pupils from 19 schools across the District took part in the inspiring Golden Mile initiative, aimed at tackling childhood obesity.

We will

- Work with partners to reduce health inequalities in the District and promote good mental and physical health.
- Provide new leisure facilities in Winchester that meet the needs of a broad cross-section of our communities for now and the future.
- Encourage volunteering to support and extend local services.
- Support the delivery of a programme of festivals and events across the District.
- Work with partners to achieve significant and sustained change for vulnerable and troubled families with multiple, complex and persistent problems.



Tackling childhood obesity at Stanmore Primary School

Four

Improving the quality of the District's environment

Why?

We provide services in a fantastic and diverse location. We want to keep the District's environmental character but also find ways of improving the quality of the environment to benefit as many people as we can. We expect the District's population to increase by 3% by 2020 and we want to ensure people can continue to expect a clean and safe environment to live and work in, as well as be able to enjoy our beautiful countryside and rural landscape.

We have

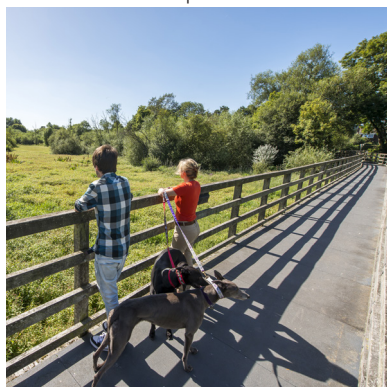
- Promoted our work to raise our resident's awareness of recycling at home, where we continue to see positive engagement from our communities.
- Finalised and completed work on two more parking schemes for Stanmore, with similar schemes at Colden Common and Highcliffe being proposed.
- Bolstered the capacity of our Park and Ride service, by providing an additional bus during peak times.
- Broadened our public consultation regarding the standard of our open spaces, with the latest online survey ending in November.
- Spearheaded efforts to become a Carbon Neutral Council, with figures for this year demonstrating that our carbon emissions have fallen by 22.5% since 2009.

We will

- Protect, enhance and respect the District's rich heritage and landscape while allowing appropriate development to take place.
- Enable our historic environment to evolve over time, with due regard for the landscape character.
- By working with our partners and using powers available to us, make Winchester a safe and pleasant place to live, work and visit.
- Protect, enhance and increase the use of open spaces in both the towns and more rural areas of the District.
- Work to change attitudes to waste, fly-tipping and littering and significantly improve recycling levels.
- Work with strategic partners to continue to develop flood resilience measures to protect our communities.
- Improve the environment and reduce harmful emissions through holistic transport planning.
- Working with strategic partners to identify opportunities to enhance and restore biodiversity in the District.



Launch of the Enterprise Car Hire Club



The North Pond near Bishop's Waltham



The Winchester District features a mix of urban character and rural charm



Working with partners

The Council will adopt an entrepreneurial approach to achieving all the outcomes in this strategy.

What do we mean by an entrepreneurial approach?

Significant challenges face the public sector. To ensure that Winchester District continues to thrive requires different ways of thinking and new approaches to achieving the same, or more with less. Traditional methods of tackling this problem (such as salami slicing council budgets) are no longer an option if we want to maintain excellent services for our residents, businesses and visitors. This is why Winchester City Council is adopting an entrepreneurial approach to how it delivers its services and secures its medium-term financial strategy.

In working entrepreneurially, we aim to exhibit the following behaviours

- Adopt an imaginative and innovative mind-set towards using our resources.
- Clearly understand the needs of our residents, businesses and visitors, and design our services to meet these needs.
- Maintain an open mind when exploring new models for service delivery and provide options for the Council to consider in order to secure the best opportunities for the District.
- When exploring new opportunities, adopt an agile approach which allows us to rapidly review and learn from experience to ensure the best result.
- Actively look for ways to work with partners – public, private and voluntary sector – to secure the best value for money for taxpayers.



Winchester Unconference - you set the agenda



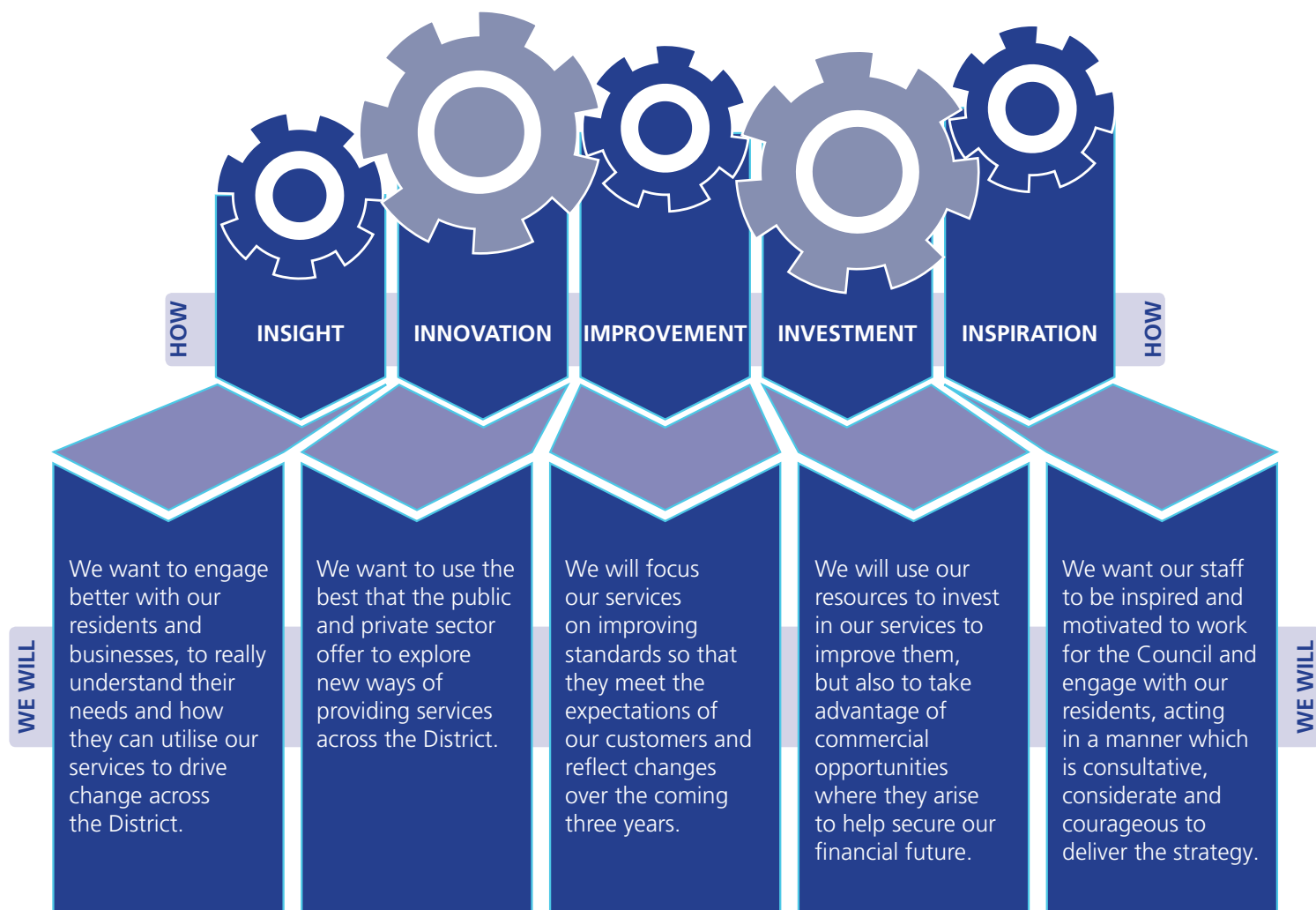
Welcoming student to Stanmore



Sport and Leisure Park - planning recommended for approval

The Council's Risk Management Strategy was approved in 2017 and set out a new risk appetite which is more aspirational but also more pragmatic.

