



Meeting	Cabinet
Date and Time	Wednesday, 18th September, 2019 at 9.30 am.
Venue	Walton Suite, Winchester Guildhall

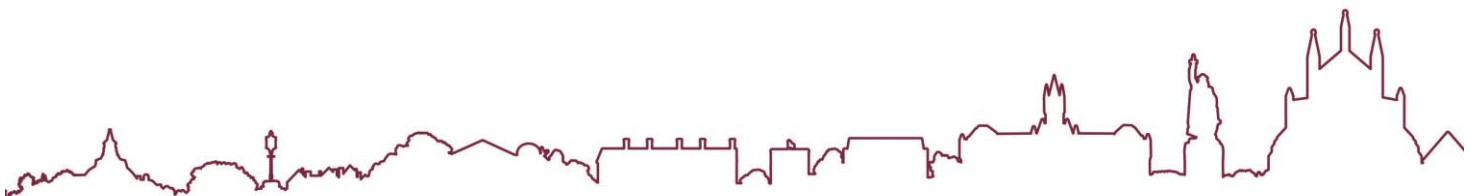
AGENDA

PROCEDURAL ITEMS

- 1. Apologies**
To record the names of apologies given.
- 2. Membership of Cabinet bodies etc.**
To give consideration to the approval of alternative arrangements for appointments to bodies set up by Cabinet or external bodies, or the making or terminating of such appointments.
- 3. Disclosure 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.
- 4. To note any request from Councillors to make representations on an agenda item under Council Procedure Rule 35**
Note: Councillors wishing to speak about a particular agenda item are requested to advise the Democratic Services Officer before the meeting. Councillors will normally be invited by the Chairman to speak during the appropriate item (after the Portfolio Holder's introduction, questions from Cabinet Members and public participation).

BUSINESS ITEMS

- 5. Minutes of the previous meeting held on 28 August 2019.** (Pages 5 - 22)



6. **Public Participation**
– to note the names of members of the public wishing to speak on general matters affecting the District or on agenda items (in the case of the latter, representations will normally be received at the time of the agenda item, after the Portfolio Holder’s introduction and any questions from Cabinet Members).
7. **Leader and Cabinet Members' Announcements**
8. Station Approach - Site Disposal Process (Pages 23 - 68)
Key Decision (CAB3188)
9. Establishing the Winchester Housing Company (Pages 69 - 92)
Key Decision (CAB3160)
10. Local Plan 2036 Consultation and Engagement Process (Pages 93 - 108)
Key Decision (CAB3191)
11. Preventing Homelessness & Rough Sleeping Strategy (Pages 109 - 150)
Key Decision (CAB3184)
12. Former Police Station Twyford - Approval of Tender to Construct Council Homes (Pages 151 - 158)
Key Decision (CAB3189)
13. Quarter 1 Financial and Performance Monitoring (Pages 159 - 210)
Key Decision (CAB3183)
14. Risk Management Policy 2019 (Pages 211 - 240)
Key Decision (CAB3176)
15. To note the future items for consideration by Cabinet as shown on the October 2019 Forward Plan. (Pages 241 - 246)

Lisa Kirkman
Strategic Director: Resources and Monitoring Officer

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.



10 September 2019

Agenda Contact: Nancy Graham, Senior Democratic Services Officer

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

CABINET – Membership 2019/20

Chairperson: Councillor Thompson (Leader and Cabinet Member for Communications and Transformation)

Councillor Cutler (Deputy Leader and Cabinet Member for Finance and Risk)

Councillor Learney	-	Cabinet Member for Housing and Asset Management
Councillor Murphy	-	Cabinet Member for Environment
Councillor Porter	-	Cabinet Member for Built Environment and Wellbeing
Councillor Prince	-	Cabinet Member for Sport, Leisure and Communities
Councillor Weir	-	Cabinet Member for Local Economy

Quorum = 3 Members

Corporate Priorities:

As Cabinet is responsible for most operational decisions of the Council, its work embraces virtually all elements of the Council Strategy.

Public Participation

Public Participation is at the Chairperson's discretion. If your question relates to an item on the agenda, you will normally be asked to speak at the time of the relevant item. Representations will be limited to a maximum of 3 minutes, subject to a maximum 15 minutes set aside for all questions and answers. If several people wish to speak on the same subject, the Chairperson may ask for one person to speak on everyone's behalf. As time is limited, a "first come first served" basis will be operated.

To reserve your place to speak, you are asked to arrive no later than 10 minutes before the start of the meeting to register your intention to speak. Please contact the Democratic Services Officer in advance for further details.

Filming and Broadcast Notification

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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.

Terms Of Reference

Included within the Council's Constitution (Part 3, Section 2) which is available [here](#)

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CABINET

Wednesday, 28 August 2019

Attendance:

Councillor Thompson (Chairperson)	– Leader and Cabinet Member for Communications and Transformation
Councillor Cutler (Vice-Chair)	– Deputy Leader and Cabinet Member for Finance and Risk
Councillor Learney	– Cabinet Member for Housing and Asset Management
Councillor Murphy	– Cabinet Member for Environment
Councillor Porter	– Cabinet Member for Built Environment and Wellbeing
Councillor Prince	– Cabinet Member for Sport, Leisure and Communities
Councillor Weir	– Cabinet Member for Local Economy

Others in attendance who addressed the meeting:

Councillors Godfrey, Miller and Pearson

Others in attendance who did not address the meeting:

Councillor Ferguson

1. CHAIRPERSON'S ANNOUNCEMENTS

The Chairperson announced that due to the recent Bank Holiday, the papers for this meeting had narrowly missed the five clear working day deadline for publication. However, as the meeting date had been well publicised in advance of this deadline, the Chairperson confirmed that she was happy to accept the items onto the agenda as matters requiring urgent consideration.

2. MEMBERSHIP OF CABINET BODIES ETC.

It was announced that Councillor Green had been appointed to the position of Armed Forces Champion for the Council. The role had previously been carried out by Councillor Godfrey who was thanked for the duties over the last few years.

3. DISCLOSURE OF INTERESTS

Councillor Porter declared a personal (but not prejudicial) interest in relation to various items on the agenda, due to her role as County Councillor.

4. **MINUTES OF THE PREVIOUS MEETING HELD ON 17 JULY 2019**

RESOLVED:

That the minutes of the previous meeting held on 17 July 2019 be approved and adopted.

5. **PUBLIC PARTICIPATION**

During public participation, Teresa Skelton spoke in respect of the relationship between the Police and the public and Ian Tait spoke regarding CAB3182 and CAB3181 and their comments are summarised below.

In summary, Mrs Skelton raised the following points:

- The democratic rights and liberties of the ordinary citizen, particularly the relationship of the police to the public;
- Considered the police regulatory system to be dysfunctional at county level and suggested the City Council take on a role of bridging the democratic deficit and deficiencies in policing;
- Consideration be given to the formation of an official relationship with the appointment of an independent Liaison Officer and public meetings to be attended by the elected Police Crime Commissioner to enable the views of the community to be taken forward. Suggested that the Hampshire Police Monitoring Group could assist with this process.

In summary, Mr Tait raised the following points:

- In respect of Item 10, Mr Tait welcomed the project of many years coming to fruition;
- In respect of Item 12, in view of the Council's declaration of a climate emergency, Mr Tait queried the installation of energy efficient gas boilers into its housing scheme at Rowlings Road and also stated that there was no reference of nitrate levels;
- Reiterated concerns made at previous meetings regarding the lack of a separate Housing Committee. It was noted that the Cabinet Member for Housing and Asset Management continued to meet with TACT representatives for their involvement in housing related decisions;
- Mr Tait expressed concern regarding the level of drug use in the Town Centre and asked that this matter, together with the issues raised by Mrs Skelton regarding policing, be addressed as serious concerns.

In addition, Mark Baulch (Hampshire Chamber of Commerce), Dr Paul Spencer (Winchester Business Improvement District), Chris Gillham (Winchester Friends of the Earth), Patrick Davies, Kate Macintosh and Councillors Godfrey and Miller spoke regarding CAB3172; Councillor Pearson spoke regarding CAB3186; Kate Macintosh and Councillor Miller spoke regarding CAB3182; Chris Gillham (Winchester Friends of the Earth), Malcolm Wallace (The Green Party), Steve Hallett (Extinction Rebellion Winchester) David Ball and Councillor Pearson spoke regarding CAB3187 and Councillor Miller spoke regarding CAB3181. Their comments are summarised under the relevant minutes below.

6. **LEADER AND CABINET MEMBERS' ANNOUNCEMENTS**

The following announcements were made:

- The next meeting of Full Council on 25 September 2019 would take place. In addition, it was reported that this would be the first meeting of Council in which the public would be able to address the meeting and a report on the proposed Decision Days would also be tabled.
- With regard to taxi services, meetings had taken place with the university and taxi drivers to promote an initiative to help all students get home safely, even without the necessary funds on their person. All taxi drivers had also been attending mandatory safeguarding training with the Blue Lamp Service as part of the review of the taxi licensing policy to ensure public safety and raise awareness.
- It was reported that the first meeting of the Central Winchester Regeneration Open Forum was due to take place on 24 September 2019 at The Nutshell Theatre in Kings Walk, providing feedback on the project to residents and local traders (details on the Council's website). Improvements were taking place with the implementation of a temporary crossing on Bar End Road from the Park and Ride to allow visitors to the Sports Stadium and the King George V playing fields to cross safely. This would be in place from 11 September 2019 for an 18-month period.
- It was reported that the Sports and Leisure Park Open Forum would take place on Friday, 13 September 2019 at 3.30pm in the Walton Suite and all were welcome to attend. In addition, the first meeting of the Station Approach Open Forum would take place on Monday, 16 September 2019 at 4.30pm in the Walton Suite and all were welcome to attend. The Forum would involve key stakeholders and would look at the public realm proposals. Full details of all Open Fora were available on the Council's website.
- Ten new vehicles had been procured ahead of schedule to join the waste collection fleet for bin collections. The vehicles had Euro 6 engines which produced lower carbon emissions and would result in greater reliability with fewer breakdowns or delays to collections. Work was ongoing with Biffa to ensure service improvements continued.
- The Council would shortly be launching a budget simulator on its website. In light of the difficult decisions faced by local authorities in recent years, due to budget cuts by the Government, this would enable residents to balance their own budget by cutting expenditure, increasing value etc. It was hoped that this would help residents take part in looking at priorities in terms of expenditure over the next four years with the aim of creating a balanced budget which could then be submitted. Members were urged to take part in the process and to encourage local residents to participate.

7. **STATION APPROACH PROPOSALS FOR DELIVERY AND FURTHER PUBLIC**

REALM DEVELOPMENT (LESS EXEMPT APPENDICES)
(CAB3172)

Cabinet noted that Appendix 9 (Minute extract of the Scrutiny Committee held on 14 August 2019) had not been notified for inclusion on the agenda within the statutory deadline. The Chairperson agreed to accept this item onto the agenda as a matter requiring urgent consideration in order that regard be had to their content in reaching its decision.

Councillor Weir introduced the report and emphasised that the scheme had received support from the Local Enterprise Partnership, Hampshire County Council, the Hampshire Chamber of Commerce and the Winchester Business Improvement District. Councillor Weir noted that the report had been considered by The Scrutiny Committee at the additional meeting held on 14 August 2019. She thanked Councillor Learney for attending the meeting on her behalf and Members of The Scrutiny Committee for their time in the consideration of the report.

Councillor Learney emphasised that The Scrutiny Committee had supported the principles of the report. However, they had raised a number of comments and concerns. Councillor Learney stated that primarily, these related to market timing, the Local Enterprise Partnership (LEP) funding and scrutiny of the desired outcome with baseline financial returns. The minute extract was set out in Appendix 9 to the report (less exempt minute).

In addition, Councillor Learney made reference to a representation received from Councillor Gottlieb which had also been taken into consideration.

In response Councillor Learney detailed some amendments that were proposed to the recommendations of the report for consideration by Cabinet, as follows:

Amended report recommendation 10

Removal of the wording 'Carfax site' from this report recommendation.

New additional report recommendation 12 (under 'Approves'):

12. That the Strategic Director: Place be directed to develop a schedule of and process for spend and payments for the LEP grant and assists with the active management of the risk of grant repayment.

Amended report recommendation 14 (previously recommendation 13, as set out in the report)

14. That detailed arrangements for the purchaser selection process for disposal are subject to a further report to Cabinet, having considered the specific comments of the Scrutiny Committee in this regard.

At the invitation of the Leader, Katie Kopec, Director – Strategic Development Consulting at JLL (the Council's Strategic Development Advisors), addressed Cabinet in respect of market timing opportunities. She emphasised that there

was high demand for top quality Grade A office space in the district, with the availability of adequate space currently restricted. Research had been carried out which indicated that there was significant demand from businesses looking to secure greater space in structurally sound new offices where they are currently occupying aging facilities and where lease renewals were becoming due.

Mark Baulch, Dr Paul Spencer, Chris Gillam, Patrick Davies and Kate Macintosh spoke during public participation and Councillors Miller and Godfrey addressed Cabinet, at the invitation of the Leader, as summarised below:

Mark Baulch (Hampshire Chamber of Commerce)

- Supportive of the Station Approach development for several years;
- Businesses continue to grow and the new development was much needed for economic growth in order for Winchester to remain an area that was 'open for business';
- Will create new jobs, generate income and revenue from Business Rates;
- Car Parking – although close to the train station it was considered that parking on site would still be a necessity. Urged the Council to think about the competition in other areas in this respect i.e. Nelson Gate in Southampton.

Dr Paul Spencer (Winchester Business Improvement District)

- Supports Station Approach development and proposals for the Carfax scheme;
- Grade A office space would require a certain level of car parking space and noted that the number of car parking spaces had been reduced to 95 from approx. 230;
- Recognised the need for balance between car parking provision and the need to promote Winchester as a carbon free city;
- Risk that LEP funding would be lost if the project did not progress – keen not to see the scheme delayed any further.

Chris Gillam (Winchester Friends of the Earth)

- Major project for the Council coming forward at the same time as the Local Plan;
- Inadequate response has been received to concerns previously raised;
- Development in a sustainable location, questioning why any parking provision would be required at all;
- The scale of building was highly objectionable and the need for development was highly suspect, with the Market appraisal hidden from public inspection;
- Concern regarding the loss of biodiversity.

Patrick Davies

- Raised concerns about the process with additional Meetings of the Scrutiny Committee and Cabinet being urgently called. In addition, the Open Forum

was scheduled to commence after the Planning Committee on 12 September where the planning application was due to be considered;

- Little feedback given to the public comments received in March 2019 and holding the Open Forum after the Planning Committee would further preclude serious public consultation in the process;
- No thoughts given on the risk of the LEP grant;
- Rushing to obtain an early planning decision.