How we will deliver the Strategy – core principles





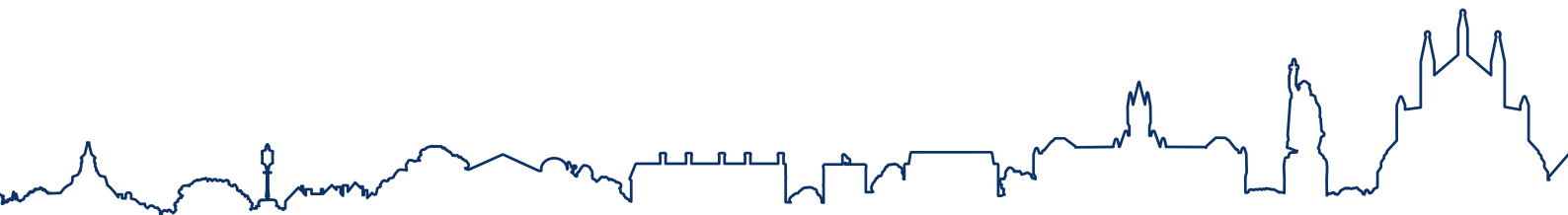
Winchester
City Council

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COUNCIL STRATEGY 2017 – 2020

2019 PERFORMANCE MEASURES



OUTCOME: WINCHESTER DISTRICT WILL BE A PREMIER BUSINESS LOCATION

Aim	How we will deliver our outcomes	Suggested Performance Measure / Target & Data Source	Delivery Date	Portfolio
OUTCOME: Winchester District will be a premier business location				
Promote a sustainable economy by enabling major regeneration schemes	Support the regeneration of the Central Winchester area	Measure: Deliver Meanwhile Uses on Central Winchester Regeneration site Target: By March 2020 (Data Source: Project Data)	Mar-20	Built Environment
	Project manage and support the redevelopment of the Station Approach area of Winchester	Measure: Office floorspace on the Carfax / Station Approach site Target: Increase of 140,000 ft2 secured in planning permission (Data Source: Project Data)	Mar-20	Estates
Prioritise support for the knowledge-based, creative and tourism sectors	Development of an Economic Strategy	Measure: Adoption of updated Economic Strategy Target: Measures and Action Plan included in Strategy (Data Source: Economic Data)	Mar-20	Business Partnership
	Sustain our rural economy by supporting existing businesses to grow and new enterprises to start including Fieldfare LEADER Programme	Measure: Number of businesses support, financial amount of support/ grant given Target: LEADER 70 enterprises supported (WCC only) (Data Source: LEADER funding performance reports)	Mar-20	Business Partnership

OUTCOME: WINCHESTER DISTRICT WILL BE A PREMIER BUSINESS LOCATION

Aim	How we will deliver our outcomes	Suggested Performance Measure / Target & Data Source	Delivery Date	Portfolio
OUTCOME: Winchester District will be a premier business location				
Utilise our environment to drive business growth and create employment opportunities across the District	Facilitate and support the development and delivery of strategically important sites across the District and working with partners to deliver employment opportunities	Measure: New floorspace identified / provided Target: Fixed target not appropriate. Measures data will be monitored with regard to securing overall ambitions. (Data Source: Estates Team)	Mar-20	Business Partnership
	Seek to secure partners for a public service hub to be based around the City Offices/West Wing/Guildhall buildings	Measure: Number of partners secured / Floorspace utilised Target: Fixed target not appropriate. Measures data will be monitored with regard to securing overall ambitions. (Data Source: Not yet known)	Mar-20	Estates
	Use a Strategic Asset Purchase Scheme to generate financial and community returns	Measure: Returns from a Strategic Asset Purchase Scheme Target: Gross £500k p.a. generated, plus other community benefits (Data Source: Financial Data)	Mar-20	Business Partnership
	Adopt and start to implement measures in a new Car Parking Strategy	Measure: Progress of measures in new strategy Target: Adopt new Strategy by March 2019 (Data Source: Car Parking occupancy surveys, income, park & ride monitoring, City of Winchester Movement Strategy)	Mar-20	Environment
	Develop a plan to deliver the measures needed to achieve the priorities set out in the City of Winchester Movement Strategy	Measure: Status of City of Winchester Movement Strategy (with HCC). Target: Development of plan (Data Source: Local traffic, transport and parking information and additional data commissioned specifically as part of the project)	Mar-20	Environment
	Support new businesses set up in the District with advice to thrive and prosper	Measure: Number of new businesses supported, including with grants and advice Target: Not yet known. Will be included in refreshed Economic Strategy (Data Source: Economy Team)	Mar-20	Business Partnership
	Directly develop space to support SMEs to grow	Measure: New net floorspace for SME Provision Target: Fixed target not appropriate. Measures data will be monitored with regard to securing overall ambitions. (Data Source: Estates Team)	Mar-20	Business Partnership

Aim	How we will deliver our outcomes	Suggested Performance Measure / Target & Data Source	Delivery Date	Portfolio
OUTCOME: Winchester District will be a premier business location				
Work with strategic partners to deliver digital infrastructure projects across the District	Improve the digital experience and accessibility for residents, businesses and visitors including wifi enablement of the city centre and development of a smart app.	Measure: Number of downloads of smart app Target: Baseline assessment for 2019 (Data Source: Customer Service Centre and IMT)	Mar-20	Professional Services
Be innovative by exploring opportunities to reduce revenue expenditure and maximise key income streams	Support the delivery of the ten actions as set out in the Digital Strategy including working with partners to ensure that all Council Services can be accessed online	Measure: Percentage of services that are fully available online Target: 100% availability of services online (Data Source: Customer Service Centre and IMT)	Dec-19	Professional Services
	Deliver a programme of transformation that will deliver an improved customer experience for residents and businesses when contacting the Council	Measure: Improved customer satisfaction Target: Baseline assessment for 2019 (Data Source: Customer Service Centre and IMT)	Mar-20	Professional Services
	Explore the opportunities to establish joint-ventures to enable more efficient services	Measure: Number of joint ventures opportunities explored, potential efficiency savings Target: Fixed target not appropriate. Measures data will be monitored with regard to securing overall ambitions. (Data Source: Project Team)	Mar-20	Business Partnership
	Carry out improvements to the current City Offices while reviewing the long term options for staff office accommodation	Measures: Percentage of WCC City Offices improved. Options for the long term explored and considered Targets: Refurbishment - March 2019. Works and Longer-Term Study complete - March 2020 (Data Source: Project Team)	Mar-20	Professional Services

OUTCOME: DELIVERING QUALITY HOUSING OPTIONS

Aim	How we will deliver our outcomes	Suggested Performance Measure / Target & Data Source	Delivery Date	Portfolio
OUTCOME: Delivering quality housing options				
Deliver good housing stock condition and energy performance for Council-owned dwellings that meet the Decent Homes standard	Carry out repairs and maintenance improvements as per the capital repairs programme	Measures: Stock meets Decent Homes Standard and energy performance ratings Target: Maintain 0% "Non Decent" Stock. Average Standard Assessment Procedure (SAP) rating > 65 (Data Source: Local Authority Housing Data/Keystone system)	Mar-20	Leader with Housing Services
Respond to the need to provide more affordable housing in the District	Significantly increase the number of Council houses built in the period 2017 - 2020	Measure: Provide additional new homes through Council funded development programme Target: An additional 600 new homes by 2020 (Data Source: New Homes Delivery Team)	Mar-20	Leader with Housing Services
	Bid for grant to support additional development	Measure: % of New Homes programme supported by grant Target: 50% by 2020 (Data Source: Housing Team)	Mar-20	Leader with Housing Services
	Housing Company be used to support the delivery of sub market rented housing	Measure: Number of units delivered Target: No target (Data Source: Housing Team)	Mar-20	Leader with Housing Services
Drive down homelessness across the District and support partner agencies in the drive for an improved life for those in need	Avoiding reliance on B&B as a housing option by focussing on preventing homelessness and effective use of temporary accommodation	Measure: Number of people in B&B and Homeless (Total nights in B&B / Homeless) Target: No use of B&B (save in exceptional circumstances) (Data Source: DCLG Return)	Mar-20	Leader with Housing Services
	Support an increase in the provision of supported housing units/move on accommodation by establishing and leading multi agency Homelessness/ Social Inclusion forum	Measure: Number of supported/move-on units available Target: The provision of another 10 supported / move-on units (Data Source: Housing OptionsTeam)	Mar-20	Leader with Housing Services

Aim	How we will deliver our outcomes	Suggested Performance Measure / Target & Data Source	Delivery Date	Portfolio
OUTCOME: Delivering quality housing options				
Provide good access to affordable housing options across a range of tenures, including affordable and sub market rent (within Local Housing Allowance rates) market rent, shared ownership, student housing etc	Support and enable development partners/ Registered Social Landlords (RSLs) to develop more affordable housing	Measure: Number of affordable homes developed by other organisations in the district Target: No target - provision funded by other providers (Data Source: Housing Team)	Mar-20	Leader with Housing Services
	Develop an effective "shared ownership" programme	Measure: Number of affordable shared ownership homes developed by the Council Target: At least 30 by 2020 (Data Source: Local Authority Housing Data and Annual Monitoring Report)	Mar-20	Leader with Housing Services
Be proactive in our tenant engagement, achieving effective representation and insight across all tenant and customer groups	Making a more effective use of the Survey of Tenants and Residents through better use of data and wider engagement with a particular emphasis on digital engagement	Measure: Number of "involved" tenants Target: increase number of "involved tenants" from 200 to 400 by March 2020 (Data Source: Housing Projects Team)	Mar-20	Leader with Housing Services
Restrict permitted development rights in Winchester so that new Houses in Multiple Occupation (HMOs) require planning permission	Make an Article 4 Direction(s) where evidence shows the proliferation of HMOs is unbalancing housing stock in Winchester, or parts of the city	Measure: Article 4 Directions approved Target: 2 currently established. Fixed target not appropriate. Measures data will be monitored with regard to securing overall ambitions (Data Source: Local Authority Housing Data and Annual Monitoring Report)	Mar-20	Leader with Housing Services