Kate Macintosh

- Welcomed the comments of Councillor Learney regarding the improvements to the public realm and Upper High Street;
- Disappointment that Sussex Street was not being restored to 2 way working and therefore taking the major traffic out of Upper High Street;
- Made reference to a rumour she had heard suggesting a proposal for the disposal of the Cattle Market with only outline planning consent, although she noted this was not contained within the report – outline planning consent was valueless;
- Stated that 50% of public land was being disposed of to private buyers – and commented that with land ownership comes control and governance.

Councillor Miller

- Stated that there had been a great deal of public participation on the project;
- Car parking had been reviewed and had now been reduced to 95 parking spaces which was a measured approach – a level of car parking on site was essential;
- The project had received the full backing of the LEP, Winchester BID, Hampshire Chamber of Commerce and the County Council as a much needed development to accommodate high demand;
- Welcomed the old Registry Office building being retained;
- The development would generate employment with well paid jobs, reduce the need for residents to commute outside of Winchester, generate revenue income for the Council to lower the budget deficit;
- The Council would meet the LEP grant funding deadline, retain the interest of prospective purchasers and local tenants if the project was progressed in a timely manner.

Councillor Godfrey

- Welcomed the report and believed that the project should be fully endorsed as it brought a key site next to the station, not used to its full potential, into more sustainable use and provided a significant financial benefit to the local economy;
- Long term finances were under increasing pressure and developments such as Station Approach ensured that income streams were safeguarded and the area was improved by a high-quality development;

- Grade A office space was required to attract and retain major businesses in Winchester and for employment opportunities to remain in this central location and to not relocate elsewhere;
- Enabled Winchester residents the opportunity to take up employment near to where they live, reducing long commutes to work and improving the environment by doing so;
- Parking would reduce in the town centre by 130+ parking spaces which offered a step towards carbon neutrality.

The Strategic Director: Place recognised the tight timetable to enable the council to take advantage of the LEP grant and stated that a prompt decision was essential in order for the project to progress. It was recognised that the LEP grant funding was essential to deliver the public realm scheme, and would support the Carfax office development as well

To address the points raised during public participation, Councillor Learney provided the following response, as summarised below:

- The difficulties with the scheme, particularly the level of car parking, were recognised and work would be carried out to ensure that this did not impact on the economy of the Town;
- Determination of the Planning Application by the local planning authority was a separate decision to the land disposal decision before Cabinet;
- Reassurance was provided that there were no plans for the disposal of the Cattle Market site. The Cabinet Member: Built Environment and Wellbeing was currently working on the Local Plan before any matters relating to future proposals for the site would be taken forward;
- Proposals to implement measures within the Movement Strategy prior to considering further car parking are being progressed,; this being undertaken in balance with measures to promote the use of public transport.

During debate, Cabinet Members clarified that the public realm as part of the Carfax scheme, would be maintained as part of the development, but, via planning condition would be kept fully, publically open. It was confirmed that the City Council is keen for Hampshire County Council to deliver the adjacent Station Approach public realm. The purpose of the report was to consider the approach to land disposal in order to ensure progress with the project and that there would be opportunities for details, and a final recommendation, to come back to Cabinet.

The Leader thanked all those in attendance and those that spoke for their contribution.

Cabinet agreed to the following, including those amendments tabled at the meeting as detailed above, for the reasons set out above and outlined in the Report.

RESOLVED:

That the following be noted:

1. The Scrutiny Committee considered the contents of the report and the proposed recommendations to Cabinet on 14 August 2019 and made comments as set out in the draft minutes (Appendix 9)
2. The three specific areas for consideration raised by the Scrutiny committee along with associated comments as set out in the report and detailed in Appendix 8
3. The amendments made to the outline planning application, including reduced height, reduced parking and additional areas of active frontage to the public route through the site.
4. The introduction of an Open Forum to continue stakeholder engagement in the development of this proposal.
5. The feedback from the soft market testing as detailed in Appendix 3.
6. The RIBA equivalent Stage 3 report (Appendix 10) and cost plan for the Public Realm project.
7. That this report concludes the review of the Station Approach scheme led by the Cabinet Member: Local Economy.

That the following be approved:

8. That the allocation of a revenue budget of up to £220,000, as set out in Appendix 1 of the Report be approved, to undertake the selection process to enable the site disposal.
9. That the progression of the Public Realm project to RIBA equivalent Stage 4 (Technical design) and Stage 5 (Construction Management) be approved and that this work proceeds at a financial risk to the Council (see para 2.8).
10. That a request be progressed for the allocation of up to £500,000 CIL funding to enable development of public realm works to improve connectivity between the Station area and the High Street and Sussex Street.
11. That the Strategic Director: Place be authorised to enter into the necessary agreement with Hampshire County Council (and any other necessary associated parties) to progress public realm design and construction management work.
12. That the Strategic Director: Place be directed to develop a schedule of and process for spend and payments for the LEP grant that assists with the active management of the risk of grant repayment.

That, contingent on the approval of the outline planning consent, the following be approved:

13. The disposal of the Carfax site to a selected purchaser by way of a long leasehold, subject to agreed terms and conditions following a competitive selection process.

14. That detailed arrangements for the purchaser selection process for disposal are subject to a further report to Cabinet, having considered the specific comments of The Scrutiny Committee in this regard.

RECOMMENDED (TO COUNCIL):

15. APPROVAL TO AGREE AND TO ENTER INTO THE LEP GRANT AGREEMENT FOR A TOTAL SUM OF £5M BASED ON THE HEADS OF TERMS (APPENDIX 6), WITH FINAL AMENDMENTS TO BE DELEGATED TO THE STRATEGIC DIRECTOR: PLACE IN CONSULTATION WITH THE CABINET MEMBER FOR LOCAL ECONOMY.

16. APPROVAL TO INCUR CAPITAL EXPENDITURE IN STAGES TOTALLING £5M TO BE FUNDED FROM THE LEP GRANT RECOGNISING THE TERMS AND CONDITIONS ATTACHED TO THE GRANT AGREEMENT AND THAT SUCH EXPENDITURE WILL BE SUBJECT TO PAYBACK TO THE LEP SHOULD THE SCHEME NOT PROGRESS AND ACHIEVE THE GRANT OBJECTIVES.

8. FUNDING FOR CENTRAL WINCHESTER REGENERATION ARCHAEOLOGY (CAB3186)

Councillor Learney introduced the report which set out progress with the development of the Central Winchester Regeneration area.

It was reported that the work would be carried out to collect and monitor archaeological data to inform the scheme. Baseline monitoring would take place over a period of 12 months. This would not prevent development and would run concurrently to progress with the redevelopment of the area. There was strong public demand to move forward with improvements to this area.

At the invitation of the Leader, Councillor Pearson addressed Cabinet, as summarised below:

- Had an interest in archaeology as was part of the Winchester Excavation Group with Professor Martin Biddle and therefore appreciated the high cost involved in this respect;
- He queried the funding available, as set out in the recommendations of the report and whether the developer would be funding archaeology works;
- Expressed concern regarding the reference in the report to water logged ground and foul water;

- Overall, welcomed the paper and looked forward to the works commencing on site.

In response to the points raised, the Head of Programme clarified that carrying out the proposed works on site would increase the value of the land which would more than cover the cost. An early dig would be carried out to provide an informed approach when talking with developers. The site would continue to be monitored with seasonal changes in water levels to establish conditions beneath the surface.

Cabinet agreed to the following for the reasons set out above and outlined in the Report.

RESOLVED:

1. That the commission of archaeological investigation in the Central Winchester Regeneration area be approved, through a two stage model, based on the principles of the specialist report received.
2. That the Strategic Director: Place be authorised to determine the specification of archaeological investigation works to be undertaken in consultation with the Cabinet Member: Housing and Assets.
3. That a revenue budget of £250,000 be approved to be funded from the Major Investment Reserve to undertake the archaeological investigation work.
4. That the Strategic Director: Place be authorised to establish the appropriate procurement process in accordance with the council's contract procedure rules for the archaeological investigation works.
5. That the Strategic Director: Place be authorised to award and enter into the contract for archaeological investigation works, including all necessary legal agreements.
6. That an increase to the Central Winchester Regeneration project budget of £18,000 funded by the Major Investment Reserve be approved.

9. **FUNDING FOR ST MAURICE'S COVERT**
(CAB3182)

Councillor Learney introduced the report and noted that the matter had originally been a project of the Winchester Town Forum over a number of years and that she welcomed the progress that was taking place. The works would enhance the heritage of the area in an important pathway to the Cathedral and it was noted that works would be taken forward by the Town Forum High Street Group.

Kate Macintosh spoke during public participation and Councillor Miller addressed Cabinet, at the invitation of the Leader, as summarised below:

Kate Macintosh

- Applauded the works that were to be carried out to the Covert and welcomed the report;
- The Council had carried out a good job in the landscaping of the High Street and these works would additionally add value to an important area and for all that enjoy the Cathedral and area surrounding it.

Councillor Miller (on behalf of Councillor Brook)

- Welcomed the report to Cabinet but expressed concerns that no discussions had taken place with the Steering Group that had led the project prior to this report and with no recommendation from the group coming forward to Cabinet.

In response to the points raised, Councillor Learney clarified that there was a desire for works to commence without construction costs increasing any further. A joint meeting of the Steering Group and the Town Forum High Street Group had taken place but it was unfortunate that not all group members were available to attend. It was confirmed that at the joint meeting, those present were keen to see the works progressed in a timely manner.

Cabinet agreed to the following for the reasons set out above and outlined in the Report.

RESOLVED:

1. That the additional budget of £90,000 to deliver the St. Maurice's Covert enhancement scheme be approved, thereby increasing the overall budget to £225,000; and

2. That the Corporate Head of Regulatory be authorised to procure and award and to enter into the contracts for the improvements works to St. Maurice's Covert in accordance with Public Contract Regulations 2015 (if applicable), the Council's Contract Procedure Rules and Financial Procedure Rules for contracts of the relevant type and value of the intended contract.

10. **RESPONSE TO CONSULTATION - M3 JUNCTION 9**
(CAB3187)

Councillor Porter introduced the report which set out the Council's response to the preliminary consultation regarding M3 Junction 9. It was noted that the consultation response was due to be submitted by 30 August 2019 and this enabled Cabinet to give consideration to the report, with the opportunity for members of the public to address the meeting on this matter.

Councillor Porter emphasised that the Council's response to the consultation supported both the aims of the Winchester Movement Strategy and those of the Council regarding climate change. The Council was one of the host authorities,

alongside the South Downs National Park Authority (SDNPA) and Hampshire County Council (HCC) that were taking part in discussions with Highways England on this matter and this response was in respect of the preliminary report.

Councillor Porter set out the next steps which included defining a local impact report, continued dialogue with Highways England and infrastructure projects to develop a planning performance report. As a follow up, the aim would be to develop a Project Working Group/Board to seek funding through the process, in order to achieve a planning agreement which robustly tested the plan. Meetings with SDNPA and HCC would take place to explore these options.

Chris Gillham, Malcolm Wallace, Steve Hallett, David Ball spoke during public participation and Councillor Frank Pearson addressed Cabinet at the invitation of the Leader, as summarised below:

Chris Gillham (Winchester Friends of the Earth)

- Require Highways England to fill in the gaps of the appraisal and expressed some concern regarding Highways England and their previous response to dealing with proposals for traffic around Stonehenge;
- Plans for Carbon Neutrality of the District are of utmost importance;
- Alarmed that the project was proceeding at all and suggested two matters for consideration within the response:
 - Respond removing reference presupposing that the project should proceed;
 - The Council could respond to say they are opposed to the scheme as it conflicts with the Council's Climate Emergency declaration.

Malcolm Wallace (The Green Party)

- Road Traffic was a major source of pollutants – emissions cause significant damage to human health and the environment and would deepen the impact of the Climate Emergency in Winchester;
- The proposals would increase traffic and noise pollution in Winchester and have a detrimental impact on air quality and increase greenhouse gas emissions – all to achieve a 90 second time saving;
- Considered that now was the time to take a different approach and stop the scheme for the benefit of everyone.

Steve Hallett (Extinction Rebellion Winchester)

- Proposals were incompatible with the Council's declaration of a climate emergency;
- Building roads creates problems as it increases demand on the road and in several years will result in a further increase in emissions;
- Suggested that sustainable transport be invested in as this could transform travel in the District if diverted from the road scheme;
- Highways England plans fail to address the urgency in the erosion of the SDNP and the Winnall Moors.

David Ball

- Expressed concern regarding paragraph 5.10 contained in the letter but considered the Council's draft response to be measured and supported the view that more works were required.
- Stated that new emissions would arise as significant roads generate traffic;
- The Highways England document made no reference to travel by rail or other nodes of public transport – suggested that a joined up holistic approach was required from the Government to consider a trade-off between investment in rail and Junction 9;
- Noted the declaration of Climate Emergency in the draft response, although he stated that there was no reference to carbon neutrality in the broader context.

Councillor Pearson

- Stated that he had looked at this matter in the national context and highlighted that Junction 9 was the key hub to the two ports;
- Watched traffic growth as a result of the introduction of the Smart motorways by Highways England;
- There was growing congestion with the current junction along the A34 to Junction 9 with most engines left running in the queuing traffic on a daily basis;
- Considered that the Council's response to Highways England covered all necessary points and supported the paper.

Following public participation, Councillor Porter thanked all those that spoke for their contributions and the relevant points they had raised and she encouraged members of the public to submit their comments directly to Highways England for inclusion going forward.

Councillor Porter emphasised the need to have a robust Planning Performance Agreement (PPA) in place with vigorous traffic measurement to establish how and if these improvements should be made and the need to increase opportunities for non-motorised uses was recognised.

Councillor Porter drew Members' attention to two adjustments contained in the response letter following her discussion with officers. A revised version of the response letter was circulated at the meeting.

Councillor Porter also responded to Members' questions in relation to the impact on the carbon footprint and air quality in Winchester and how reassurance was to be provided that Highways England submit an adequate response on these matters. Councillor Porter clarified that this would be addressed via the PPA and further engagement with Highways England following the meeting.

Cabinet was reminded that the Council was a consultee which remained in place through to the formal consultation process to the planning inspectorate. Prior to this stage, the Council's response would come back to Cabinet for further consideration of the outcomes.

During debate, Cabinet Members supported the Council's response in principle, but considered that it should be strengthened, particularly in respect of promoting cycling, walking and public transport proposals wherever possible and as a result suggested an addition to the recommendation to delegate any final amendments to the response to the Corporate Head of Regulatory, in consultation with the Cabinet Member: Built Environment and Wellbeing.