OUTCOME: DELIVERING QUALITY HOUSING OPTIONS

Aim	How we will deliver our outcomes	Suggested Performance Measure / Target & Data Source	Delivery Date	Portfolio
OUTCOME: Delivering quality housing options				
Support residents to buy their own home	Develop an effective "shared ownership" programme (shared target with aim to "Provide good access to affordable housing options")	Measure: Number of affordable shared ownership homes developed by the Council Target: At least 30 by 2020 (Data Source: Local Authority Housing Data and Annual Monitoring Report)	Mar-20	Leader with Housing Services
	Provide access to custom build initiatives	Measure: Number of custom build plots identified Target: 2 sites by 2020 (Data Source: Local Authority Housing Data and Annual Monitoring Report)	Mar-20	Leader with Housing Services
	Review the Partnered Home Purchase pilot scheme that enables residents to buy their own home in a shared equity scheme with the Council	Measure: No of households utilising the open-market shared ownership scheme. Target: 30 households by March 2020 (Data Source: Local data)	Mar-20	Finance

OUTCOME: IMPROVE THE HEALTH AND HAPPINESS OF OUR COMMUNITY

Aim	How we will deliver our outcomes	Suggested Performance Measure / Target & Data Source	Delivery Date	Portfolio
OUTCOME: Improve the health and happiness of our community				
Work with partners to reduce health inequalities in the District and to promote good mental and physical health	Council grants programme to prioritise sports and physical activity programmes	Measure: Number of grants and the total financial amount approved for sports groups Target: Maintain or increase level of grants and support using 2017/18 as base line (Data Source: Grants Programme)	Mar-20	Estates
	Develop the Exercise Referral programme to include classes for adults with long term health conditions	Measure: Number of exercise referrals Target: Achieve 270 referrals and class attendance during 2019/20 (Data Source: Sports & Physical Activity Team data)	Mar-20	Health & Wellbeing
	Promote and encourage health walks across the District helping everyone live longer, healthier and happier lives	Measure: Throughput of attendees at health walks Target: Increase the number of health walks in the District to 6,000 during 2019/20 (Data Source: Healthwalk Data)	Mar-20	Health & Wellbeing
	Target discretionary business rates relief towards sports clubs	Measure: Number of sports clubs receiving rate relief support Target: Maintain or increase rate relief using 2017/18 as base line (Data Source:)	Mar-20	Finance
	Increase the number of adults participating in sport or physical activity	Measure: Number of adults participating in sport and physical activity per week Target: Inactive People (less than 30 minutes) 19%, Fairly Active (30 - 149 minutes) 14.5%, Active (at least 150 minutes) 66.5% Baseline Data 2017/18: Inactive People 19.8%, Fairly Active 11%, Active 69.2% (Data Source: Sport England Active Lives Data)	Mar-20	Health & Wellbeing

OUTCOME: IMPROVE THE HEALTH AND HAPPINESS OF OUR COMMUNITY

Aim	How we will deliver our outcomes	Suggested Performance Measure / Target & Data Source	Delivery Date	Portfolio
OUTCOME: Improve the health and happiness of our community				
Work with partners to reduce health inequalities in the District and to promote good mental and physical health (continued)	Invest annually in disabled facilities grants in line with Government funding to help keep people in their own home	Measure: Number of residents assisted to remain in their own home Target: 100 per annum (Data Source: Housing Team)	Mar-20	Leader with Housing Services
	Support the delivery of the Winchester Health and Wellbeing Action Plan which includes the following high priorities; improving workplace health, reducing the number of 'increasing risk' alcohol drinkers and supporting people with dementia and their carers to lead active and fulfilling lives in their communities for as long as possible	Measure: As set out in the Health & Wellbeing Action Plan Target: To achieve the targets as set out in current Action Plan (Data Source: Health and Wellbeing Board)	Mar-20	Health & Wellbeing

Aim	How we will deliver our outcomes	Suggested Performance Measure / Target & Data Source	Delivery Date	Portfolio
OUTCOME: Improve the health and happiness of our community				
Provide new leisure facilities in Winchester Town that meet the needs of a broad cross section of our communities for now and the future	Build a new sport and leisure park at Bar End	Measure: Start date for building of a new leisure facility Target: Start construction by Spring 2019 (Data Source: Project)	Spring -19	Health & Wellbeing
Encourage volunteering to support and extend local services	Promote and encourage adults to volunteer in community events and sporting activities	Measure: Increase the number of adults volunteering in sport Target: Increase to 22% from current baseline of 21.7% (2017/18) (Data Source: Sport England Active Lives Data)	Mar-20	Health & Wellbeing
Support the delivery of a programme of festivals and events across the District	Support the Winchester Festivals Group to deliver a range of high quality sustainable events and festivals that are safe, well organised and well attended	Measure: Number of events supported, held and number of attendees Target: Increase participation in each year (base year 2017/18) (Data Source: Winchester Bid - Footfall Software)	Mar-20	Business Partnership
	Develop the Winchester Criterium and Cyclefest to increase participation and spectators	Measure: Number of spectators at Criterium event Target: 2019/20 13,000 spectators (Data Source: Winchester BID footfall data)	Jun-19	Health & Wellbeing
Work with partners to achieve significant and sustained change for vulnerable and troubled families with multiple, complex and persistent problems	Lead the implementation of the Government's Supporting (Troubled) Families Programme in the Winchester District	Measure: Number of families identified and engaged with Winchester Supporting Families Target: To support 73 families (including 12 for intensive support) in Cohort 6 (17/18) and subsequent cohorts (Data Source: Health & Wellbeing data)	Mar-20	Health & Wellbeing

OUTCOME: IMPROVING THE QUALITY OF THE DISTRICT'S ENVIRONMENT

Aim	How we will deliver our outcomes	Suggested Performance Measure / Target & Data Source	Delivery Date	Portfolio
OUTCOME: Improving the quality of the District's environment				
Protect, enhance and respect the District's rich heritage and landscape whilst allowing appropriate development to take place enabling our historic environment to evolve over time having due regard for the landscape character.	Having an adopted up-to-date Local Plan with positive policies which allow development to take place which protects and enhances the heritage associated with the built and natural environment	Measure: progress with local plan preparation Target: commence local plan review in 2018 within timescales in LDS (Data Source: Local Development Scheme)	Mar-20	Built Environment
	Explore the options open to the Council to redevelop the current RPLC centre working towards a more detailed strategic business case and feasibility study.	Measure: Presentation of viable scheme on RPLC site Target: presentation of strategic business case and feasibility study (Data Source: Options Appraisal)	Mar-20	Estates
By working with our partners and by using powers available to us, make Winchester a safe and pleasant place to live, work and visit	Be proactive in tackling incidents reported of fly-tipping within the District	Measure: Reported fly-tipping incidents including in fly-tipping hot spots Target: To reduce the overall incidents of fly-tipping across the District, including fly tip hotspot locations. (Data Source: Neighbourhood Services Officers)	Mar-20	Health & Wellbeing
	Always evaluate prosecution as a deterrent to those who fly-tip within the District	Measure: Successful fly-tipping prosecutions Target: 100% success rate for all fly-tips that have been moved forward as application to the court for prosecution (Data Source: Neighbourhood Services Officers)	Mar-20	Health & Wellbeing
	Investigate introducing litter fines and other incentives / penalties (new legislation and not rolled out within the Council yet)	Measure: Fixed Penalty Notices issued for low level fly-tip Target: Fixed target not appropriate. Measures data will be monitored with regard to securing overall ambitions. (Data Source: Neighbourhood Services officers)	Mar-20	Health & Wellbeing
	Conduct the area specific satisfaction survey to take action to reduce incidents or concerns of Anti Social Behaviour in priority locations, the first being in 2017.	Measure: Satisfaction levels recorded by the survey. Target: 2017 Baseline year. (Data Source: Annual Survey)	Mar-20	Health & Wellbeing
	Utilise the tools and powers provided within the ASB, Police & Crime Act 2014 to tackle and reduce crime in the District	Measure: Number of interventions to reduce incidents of ASB Target: Fixed target not appropriate. Measures data will be monitored with regard to securing overall ambitions. (Data Source: Area specific survey)	Mar-20	Health & Wellbeing