Cabinet agreed to the following for the reasons set out above and outlined in the Report.

RESOLVED:

1. That the report be noted.

2. That the PEIR consultation response be agreed in general (attached as appendix D to this report) and the approach to seek positive environmental benefits from the scheme having regard to the Climate Emergency declaration adopted 5 June 2019 be endorsed, with any final amendments to the response being delegated to the Corporate Head of Regulatory, in consultation with the Cabinet Member: Built Environment and Wellbeing.

3. That the Strategic Director: Services be authorised to negotiate and enter into a planning performance agreement with Highways England to enable the City Council to fully participate in the DCO process.

4. That delegation to officers be agreed, in consultation with the Cabinet Member for Built Environment and Wellbeing the role of responding to the planning inspectorate with regard to the Council's responsibilities as the host authority for the M3 Junction 9 improvement scheme Nationally Significant Infrastructure Project.

5. That a draft Local Impact Report be prepared and brought back to Cabinet that sets out the basis for an initial formal response to the Scheme to be submitted to the Planning Inspectorate as part of the DCO application process.

11. **COUNCIL HOUSING SCHEME, ROWLINGS ROAD, WEEKE FINAL BUSINESS CASE APPROVAL**
(CAB3181)

Councillor Learney introduced the report and noted that the scheme had been welcomed in the local areas and created more housing for local people. At the invitation of the Leader, representatives of TACT were present for the consideration of this report and CAB3182 (considered below) and were invited to the table for both items.

It was reported that FE Chase had been contracted to construct seven new Council properties on the former garage site in Rowlings Road, Weeke. The build met the Council's viability criteria with all properties to be rented out at 70% of market rents.

In response to the points raised by Ian Tait during public participation, it was reported that these properties would include the installation of gas boilers. However, it was noted that this would be assessed further in the future.

At the invitation of the Leader, Councillor Miller addressed Cabinet as summarised below.

Councillor Miller

- He welcomed the report which was also fully supported by the Conservative group.

Cabinet agreed to the following for the reasons set out above and outlined in the Report.

RESOLVED:

1. That the Corporate Head of Housing be authorised to award a design and build contract with FE Chase to construct 7 new properties at Rowlings Road, Weeke, Winchester for the sum of £1,109,048.21.
2. That in accordance with Financial Procedure Rule 7.4, capital expenditure of £1,430,205 as set out in Appendix 1 of the Report be approved.
3. That the Strategic Director – Services (Interim) be authorised to accept an increased Contract retention sum (as set out in paragraph 11.5) in lieu of a Performance Bond
4. That the Corporate Head of Asset Management be authorised to negotiate and agree terms to enter into easements, wayleaves and related agreements with utility suppliers, telecom/media providers and neighbours in order to facilitate the development.
5. That the Service Lead – Legal be authorised to enter into the design and build contract with FE Chase and easements, wayleaves and related agreements with utility suppliers, telecom/media providers and neighbours in order to facilitate the development.

12. HOUSING CLEANING CONTRACT

(CAB3185)

Councillor Learney introduced the report and noted that the contract for cleaning of communal areas in the Council's housing stock was due to be awarded to YBC Cleaning Services Ltd for a period of 3 years (with the option of a 2 year extension).

At the invitation of the Leader, representatives of TACT addressed Cabinet and highlighted some areas of concern at several of the housing schemes in respect of missed fortnightly cleans. It was agreed that this would continue to be monitored, particularly as tenants paid for this service via service charges.

In response, the Corporate Head of Housing (Interim) advised that she had recently met with TACT representatives to discuss this matter. It was noted that the new contract commenced in mid May 2019 and that the contract and performance levels are being robustly monitored. Officers were confident that improvements with the cleaning service will be seen over the next month. Cabinet were reminded of the break clauses in place on the contract if this failed to be delivered. Tenants were encouraged to report any further problems if they remained dissatisfied with the service.

Cabinet agreed to the following for the reasons set out above and outlined in the Report.

RESOLVED:

1. That the procurement and award of a cleaning contract to YBC Cleaning Services Ltd for an initial term of 3 years with an option to renew for up to 5 years be approved.
2. That the Strategic Director: Services be authorised to enter into all necessary agreements with YBC cleaning services to provide a building cleaning service within the common and communal areas of the councils housing stock.
3. That the Service Lead: Legal execute and enter into all necessary agreements.

13. **FUTURE ITEMS FOR CONSIDERATION**

RESOLVED:

That the list of future items, as set out in the Forward Plan for September 2019, be noted.

14. **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>
15.	Station Approach proposals for delivery and further public realm development (exempt appendices and exempt minute)) Information relating to the financial or business affairs of any particular person (including the authority holding that information). (Para 3 Schedule 12A refers)) Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings. (Para 5 Schedule 12A refers)

15. **STATION APPROACH PROPOSALS FOR DELIVERY AND FURTHER PUBLIC REALM DEVELOPMENT (EXEMPT APPENDICES)**
(CAB3172 APDX 4A)

Cabinet noted that exempt Appendix 9 (Exempt Minute of the Scrutiny Committee held on 14 August 2019) had not been notified for inclusion on the agenda within the statutory deadlines. The Leader therefore agreed to accept this item onto the agenda as a matter requiring urgent consideration in order that regard be had to their content in reaching its decision on the way forward with the proposals for Station Approach.

Cabinet had considered the contents of the exempt appendix to the report which included commercially sensitive information regarding the Financial and Commercial Appraisals as part of the proposals for the disposal options and approach, and market interest and viability for Station Approach, when they made their decision on this matter.

The meeting commenced at 9.30 am and concluded at 12.00 pm

REPORT TITLE: STATION APPROACH - SITE DISPOSAL PROCESS

18 SEPTEMBER 2019

REPORT OF CABINET MEMBER: Cllr Anne Weir, Cabinet Member for Local Economy

Contact Officer: Ian Charie Tel No: 01962 848420 Email ichtarie@winchester.gov.uk

WARD(S): ST PAULS / ST BARTHOLOMEW

PURPOSE

The Council has been leading the development proposals for the Station Approach Carfax site. This is an opportunity for a market-leading, low carbon office building in the heart of the city which will underpin the city centre economy for decades to come, creating a new vibrant employment hub and a catalyst for future regeneration opportunities.

Cabinet considered a report on 28 August and determined to dispose of the Carfax site to a selected purchaser by way of a long leasehold, subject to agreed terms and conditions following a competitive selection process.

The selection process is contingent on the award of an outline planning consent. Subject to that being granted, the aim is to engage market innovation to deliver this high quality, exemplar, commercial development that sets a new regeneration standard for Winchester and the region.

It is proposed that a marketing and selection process is undertaken to find a purchaser, with the values, skills, expertise, and track record to enable them to deliver this development within the constraints of an outline planning consent, with appropriate conditions and reserved matters.

Prospective purchasers will be invited to submit bids in early 2020, and these will be assessed by the in-house team, advised by external experts.

Bids will be assessed in line with the methodology described in this report, with quality and financial considerations being taken into account. A recommendation will then be made to a future Cabinet, currently scheduled for March 2020.

RECOMMENDATIONS:

That, contingent on the granting of outline planning consent, Cabinet:

1. Approves the arrangements detailed in this report for the marketing and purchaser selection process for disposal of the Carfax site.
2. Authorises the Strategic Director – Place to finalise and undertake the marketing and purchaser selection process for disposal in consultation with the Cabinet Member for Local Economy, based on the disposal methodology set out in this report.
3. Requires the Strategic Director – Place to bring a report to Cabinet for a decision on the disposal of the site to a purchaser once the marketing and selection process has been completed.

IMPLICATIONS:1 COUNCIL STRATEGY OUTCOME

- 1.1 Successful regeneration of the Carfax site is central to delivering high value, private sector employment opportunities to support several themes in the Council Strategy (2018-20). It will be a landmark exemplar of sustainable office development in the heart of the city and act as a regeneration catalyst for other development and enhancements, as well as being of wider economic benefit to the city and district.

2 FINANCIAL IMPLICATIONS

- 2.1 The financial implications of the project were set out in detail in CAB3172 and are referenced as a Background Paper to this Report. At Cabinet on 28 August 2019 a revenue budget of £220,000 was approved to select a purchaser and undertake the disposal of the Carfax site. The detail of this budget is set out below.

Table 1: Budget requirements to progress the disposal of the Carfax site through a selection process.

Work Area	Estimated Budget Requirement
Legal fees	£75,000
Fees including for Strategic Consultant advisor, site marketing and purchaser selection process	£75,000
Design Team and Technical Consultants fees	£50,000
Contingency	£20,000
Total Budget requirement for marketing and disposal	£220,000

- 2.2 As part of the final decision on whether to dispose of the site, the Cabinet will need to consider the value of the capital receipts, or rental streams offered by prospective purchasers, alongside the non-financial benefits of the scheme. Demonstration of achieving best financial consideration will be a critical part of the selection process and decision.
- 2.3 Under section 123 of the Local Government Act 1972, a local authority has the power to dispose of land with the caveat that an authority must not do so for a consideration less than the best that can be reasonably obtained i.e. the best achievable price in the open market. If the Council can demonstrate that value is being received in other ways that justify the monies foregone to the public purse it may dispose of land at less than best consideration with the consent of the Secretary of State for Housing, Communities and Local Government. The recommended sale process will create competitive tension

between bidders and therefore an assurance that best consideration is being achieved.

- 2.4 In order to assess best consideration, the bids will be compared based on their Net Present Values (NPVs); i.e. comparing the various offers of initial capital receipt and the future lease rentals receivable over the life of the lease.

3 LEGAL AND PROCUREMENT

- 3.1 The Council has statutory powers to bring forward regeneration under the general power of competence provided for in Section 1 of the Localism Act 2011, and has powers to dispose of land under Section 123 of the Local Government Act 1972 and Section 233 of the Town and Country Planning Act 1990.
- 3.2 This report endorses the recommendation that the Council follow a competitive process leading to a decision by Cabinet on disposal of the site by way of land sale.
- 3.3 This is a land disposal not a procurement exercise. External legal advice has been obtained (Browne Jacobson LLP, CAB3172 - background document) which confirms the principle of such arrangements to be lawful. The advice is on the basis that the Public Contracts Regulations 2015 (PCR 2015) do not oblige the Council to pursue an OJEU process where the main object of the transaction is land disposal. Only where the purchaser is under an enforceable obligation to carry out specified works (conferring pecuniary benefit on the authority) will that obligation arise.
- 3.4 The proposal is to enter into an agreement where the main object is land disposal. No services are to be provided by the potential purchaser to the Council for payment. The proposed legal agreement transferring the land interests will regulate the transfer of the Council's land interest to the purchaser so that they may carry out the scheme based upon any outline planning permission granted for which they will secure reserved matters planning permission(s).
- 3.5 In pursuing the scheme and the agreement with the purchaser, the Council will observe its statutory duties, including the duty to obtain best consideration on the disposal of land, and duties to consult. By carrying out a competitive process to select a purchaser to acquire the site, the Council will be in a stronger position to demonstrate compliance with the duty to obtain best consideration.
- 3.6 Legal risks include a potential challenge brought under PCR on the basis of ineffectiveness and a risk of a judicial review challenge to the direct award. Recent case law establishes the tests to be applied for bringing successful challenges and the procedural steps below are proposed to mitigate these risks:

- Ensuring there is a fully documented audit trail to justify the transaction being undertaken outside of the PCR.
- Conducting the competitive process to select a purchaser in a manner which clearly demonstrates the intention to enter into a land transaction.
- Ensuring that the legal agreement entered into satisfies the relevant tests for being a land sale and is therefore not a contract for works or services.
- If/when an agreement with the selected purchaser is successfully negotiated, giving due consideration to publishing a “Voluntary Ex Ante Transparency” (VEAT) notice in the Official Journal of European Union (OJEU), describing the nature of the agreement to be entered into and the reasons for not publishing an OJEU Contract Notice.

4 WORKFORCE IMPLICATIONS

- 4.1 Project management will be led by the Council’s Head of Programme and project team, supported by contracted consultants. Significant input from the Council’s legal and financial teams will be required, supplemented, where appropriate, by external advisors.

5 PROPERTY AND ASSET IMPLICATIONS

- 5.1 The report sets out the recommended approach for a competitive selection process for the disposal of the Carfax site in accordance with the decision taken at Cabinet on 28 August 2019 (CAB 3172) for a long leasehold disposal, subject to terms and conditions.
- 5.2 The development of the Carfax site will set a new benchmark for the standard of future development opportunities in the City. The process of engaging with the market has so far been successful and will give investors confidence to consider further investment in the district should the opportunity arise.

6 CONSULTATION AND COMMUNICATION

- 6.1 Scrutiny Committee on 14 August 2019 made comments on the report to Cabinet 28 August (CAB3172) that set out the outline route for disposal of the Station Approach site. The committee explored a range of matters in particular seeking a reserve value for the site disposal and reviewing marketing in light of uncertainty in the commercial property market in late 2019/early 2020 (see Appendix 3).
- 6.2 These matters were considered by Cabinet on 28 August 2019 and are addressed in the risk section and later in this report.

7 ENVIRONMENTAL CONSIDERATIONS

- 7.1 The project brief identifies the Council’s objectives to support a low carbon economy. The BREEAM method of assessing the building design and

impacts will be used to measure and test the design as it evolves. The previous report to Cabinet on 28 August 2019 (CAB 3172) gave significant detail on this aspect of the project and that is not repeated here. It is intended that this development will be a regional exemplar of zero carbon development.

8 EQUALITY IMPACT ASSESSMENT

- 8.1 An Equalities Impact Assessment (EqIA) scoping process has been undertaken for the project in its entirety. The EqIA scoping identified potential impacts for people with physical impairments or health problems. Through liaison with accessibility and disability groups, the work on the public realm design within the Carfax scheme has addressed these impacts related to accessibility needs.

9 DATA PROTECTION IMPACT ASSESSMENT

- 9.1 None required at this stage of the process. However data protection is ongoing and will be continuously re-evaluated, in particular throughout the selection process.