Aim	How we will deliver our outcomes	Suggested Performance Measure / Target & Data Source	Delivery Date	Portfolio
OUTCOME: Improving the quality of the District's environment				
By working with our partners and by using powers available to us, make Winchester a safe and pleasant place to live, work and visit (continued)	To undertake a thorough review of taxi licensing policy so as to introduce higher standards of public safety and air quality.	Measure: The adoption of positive changes within Winchester City Council's taxi license policy. Target: Positive change to the Licensing regime to ensure taxi licensing provides a safer service for taxi users and to ensure a higher emissions standard for taxi's licensed by the City Council.	Jun-20	Built Environment
Protect, enhance and increase the use of open spaces in both the towns and more rural areas of the District	Deliver a rolling programme for estate improvements, including environmental and parking schemes	Measure: Delivery of Estate Improvements annually Target: Deliver £250k annually with a range of benefits for the local communities. (Data Source: Housing Team)	Mar-20	Leader with Housing Services
	Analyse and act upon the visitors user survey on key open spaces to ascertain current use and future demand for such space	Measure: Visitor usage and satisfaction rates Target: Fixed target not appropriate. Measures data will be monitored with regard to securing overall ambitions. (Data Source: User Survey)	Mar-20	Environment
	Develop a Green Infrastructure Strategy to facilitate the enhancement of our public amenities and support the management of our environmental assets.	Measure: Identify opportunities to reinforce local assets to improve the environmental health of the Winchester District. Target: Turn environmental priorities into action points for the Local Plan.	Mar-20	Environment
Work to change attitudes to waste, fly-tipping and littering and significantly improve recycling levels	Support and encourage residents living in the District to recycle through public awareness campaigns including a focus on reducing the rates of contamination of materials collected for recycling	Measure: Waste recycling rates Target: Increase from the 2016-17 baseline position (35.87%) (Data Source: EHDC/WCC Recycling Data)	Mar-20	Environment
	We will investigate options for additional income through increased recycling	Measure: Income collected through additional channels Target: Fixed target not appropriate. Measures data will be monitored with regard to securing overall ambitions. (Data Source: Financial Data)	Mar-20	Environment
Work with strategic partners to continue to develop flood resilience measures to protect our communities	Support schemes that will protect residents' homes and property from the threat of flooding	Measure: Flood scheme assessment on all completed schemes to achieve a reduction in affected properties Target: Properties within the District at risk of flooding (Data Source: Individual Schemes)	Mar-20	Environment

OUTCOME: IMPROVING THE QUALITY OF THE DISTRICT'S ENVIRONMENT

Aim	How we will deliver our outcomes	Suggested Performance Measure / Target & Data Source	Delivery Date	Portfolio
OUTCOME: Improving the quality of the District's environment				
Work with strategic partners to identify opportunities to protect, enhance and restore Biodiversity in the District.	<p>Conduct a State of the Nation report to ascertain areas of core concern to be tackled through a Biodiversity Action Plan.</p> <p>Produce a set of core priorities to be included in a refreshed Biodiversity Action Plan.</p>	<p>Measure: Revision of the action points put forward in the previous Biodiversity Action Plan, and the identification of current priority area of concern</p> <p>Target: Identify new objectives and confirming priority habitats and species within the Winchester District</p>	Mar-20	Environment
Improve the environment and reduce harmful emissions through holistic transport planning	Delivery and implementation of the actions included in the Winchester Air Quality Action Plan 2017-2023	<p>Measure: Air quality in town centre hot spots</p> <p>Target: Improved air quality in accordance with the Air Quality Action Plan</p> <p>(Data Source: Local Data)</p>	Mar-20	Environment
	Review the Council's approach to reducing the District's carbon emissions including 12 actions for a lower carbon Council	<p>Measure: Total emissions from the Winchester District</p> <p>Objective: To reduce by 40% or 25,000 tonnes CO2 per annum (relative to the 2004 baseline) by 2020</p> <p>(Data Source: Carbon Emissions annual report)</p>	Mar-20	Environment
	We will increase use of P&R to support and encourage parking outside of the city centre	<p>Measure: Park and Ride spaces created at Barton Farm</p> <p>Target: 200 Park and Ride spaces created</p> <p>(Data Source: Barton Farm Housing Completions)</p>	Mar-19 - dependent on new home occupation at Barton Farm	Environment

OS211

THE OVERVIEW AND SCRUTINY COMMITTEE

REPORT TITLE: MEDIUM TERM FINANCIAL PLANNING

26 NOVEMBER 2018

REPORT OF PORTFOLIO HOLDER: CLLR GUY ASHTON (PORTFOLIO HOLDER FOR FINANCE)

Contact Officer: Joseph Holmes Tel No: 01962 848220 Email
jholmes@winchester.gov.uk

WARD(S): ALL

PURPOSE

The current four year central government settlement funding ends in 2019/20 with a fundamental review of funding levels and distribution mechanisms currently underway.

This paper provides an update on the latest medium term financial projections and outcome based budgeting planning process, with a variety of proposals to inform the final budget and Medium Term Financial Strategy ready for approval at Council in February.

RECOMMENDATIONS:

That the Overview and Scrutiny Committee raises with the Leader or other relevant Portfolio Holder any issues arising from the information in this report and considers whether there are any items of significance to be drawn to the attention of Cabinet.

IMPLICATIONS:

1 COUNCIL STRATEGY OUTCOME

- 1.1 The Council Strategy is the core strategic document, helping to guide and inform budget planning work and the options around delivery.

2 FINANCIAL IMPLICATIONS

- 2.1 As detailed in the main body of the report.

3 LEGAL AND PROCUREMENT IMPLICATIONS

- 3.1 Any implications arising from budget options contained within this report will be dealt with in the individual business cases and committee papers relating to those specific decisions and Council will approve the final budget in February 2019.

4 WORKFORCE IMPLICATIONS

- 4.1 None directly relating to this paper, which sets out the strategic budget planning direction.

5 PROPERTY AND ASSET IMPLICATIONS

- 5.1 A key strand of the Council's financial and treasury strategies is to maximise income from its assets and seek to manage risk by achieving a balanced portfolio of assets. Options considered during the budget planning process may therefore involve either the acquisition or disposal of assets, requiring a full business justification case.

6 CONSULTATION AND COMMUNICATION

- 6.1 This paper is a key part of the budget consultation process. Views will be sought from local businesses, parish council's, and local residents as part of this exercise.

7 ENVIRONMENTAL CONSIDERATIONS

- 7.1 Environmental considerations will be part of the business case supporting any budget proposals.

8 EQUALITY IMPACT ASSESSEMENT

- 8.1 This document is part of the budget consultation process and equality impact assessments will be considered alongside any relevant budget options.

9 DATA PROTECTION IMPACT ASSESSMENT

- 9.1 None required

10 RISK MANAGEMENT

Risk	Mitigation	Opportunities
<i>Significant reductions in government funding over the medium term</i>	<i>Financial projections are shown over the medium term and the scenario planning highlights the potential sensitivities.</i>	<i>Development of locally generated income streams with less reliance on government funding</i>
<i>Councils service priorities are not reflected in the budget</i>	<i>The use of Outcome Based Budgeting as a method of delivering the budget.</i>	<i>Ensure the prioritisation of resources to best meet the outcomes of the authority</i>
<i>Delays to or failure to deliver major capital schemes leaving future years forecast deficits</i>	<i>Ensure robust business cases are taken forward and sufficient resources are available to deliver the projects.</i>	<i>Consideration of a wide base of potential capital / investment schemes to enable a balanced risk portfolio and options for other schemes to be chosen should any existing schemes not progress</i>
<i>An optimism bias over the capacity and capabilities of the organisation to deliver major projects with a positive financial contribution to the authority</i>	<i>Ensure all major projects are considered in the wider context of the council's financial position and MTFS.</i> <i>Effective project planning to ensure that sufficient resources and expertise is available to support all major projects at the outset.</i>	
<i>One-off resources such as earmarked reserves are fully utilised leaving no funding available for future plans</i>	<i>Effective and transparent prioritisation of the use of reserves to ensure the council does not overcommit itself.</i> <i>A clear and robust plan for the delivery of savings, particularly if reserves are used to mitigate any short term budget shortfalls.</i>	<i>Clear and transparent plans for the use of reserves ensures that effective prioritisation can take place</i>

11 SUPPORTING INFORMATION:

Background

- 11.1 The Council has responded well to the financial challenge since 2010. Over this period, there has been a substantial reduction in overall central government funding to the extent that in 2019-20 the council will receive no core government grant (the Revenue Support Grant or RSG). There is a forecast stepped reduction in funding from 2020/21 due to an anticipated redistribution of funding to high need services such as adult social care.
- 11.2 The 2019/20 funding settlement is the fourth and final year of the current multi-year settlement. A fundamental review of local government funding is currently underway, with a new multi-year settlement expected to commence from 2020/21. The 2018 Budget highlighted a spending review that would consider the five year period from 2020. Though the budget included some one-off funding for local government's social care functions, it is not expected for any additional revenue funding to come to the Winchester City Council.
- 11.3 Significant changes are expected to commence from 2020/21 with a strong risk of material reductions to current funding (over £7m in total is due to be received in 2018/19).

I. **Retained business rates**, totalling £4.6m, is made up of:

- a) The 'baseline funding level' of £2.1m which is calculated based on the needs assessment of the authority. A fair funding review is currently underway in order to review and update the mechanisms for calculating and distributing this assessment of 'need'.
- b) The 'retained growth' of £2.5m which is the share of business growth retained by the council since the current scheme was implemented in 2013/14. Government have given strong indications that a 'reset of growth' will take place from 2020/21, which potentially places all of this funding at risk.