10 RISK MANAGEMENT

- 10.1 This project has a full risk register which is managed by the Head of Programme.
- 10.2 The key risk headings are listed below, and the full risk register is included as Appendix 2. Risks discussed by the Scrutiny Committee relate to potential changes in the commercial market and in construction costs, including post-Brexit. A no-deal Brexit and the possibility of a general election has recently increased the risks in terms of increased costs and availability of financing for the project. It is not possible to mitigate all these risks as there is currently a high degree of uncertainty in the United Kingdom political and macro-economic environment. These risks could have significant consequences on: 1) the cost of materials and labour affecting construction prices, 2) the required financial return (viability) (e.g. if sufficient office pre-lets are not secured and at the target rental values), 3) changes in the investment market, and 4) changes in financial markets /general economic sentiment.
- 10.3 As advised to the Scrutiny Committee and as evident from the soft market testing day, there is market interest in the development despite these uncertainties.
- 10.4 The Councils professional advisors in this regard have confirmed that as this is a long term opportunity, there is no benefit from delaying marketing the site due to current economic and political uncertainties. Specifically they have not recommended that it would be better to delay disposal due to the Brexit deadline of 31 October.
- 10.5 The Scrutiny Committee raised matters in respect of site value. The process leading to the decision to progress with a long leasehold sale of the site has

been subject to appropriate legal advice. In particular, if the disposal process does not lead to a suitable offer, including value, then the Council is not obliged to proceed with site disposal. The final sale decision will be considered by Cabinet at the appropriate meeting currently scheduled for March 2020.

10.6 A further risk identified was that the purchaser's design of the development may fundamentally change. This will be controlled through the planning process, including reserved matters and conditions, and through lease conditions relating to timeframe and planning approvals.

10.7 Key Risks summary

- Change in commercial market and/or financial markets affect finance, costs, pace of letting and/or rents.
- Outline planning application decision delayed or refused, designs are rejected and gateways not approved.
- Public realm design stages are rejected and gateways not approved.
- Delays to agreement to disposal route/appointment of site purchaser.
- Project does not result in development.
- Pressure on delivery timescale to ensure securing tenants for site, LEP Grant and retain public support.
- Change in scope of the scheme.
- Network Rail governance and HCC approval or delivery process: Public realm design and implementation work delayed or agreement for works cannot be reached in a timely manner on land controlled by 3rd parties (Network Rail, HCC), results in not being able to meet required LEP spending programme.
- Risk of challenge to the proposed disposal of the site being via a land transaction not being conducted under a procurement process (e.g. in accordance with PCR 2015 requirements).

11 SUPPORTING INFORMATION:

The Proposed Disposal Methodology

11.1 The methodology to dispose of the Carfax site is based on advice from the Council's Strategic Advisors, JLL, and Legal Advisors, Browne Jacobson LLP (CAB3172 - background document).

11.2 The proposed methodology for disposal is set out in Appendix 1.

In summary:

- The site opportunity will be actively marketed in autumn 2019. Bids will be assessed by the Council in house team, supplemented by external advisors.
- Assessment will be of the bids received based on qualitative and financial criteria.
- Bids of interest will be shortlisted and prospective purchasers will be invited to meet with the City Council.
- A summary of the bids and a recommendation by the Strategic Director - Place will be made in a report to Cabinet.

11.3 The process will be to contract with a purchaser to enter into a long lease to develop a scheme on the Carfax site in accordance with any planning consent granted. Through retaining freehold ownership, the Council has the potential to retain rights over the site through the use of negative covenants contained within the long leasehold.

11.4 In order to have the opportunity to select a purchaser which matches the Council's aspirations and objectives for the site, there will be two aspects to the information requested in the bids from interested parties which the Council will assess – qualitative criteria and financial consideration. These will be articulated and explained further to the market in the documentation inviting bids.

11.5 Qualitative Criteria

Offers will be assessed by reference to the prospective purchasers':

- Track record of schemes of comparable scale, use and quality by way of relevant examples in the last 5 years.
- Development team and relevant expertise.
- Evidence of encouraging sustainable measures of travel to/from the development and consequent impact on parking numbers.
- Evidence of development delivery with high quality design with particular emphasis on integration in a historic city.
- Evidence of taking forward an outline planning application for a broadly comparable scheme.
- Approach to mitigating identified risks in schemes of this type.
- Evidence of comparable regeneration schemes delivered and their proposals for long term ambition for the scheme.
- Appetite for speculative development – particularly confirmation of position in relation to speculative versus pre-let development including the relationship with the scheme's project programme provided.

In addition, the Council will seek to establish the prospective purchasers’:

- Funding solution and approach i.e. - detail of how the scheme will be funded.
- Utilisation of LEP grant funding - details of their approach to use of the available LEP grant funding for the site preparation works, including archaeology, decontamination, utility provision, demolition/clearance and other site prep works, required to be undertaken by 31 March 2021.
- Programme delivery and completion targets and milestones – evidence of effective delivery and completion for comparable schemes, and confirmation of approach for this development opportunity.
- Demonstrable commitment to sustainability/carbon-neutral best practice by reference to their proven expertise and knowledge, plus examples of previous approaches used in delivered schemes.
- Commitment and evidence of engagement with key stakeholders.

11.6 Financial Criteria

Interested parties will be required to submit proposals which include five elements:

- i. Financial Appraisal – a full appraisal to enable the Council to understand both the assumptions used and assess the robustness of the potential purchasers submission. Critically this will include the funding of the proposed scheme and a construction cost / sq m, to enable a view to be taken (against benchmarks) on establishing a suitable high quality level of specification and build for the scheme.
- ii. Non–returnable deposit on exchange of contracts to be put forward by bidders under competitive tension.
- iii. Lease Gearing – commitment to a level of gearing to provide an on-going rental income to the Council.
- iv. Capital premium – to be put forward by prospective purchasers under competitive tension, and taking account of the requirement for a level of gearing and a non-returnable deposit.
- v. Overage – to be put forward by prospective purchasers under competitive tension, taking account of the above.

11.7 The relationship between capital receipt (land value) and annual ground rent is, fundamentally, an arithmetic one. The optimum beneficial balance for the Council can best be established at the time of receiving offers, within the above identified context.

11.8 As an additional key protection for the Council, the Council can reserve a right to terminate the disposal process at any stage (i.e. the Council is not obliged

to accept any offer received), and (ii) the lease will include requirements for development to commence and be completed by set dates.

11.9 It will be important to assess bids against the identified criteria, under the framework established in paragraphs 11.5 and 11.6. It will be important that there is the opportunity to identify a purchaser who is capable of becoming a party to deliver a high quality scheme on the site, meeting Council objectives.

11.10 The process for evaluation and recommendation to Cabinet is set out below:

- The site opportunity will be actively marketed as recommended by our Strategic Advisors, JLL, in Autumn 2019 to generate innovative bids from prospective purchasers.
- Bids will be received within the relevant period and assessed by the Council in house team, supplemented by external property, development and legal advisors.
- Assessment of the bids will be based on the qualitative and financial criteria as set out in this report.
- Bids of interest will be shortlisted and prospective purchasers will be invited to meet with the Council in early 2020. These meetings will involve the Strategic Director - Place, Strategic Director - Resources, Section 151 Officer, the Head of Programme for Station Approach and JLL. The opportunity will be provided for potential purchasers to make presentations to elected members, two from each political party, in addition to Council officers and advisors.
- A summary of the bids and a recommendation by the Strategic Director: Place will be made in a report to Cabinet scheduled for March 2020 for decision.

11.11 The process will involve proactive marketing of the opportunity, followed by a competitive selection process, and the timeline is summarised below:

- September - November 2019:
 - Preparation of marketing material.
 - Preparation of full package of property and legal documentation.
 - Arrangement for an information handling system (data room: information sharing, secure information handling, clarification responses).
- October - November 2019:
 - Proactive marketing (launch event in November 2019) with bid preparation commencing.
- January 2020
 - Bids received back by end January 2020.
- February 2020:
 - Evaluation of bids.
 - Selection of preferred purchaser (if any).