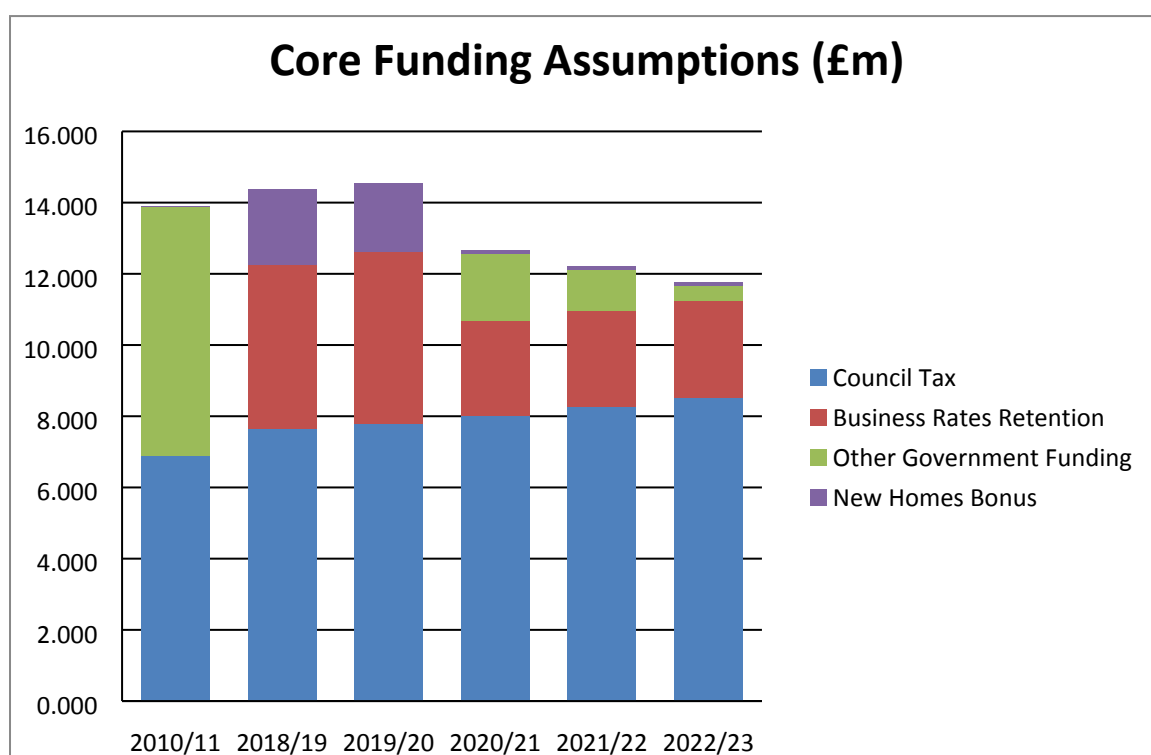
Government have also announced plans to move to a 75% retention system, up from the current 50% retention. There is still uncertainty around the mechanics of this; for example will the current tier splits change (currently 40:9:1 between district:county:fire), will the current 'levy' of 50% change, and will the scheme be significantly simplified. The Council has led a Hampshire wide application to be part of the Business Rates pilot for 2018-19 and is expecting to be notified of the outcome of this bid during November or early December.

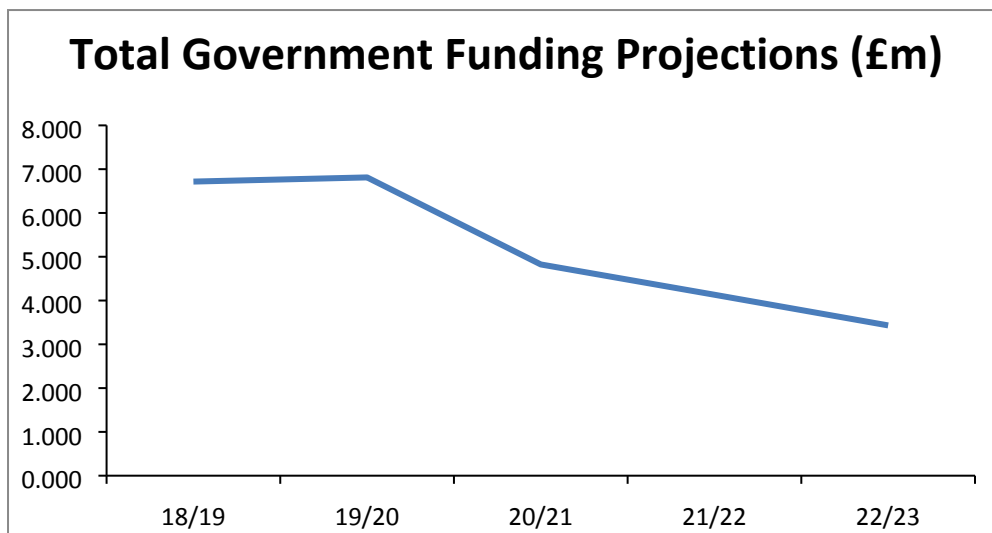
- II. **New homes bonus**, totalling c£2m, has rewarded growth in housing through a reward grant equivalent to the council tax of a band d property (split 80:20 district:county), originally over a period of six years and subsequently reduced to the current four year reward. Government have announced that the current scheme will end in 2019/20 with no

indications whether it will be replaced with a new reward scheme. If the current funding is distributed on the basis of 'need' then it is likely that the majority of this grant will be lost. This has been factored into future financial forecasts

- III. The **Revenue Support Grant** will cease to exist post 2019/20, however the negative grant of c£0.4m announced for 2019/20 is not now expected in the final 2019/20 settlement. Other smaller grants relating to Homelessness are expected to continue, and new burdens grants are expected to continue on a one-off basis to match the extra burdens placed on local authorities.

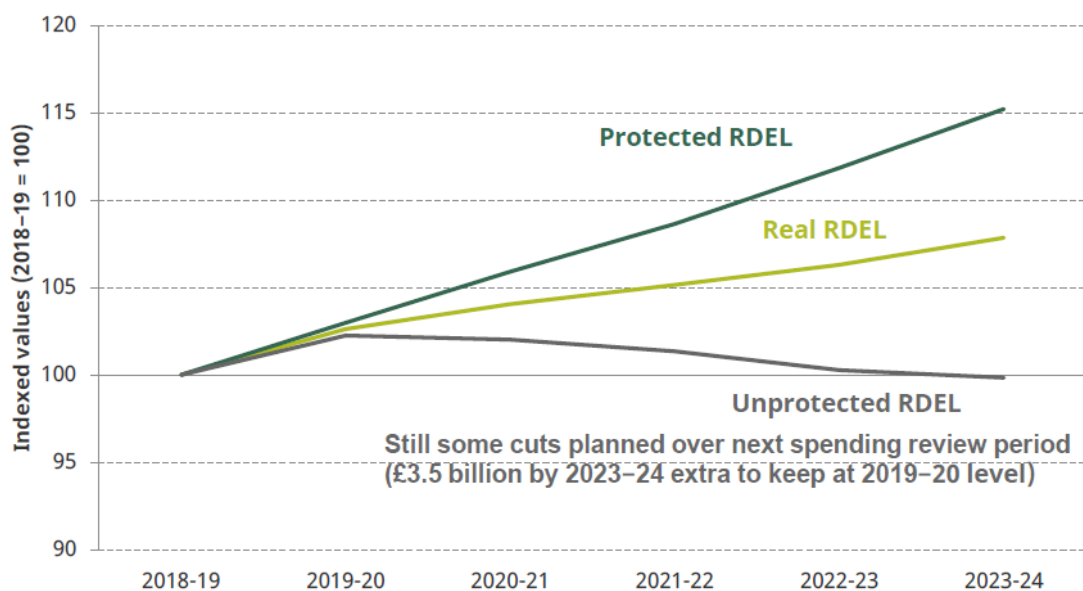
- 11.4 These changes in local government funding from 2020/21 are expected to have a significant impact on authorities that have seen strong growth in housing and business, such as Winchester. This will also create a significant shift in the balance of funding, with council tax making up a much larger share of overall funding.





- 11.5 The graph below from the Institute for Fiscal Studies shows that for local government, as an unprotected department, the pressure on funding is expected to continue into the medium term.

Real freeze for unprotected departments between now and 2023–24



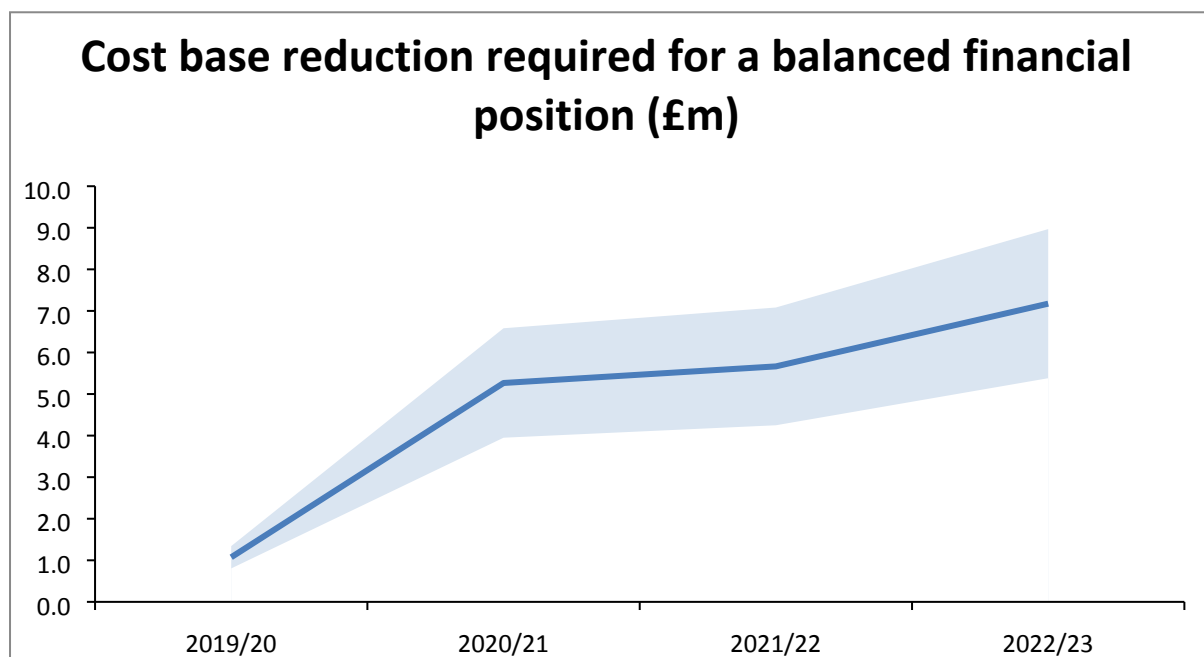
Note: RDEL refers to Public Sector Current Expenditure in Resource Departmental Expenditure Limits (PSCE in RDEL).
Source: Author's calculations using OBR Economic and Fiscal Outlook, October 2018

The end of austerity?

© Institute for Fiscal Studies

- 11.6 Alongside funding pressures, the council has other cost pressures such as contractual inflation, rising costs for infrastructure schemes and other unavoidable financial pressures such as the national pay award. These are factored into the model with an assumed inflation level around 2.5% for 2019/20 and subsequently 2% per annum.

- 11.7 The following 'central case' estimates set the scene for the rolling outcome based budgeting process. The shaded area indicates a forecasting deviation of 25%. A marked increase in deficit is shown from 2020/21 and relates to government controlled funding reductions highlighted above.



Cost base reduction required for a balanced financial position

	2019/20	2020/21	2021/22	2022/23
In year (£m)	1.073	4.193	0.399	1.510
Cumulative (£m)	1.073	5.266	5.665	7.175

- 11.8 The outcome based budgeting proposals for 2018/19, totalling £1.1m, have been reviewed in the quarterly performance monitoring reports, which shows that overall the council is on track to deliver the 2018/19 savings target.

Budget Pressures

- 11.9 A number of expenditure budget pressures have been identified from 2019/20:

- I. The current eight year **Environmental Services Contract** expires in September 2019 and the costs of waste and recycling collection are expected to increase. Employee and vehicle costs have been running at levels above CPI inflation, so it is necessary to forecast an increase in contract costs from October 2019. A proposal to introduce kerbside glass collection is also under consideration and would further increase the expenditure requirement from 2019/20.

- II. The council has a number of land holdings. There is a cost associated with holding land for regeneration, this cost usually relates to interest and a minimum revenue provision.
- III. **Contractual inflation** is applied to the majority of the council's contracts on an annual basis. CPI inflation is currently running at 2.4% (September 2018) and a forecast of an additional £0.25m of expenditure has been applied for 2019/20, based on contractual expenditure of c£10m.
- IV. **Employee pay and pension costs** are due to increase in 2019/20. Allowance has been made in the budget projections for an overall increase of £0.7m, which includes transition to the new njc pay scales.

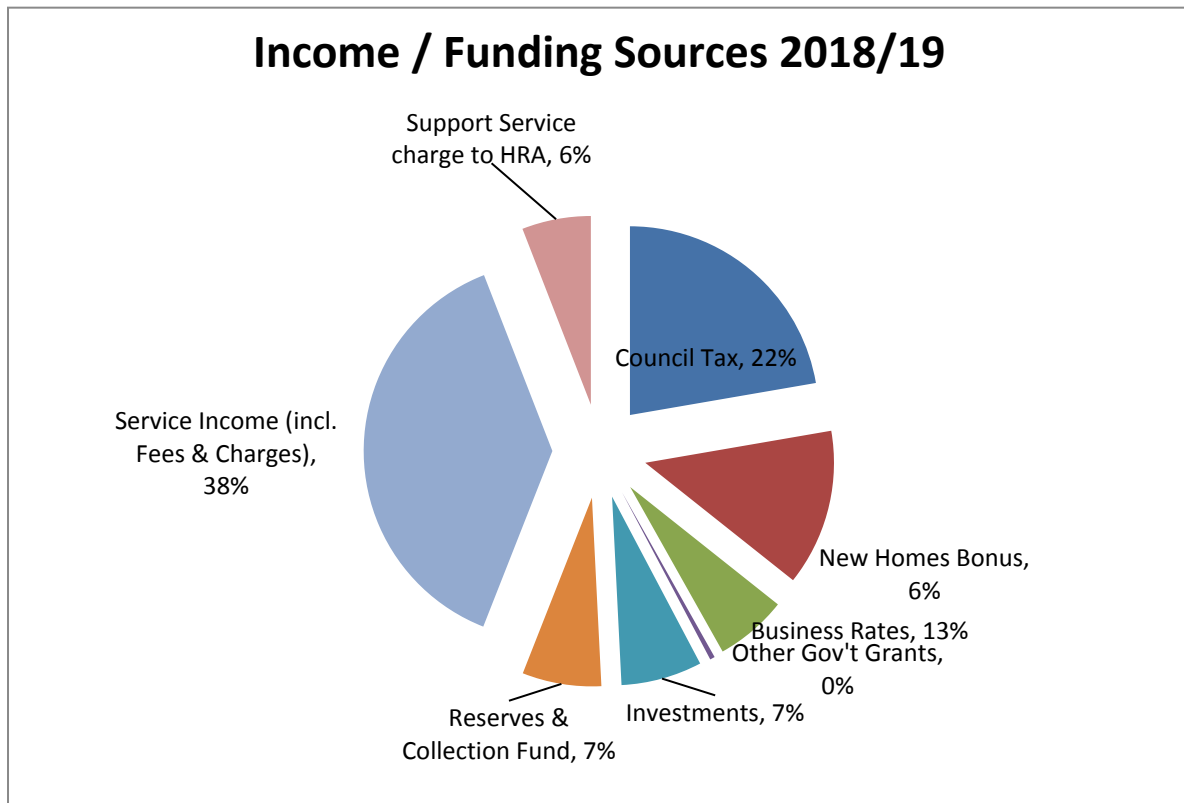
Council Tax

- 11.10 The Winchester district 2018/19 council tax charge of £138.92 (per band d equiv.) is below the average charge levied by district council's across England.
- 11.11 Central government have assumed in funding calculations that councils will increase council tax by the maximum allowed, which is currently up to 3% or £5. Recent reports have indicated that at least 95% of local authorities plan to increase council tax in 2019/20.
- 11.12 Using the latest council tax base estimate approximately £6.85m would be raised at the existing charge of £138.92. The maximum district increase (assuming an equivalent increase to the town precept) to £143.31 (+3.16%) would generate an additional £0.217m of funding.

% Increase	Precept - Band D (£)	Precept Income £000	Increase £000
0%	138.92	6,853	0
1%	140.31	6,922	69
2%	141.70	6,990	137
3%	143.09	7,059	206
3.16%	143.31	7,070	217

- 11.13 The current projections in Appendix A are based on a freeze in council tax for 2019/20. This does not include the town precept which will consider its plans for recommendation in January 2019.

Funding Summary & Graphs



Outcome Based Budgeting Proposals 2019/20

- 11.14 The council has adopted an outcomes based budgeting approach to the financial challenge. This approach seeks to align cost base reductions and service investment in line with council strategy. The proposals included below have been aligned to the council strategy wherever possible to try and enable those activities that deliver outcome measures in the strategy. These are summarised using the four themes of Efficiency / Asset Management / Transformation / Income Generation.

Efficiency			2019/20 £000	Full Year £000
1	Guildhall	The Guildhall operations are currently under review in order to determine options for reducing the overall net cost of the building. Internal Catering (Café and Internal Event Catering) has been identified as the most significant loss making business unit, generating a total loss of around £150k per annum. Other potential options for delivering catering within the Guildhall will be explored over the coming months, with a target of ensuring that this is moved to a cost neutral position from 2019/20.	150	150
2	Internal Catering	Review of all internal catering facilities for example committee meetings.	20	20
3	Employee Benefits	The council is planning to offer salary sacrifice additional voluntary pension contributions from 2019-20. This will provide a financial saving to the council through reduced national insurance payments as staff sacrifice salary for this benefit. It is expected with a modest uptake that this will generate around £16.5k per annum of saving. The council is also proposing to allow staff to buy up to five days of additional annual leave. A modest uptake in this benefit could save the council around £5k per annum.	21.5	21.5
4	Business Travel	This is expected to save the general fund up to £269k per annum. This review has seen the removal of lease cars from within the business, moves the council to HMRC approved rates for business mileage, along with some other changes in order to modernise the overall benefits scheme. <i>(To note total full year savings including the HRA are forecast at £379k)</i>	100	269
5	Public Conveniences	The Autumn Budget 2018 announced plans to remove the NNDR charge on the provision of Public Conveniences which will result in savings of £25k based on the existing provision of Public Conveniences.	25	25
6	Occupational Health	Expected savings from a joint procurement exercise	10	10
7	Training Hub	Introduction of a staff training hub which is expected to reduce the overall training costs	17	17
8	Other minor efficiencies	Review of printing, staff travel, debt write off's etc	20	20
9	Restructure	Efficiency review of existing staff structures	100	100

Asset Management			2019/20 £000	Full Year £000
10	Property Acquisition	The Council will seek to identify suitable property acquisitions which meet its objectives whilst, where possible, also provide a positive net return.	<i>TBC</i>	
11	Rent Reviews	A number of rent reviews are due in 2019 and are expected to yield an additional £100k per annum of rental income.	100	100
12	Energy Efficiency	Projects are underway to improve the energy efficiency of council property, e.g. the Brooks car park, which should reduce costs by at least £20k per annum.	20	20
13	Transfer of HRA Garages	Transfer of HRA garages to the general fund – this will be second year of this transfer and it is estimated that this will yield up to £156k	within existing forecasts	

Transformation

14	Transformation programme	The council is commencing a corporate transformation programme focussed on improving the customer service we provide, whilst streamlining processes to drive efficiency. This will have a financial impact, though quantifying this is more relevant for the second year and beyond of the medium term financial plan.	<i>TBC</i>	
15	Digitalisation of services	The council is exploring the possibilities of enhanced digital services through its digital strategy. Savings of c£30k are expected through the Citizens Advice Bureau moving into the city offices site where the cash office previous was sited with an enhanced kiosk service in the new reception area. This delivers accommodation and staff savings and means that customers can access council services from one hub, as well as located the CAB close to the council.	30	30

Income Generation			2019/20 £000	Full Year £000
16	Pest Control	Significant progress has been made by the in-house team to move this service to a better financial position. It is expected that additional income of £25k will be generated from 2018/19, as well as expenditure reductions of £20k. Further work will be progressed to continue to move towards an overall cost neutral position, including overheads.	45	45
17	Concessions at car parks	Investigate introducing concessions across council car parks e.g. car washing, catering etc. It is expected this could raise a further £50k of revenue for the council.	50	50
18	Street naming and numbering	Reviewing the charge to developers for new homes through benchmarking and cost recovery has highlighted a further £12k of income.	12	12
19	Fees & Charges	A review of fees and charges is expected to yield additional income for 2019/20 through inflationary uplifts and ensuring that costs of providing services are covered wherever possible.	<i>TBC</i>	
20	Car Parking Income	Additional income forecast for 2019/20, based on current car parking usage	100	100
21	New Funding Sources	Utilising new funding sources to generate additional income. There are a number of government and public sector bidding grants and awards. The council will more pro-actively target these for additional income. The council has recently been successful in bidding for £7k for a productivity expert from the LGA to support digital transformation. In the next financial year, it is expect to utilise £25k of new funds.	25	25
TOTAL			846	1,015

Proposals for the medium term financial position

The Council has grouped its medium term financial challenge options around four different areas; efficiency, asset management, transformation and income generation.

EFFICIENCY

- 11.15 Efficiency review and planning plays a critical role in the continuing provision of high quality services by the most efficient and value for money method of delivery. This strand of the OBB process is aimed at looking in detail at internal processes and ensuring these support the Council in delivering excellent services in the most effective way.
- 11.16 Contract review and management is a key element in this strand, with total third party payments budgeted at almost £7m. The Council operates a number of significant ongoing contracts such as: leisure centre management, environmental services contract, and the park and ride bus contract. Ensuring that both current and future contracts offer the best possible value to the Council is of high importance.
- 11.17 The council will also need to consider how much funding it provides to a range of discretionary services. The council has a very buoyant grants and commissioned service budget that has been protected from funding reductions. This funding programme will need to be kept under review to ensure that it contributes to the council strategy and that it remains affordable within the overall financial context.

ASSET MANAGEMENT

- 11.18 The Council operates an extensive portfolio of property assets which are either used in the delivery of services or generate an income to the Council which in turn provides the resources to deliver services. With the significant reductions in government funding it is important to ensure that existing assets are used in the most effective way.
- 11.19 The Council operates a significant property portfolio which generates rental income in excess of £3m per annum. Properties are let at commercial rates with rent review periods built in as standard. A number of existing leases are due for review within the next few years and overall rental income is expected to increase significantly as a number of rent reviews are due in the life of the MTFS. There are substantial known rent reviews due that are expected to raise at least an additional £300k of income to the council.
- 11.20 The council has commenced an asset challenge programme. This process is reviewing all of the councils assets on a rolling basis to establish why the council holds assets, what options the council has e.g. to increase income, dispose, hold or develop, and when these can be realised. Initial progress has

been positive and has highlighted three assets that the council is considering disposing of. It is expected that these assets will generate capital receipts of over £1m.

- 11.21 It is recognised that making the best use of existing assets can provide significant savings as well as increasing collaboration with other organisations and complimenting existing skills within the Council with relatively little risk exposure. The Council has let office space in the Guildhall to South East Employers (SEE) which will provide an assured income and increase occupancy in the Guildhall. The council is reviewing the operation of the Guildhall overall and is seeking to make a substantial reduction to the cost of the Guildhall that is currently paid for by taxpayers. This longer term review will consider all options available and will also look at the wider Colebrook street asset holdings including the existing council offices.
- 11.22 An extensive programme of refurbishment works have been completed at the Council's City Offices recently in order to extend the life of the building in the short term, provide environmental enhancements in the form of lower energy consumption, and to ensure the offices remain fit for purpose. A further minor programme of works is planned for the West Wing offices to ensure the offices remain fit for purpose and any opportunities for efficiency and environmental improvements can be taken.
- 11.23 The capital strategy provides the opportunity for investment in new or existing assets should they meet the aims of the council strategy and generate a financial return to the Council. A review of existing assets is underway to determine what opportunities are available and any new opportunities will be considered and developed as they come forward.
- 11.24 In order to ensure that expenditure is accurately allocated to the creation of assets it is proposed that employee costs are capitalised when an employees' activities have 'contributed directly to bringing an asset to a location and into a condition so that it is capable of operating as intended'. This will enable those costs to be spread over the useful life of the asset rather than taken as an up-front cost. A strict regime of timesheet recording and review of activity will be implemented in order to ensure that eligible expenditure is identified and evidenced.

TRANSFORMATION

- 11.25 The council continues to explore ways of transforming both operations and service delivery in order to generate efficiencies wherever possible. The core principle is delivering services in the most efficient way in order to achieve value for money. The council has a good track record of exploring opportunities for transforming services, with the shared IT services with Test Valley Borough Council a good example of this. Pooling resources has helped to make revenue savings to both councils, has helped to mitigate against increases in infrastructure costs, and helps to ensure there is sufficient resilience built into the service to meet the needs of both authorities. The

potential to expand this service further in order to generate additional savings is currently being explored.

- 11.26 As highlighted above, the council is undertaking a transformation programme. This is expected to yield financial savings to the council through greater efficiencies. Though it is premature to set out the exact savings amount, similar council programmes have delivered substantial savings of in excess of £250k. Aligned closely with work to improve digitalisation of services, this programme will be a key part of the medium term financial strategy.
- 11.27 Digitalisation is one particular area for review. As technologic advances continue to be made and the use of technology (particularly portable technology) increases, it is important that the Council takes advantage of these digital channels. The potential benefits are a reduction in costs through the automation of internal processes, and increased customer satisfaction through simple interaction which is available whenever the customer needs it. This approach also has the opportunity to deliver new revenue and services, for example through exploring a new mobile app for Winchester.
- 11.28 It is also important that the Council is reviewing other options to transform services and offer different solutions. One area under consideration is setting up a housing company to provide a different housing offer to residents and that also provides a financial benefit to the Council (see **Housing Company Options** CAB2990 (HSG)).

INCOME GENERATION

- 11.29 Opportunities to invest which also generate a financial return, either through reductions in cost or income generation, are assessed on a case by case basis. The roll out of LED lighting across car parks, the Guildhall, and offices, is a good example of capital investment which has generated a recurring cost saving.
- 11.30 The Council Strategy guides the budget requirements and prioritisation of resources across the Council. The introduction of outcome based budgeting, and not focusing purely on cost reductions, will play a key role in helping to ensure that priority investment continues to take place.
- 11.31 Treasury management plays a key role in the delivery of projects and services. The Council currently has cash resources in excess of £50m which are invested on the basis of minimising exposure to risk whilst also generating a return. The current average return in 2018/19 of >1% has exceeded targets and is expected to generate a revenue income of around £0.55m. As the council continues to invest in its capital programme, cash balances are expected to reduce; however, some of those new assets are expected to generate a revenue return instead.
- 11.32 The projections in 11.33 below are based on the existing capital programme estimates. Any changes to timescales and/or investments will have revenue

implications which will feed into the final budget recommendation in February. In particular, large capital projects are likely to have material revenue implications and a financial lead in period where significant borrowing and other implementation costs are incurred before any income generation commences.

Medium Term Financial Projections

11.33 The table below shows the latest general fund revenue forecast until 2022/23, before any of the Outcome Based Budgeting proposals. 'Government Damping' funding is based on a high level assumption that individual local authority funding will not be reduced beyond a certain level in any one financial year.

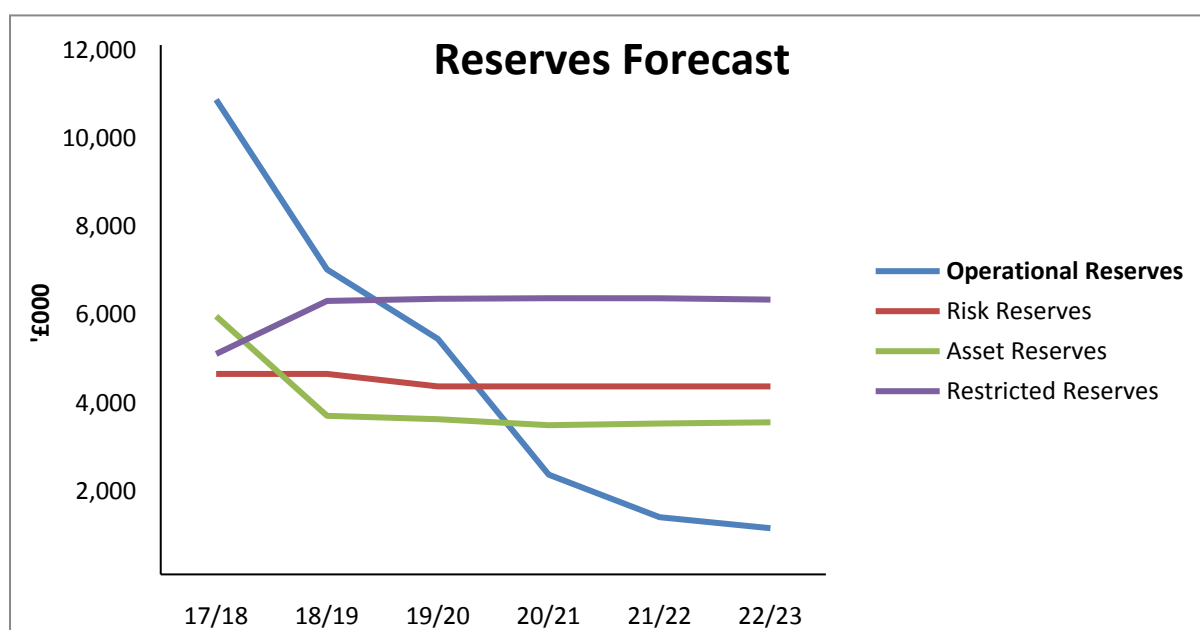
General Fund Revenue (£m)	Budget 2018/19	Forecast 2019/20	Forecast 2020/21	Forecast 2021/22	Forecast 2022/23
Funding					
Council Tax (excluding Parish Precepts)	7.650	7.792	8.024	8.264	8.511
Retained Business Rates	4.601	4.831	2.859	2.905	2.942
New Homes Bonus	2.116	1.919	0.088	0.088	0.088
Government Damping			1.877	1.139	0.402
Revenue Support Grant & Other Grants	0.144	0.144	0.000	0.000	0.000
	14.511	14.686	12.848	12.396	11.943
Investment Activity					
Interest (Payable) / Receivable	0.225	-0.224	-1.039	-1.257	-1.720
Minimum Revenue Provision	-0.225	-0.287	-0.359	-0.399	-0.843
Net Investment Property Income	2.380	2.538	2.622	2.625	2.628
Resources available	16.890	16.713	14.072	13.365	12.009
Baseline Net Expenditure					
Gross Income	13.089	13.243	13.421	14.338	14.742
Gross Expenditure	-28.645	-30.520	-32.046	-32.640	-33.166
Baseline resource requirements	-15.556	-17.278	-18.625	-18.301	-18.424
One-off budgets & Reserve Related Movements	-1.335	-0.508	-0.713	-0.729	-0.759
Total net resource requirements	-16.890	-17.786	-19.338	-19.030	-19.183
Budget Surplus / (Shortfall)	0.000	-1.073	-5.266	-5.665	-7.175
<i>% of Gross Expenditure</i>	<i>0.0%</i>	<i>3.5%</i>	<i>16.4%</i>	<i>17.4%</i>	<i>21.6%</i>

Managed Reserves

- 11.34 The total of General Fund reserves 2018/19 opening balance stood at just over £23m (plus the non allocated general fund balance of £2.8m).
- 11.35 Reserves are a key factor which underpin the Council's ability to fund Asset Management Plans, the IT Strategy, Car Parking Strategy, and Service Plans. They are also critical to our ability to fund the transformation of services and ability to invest in order to generate the necessary savings to balance the budget over future years.
- 11.36 In summary, reserves are used to support:
- I. Funding of the Capital Programme
 - II. Investment in transformation
 - III. Providing one-off support for service budgets (such as the local plan)
 - IV. Community Infrastructure plans
 - V. Council Strategy Support
 - VI. Asset Management Plans, IT Strategy, Car Parking Strategy
 - VII. Winchester Town Account (notably major play area refurbishment and replacements)
 - VIII. Short term budget deficits, if supported by a robust medium term savings plan
- 11.37 It is important to appreciate that reserves are finite and their use must therefore be managed and prioritised effectively in order to ensure that resources are available to support expenditure requirements including those which are potentially urgent and unexpected.
- 11.38 The Major Investment Reserve is the key revenue reserve used to support investment in major projects such as the new leisure centre, Central Winchester Regeneration, Station Approach, as well as other smaller projects. This is particularly crucial in the early stages of projects (such as consultation and feasibility studies), as these costs cannot usually be capitalised. Whilst the opening 2018/19 balance of £7.4m is deemed a healthy level, there are already significant commitments against this balance and therefore any future plans will require close scrutiny and prioritisation in order to ensure resources remain available to support new high priority projects.
- 11.39 Under Section 25 of the Local Government Act 2003 the S151 officer is required to state in the budget report their view of the robustness of estimates for the coming year, the medium term financial strategy, and the adequacy of proposed reserves and balances. The council is required to take this into account when making its budget and taxation decisions.
- 11.40 It is proposed that an allocation of reserves is made available to dampen the impact of funding reductions in the medium term financial strategy. As there are so many uncertainties over the medium term position, e.g. the future of new homes bonus, business rates retention etc, strategically it is very difficult for the council to execute a plan for the very worse scenario and deliver this, if it does not occur. That could leave the council with declining services at a

time when this would not be required. It is also important to recognise that some savings take a longer timeframe to deliver and so the ability to, in the short-term only, dampen the savings requirement can assist with long term financial stability.

- 11.41 The review proposes to create a new reserve: “Medium Term Financial Planning Reserve”, with an allocation of at least £2.5m to cover the period from 2020/21 to 2022/23.
- 11.42 A review of reserves has been undertaken during the year which has highlighted the need to reduce the number of separately identified reserves and also has introduced four high level reserve ‘categories’:
- Operational Reserves, significantly the Major Investment Reserve, are revenue reserves which can be used to support revenue or capital expenditure, for example major projects.
 - Risk Reserves, such as the General Fund Balance, are available to mitigate risks faced by the council. The overall levels are reviewed each year in line with the medium term financial strategy.
 - Asset Reserves, such as the Asset Management Reserve, are used to maintain existing council assets and are supported by spending plans such as the asset management plan.
 - Restricted Reserves, such as the Community Infrastructure Levy, can only be used for restricted purposes and therefore must be considered separately to other reserves which can be used for wider purposes.
- 11.43 The graph below shows that operational reserves will be almost fully exhausted during the four year planning period.



12 OTHER OPTIONS CONSIDERED AND REJECTED

- 12.1 There are a variety of options open the council over the medium term, and included in the above are a range of achievable options that fit within the council strategy.
- 12.2 Other council's have focussed on different approaches. Some have purely focussed on what is the legal minimum services to provide. This has been rejected as though the council has many statutory services to provide, *how* these are delivered can take many different shapes and associated costs. The financial position for the forthcoming year is not in such a position that the council needs to remove all discretionary related services so this would be premature, especially with a major Government review of finance expected for 2020.
- 12.3 Another option is take a much more aggressive approach to income generation, especially in respect of commercial property acquisition. If the Council spent £250m on acquiring commercial property, it could expect a net return (assuming gross yield of 6%) of up to £5m. This option has been rejected. There are a number of risks in commercial property investment, especially outside of the local economic areas, due a lack of a secondary plan for the properties. Yields are also very 'tight' at present meaning there is little room for losses due to voids. The council has a policy of achieving a double-win at present through any commercial property investment and it is not proposed to move from this approach. There has been recent guidance issued by CIPFA also warning authorities who borrow in advance of need for certain acquisitions.

BACKGROUND DOCUMENTS:-

Previous Committee Reports:-

CAB3060 Q4 Performance and Financial Outturn – July 2018

CAB3011 General Fund Budget 2018/19 – February 2018

CAB3012 Medium Term Financial Strategy – February 2018

Other Background Documents:-

None

APPENDICES:

None

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By virtue of paragraph(s) 3, 5 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

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