- March 2020
 - Cabinet decision.
- April 2020
 - Lease/contract discussions with preferred party.
- April 2020
 - Agreement finalised to transfer land on long leasehold, with terms and conditions.

The Development Opportunity – current market conditions

- 11.12 The current market conditions are important when considering site disposal. This has been set out in previous reports and in the Outline Business Case. The Council's Strategic Advisors, JLL, provided an up to date analysis of the market for office development and an assessment of viability in report CAB 3172, Appendix 4, which indicates interest in this development remains strong.
- 11.13 The soft market testing indicated market confidence in the development opportunity and the level of interest in the south east market for occupation is set out in Appendix 3 to CAB 3172. Particular mention was made by the Scrutiny Committee when they considered report CAB3172 of market uncertainty in respect of Brexit and this was responded to at the meeting. Further consideration was given and reported to Cabinet on 28 August and the Strategic Advisor's advice remains that they do not perceive that this should be considered as significant in relation to the marketing of Station Approach.
- 11.14 The Scrutiny Committee also used the phrase 'red lines' in respect of the desired outcomes for the disposal, including consideration of a minimum financial consideration. Cabinet on 28 August asked for these matters to be considered in this paper. The proposed disposal process aims to create 'competitive tension' to seek a wide range of innovative bids by including, as appropriate, the opportunity for some element of flexibility in submitted bids within the stated evaluation criteria to be set out. Critically this includes the selected bid to demonstrate best financial consideration, and the preconditions to protect the Council's interests.

12 OTHER OPTIONS CONSIDERED AND REJECTED

- 12.1 No other effective means of marketing the site have been identified and considered to be appropriate in the circumstances.
- 12.2 The Councils Strategic Advisors have confirmed there is no good reason to pause the disposal phase, this would not send a positive message to the market which would be an important part of securing market confidence.

BACKGROUND DOCUMENTS:-

Minutes of the 28 August Cabinet CAB3172

PREVIOUS COMMITTEE REPORTS:-

CAB3172	Station Approach Proposals for Delivery and Further Public Realm Development	28 August 2019
SC009	Station Approach - Proposals for Delivery and Further Public Realm Development	14 August 2019
CAB3144(SA)	Station Approach – Outline Business Case and associated matters	25 March 2019
OS225	Station Approach - Outline Business Case and Associated Matters (less exempt appendices)	20 March 2019
CAB3101(SA)	Economic Appraisal and Business Case Preparation	18 December 2018
CAB3083(SA)	Station Approach Update	4 October 2018
CAB3055(SA)	Station Approach – Update Report	12 July 2018
CAB3021(SA)	Station Approach - Public Realm Strategy and Masterplan Framework	27 February 2018
CAB3001(SA)	Station Approach – Update	28 November 2017
CAB2959(SA)	Station Approach – Appointment of Design Team	14 August 2017
CAB2864	Station Approach – RIBA Plan of Works Stages Documentation	20 March 2017
OS157	Station Approach – End Stage review report for the competitive dialogue process	30 November 2016
CAB2852	Station Approach - Procurement Process Update	17 October 2016
CAB2829	Station Approach - The Way Forward	7 September 2016

APPENDICES:

Appendix 1: JLL Report, Station Approach - Proposed Disposal Approach, August 2019

Appendix 2: Full Station Approach Risk Register

Appendix 3: Minute of Scrutiny Meeting 14 August 2019 on report SC009

Station Approach

Winchester Strategic Placemaking Consultant

COMMERCIAL IN CONFIDENCE



Proposed Disposal Methodology August 2019



Proposed Disposal Methodology

1.1 Introduction

This report is set in the following context:

- A sale of a long leasehold interest with outline planning consent best meets the Council's considerations in respect of risk, reward, resourcing, and timescales. This option also enables the Council, as freehold land-owner, to exercise rights which help secure delivery of the scheme
- There is significant market interest surrounding the Station Approach opportunity and that now is an appropriate time to bring the opportunity to the market
- Given recent changes to the scheme, including for example a reduction in car parking and the resultant opportunity for cost saving and improved scheme cash flow, that viability has improved
- That a disposal process which seeks to drive competitive tension is anticipated to result in a high quality and deliverable scheme coming forward
- A significant amount of work has been undertaken by both Vail Williams and JLL to understand the viability position of the site. We do not recommend a formal valuation of the site is undertaken prior to the commencement of the marketing process as the best way to establish the site's value is to test this in the open market

The following sections define our recommended disposal methodology.

Please note that this is written from a commercial perspective only and will need to be further informed/verified by Winchester City Council's (WCC) legal advisors to ensure a compliant methodology. This is particularly relevant in regard to OJEU procurement legislation.

Based on our discussions with the Council, the objective of the disposal process is twofold:

- To proactively market the opportunity to maximise appetite and interest and therefore optimise competitive tension
- To identify a purchaser best placed to deliver the Council's key scheme objectives. To date we would summarise these as the delivery of a scheme which:
 - Demonstrates best practice in sustainable development
 - Is high quality in terms of design and build
 - Delivers a financial return
 - Can be delivered efficiently (for example to support spend of the LEP grant before the end of March 2021)

1.2 Methodology

Based on the above, we set out below a summary of our recommended disposal methodology. Please note that this is a summary-level methodology which will require further detailed discussion and refinement with the Council prior to launch.

The below is based on resolution from 28 August 2019 Winchester City Council Cabinet to dispose of the Carfax site by a long leasehold subject to terms and conditions.

Step 1 – Evaluation Methodology (August 2019 to September 2019)

Working with its advisors, the Council will need to agree how to evaluate each bid by assessing responses to the topics raised which both give transparency to the market and allow the Council to select a purchaser who best meets the selection criteria.

We do not anticipate giving the purchasers' specific weightings as we want to be able to judge each bid in its totality.

Based on discussions to date, we advise that the purchaser should be tested on the following areas:

Quality Criteria

- Track record (of schemes of comparable scale and use by way of relevant examples in the last 5 years. These examples should highlight the sustainability, quality and regeneration credentials of track record provided)
- Team and expertise (details of the specific team to include CVs and team structure as well as details regarding professional advisors)
- Sustainable travel (to cover car parking and sustainable measures of travel to/from the development)
- Quality (knowledge and commitment to implementing a high-quality design and build, including by reference to track record)
- Development delivery (evidence of high-quality scheme delivery with particular emphasis on integration in a historic city)
- Planning approach (delivery in accordance with the Outline Application/Consent, or a supporting rationale of benefits underpinning an alternative approach. If an alternative approach is proposed this needs to be supported by a detailed assessment of timescales proposed)
- Risks (a commentary on key risks in schemes of this type and how they will be addressed)
- Speculative development (confirmation of position in relation to speculative versus pre-let development including the relationship with the scheme's project programme provided)

In addition, the Council will seek to establish the prospective purchaser':

- Funding approach and solution (details of how the scheme will be funded)
- Utilisation of LEP Grant funding (details of their approach to use of the available LEP grant funding for the site preparation works, including archaeology, decontamination, utility provision, demolition/clearance and other site prep works, required to be undertaken by 31 March 2021)
- Programme (with anticipated key milestones and supporting rationale/evidence, including the recommended phasing of both buildings and reference to LEP grant funding and its associated timescale)
- Sustainability/low carbon (knowledge and demonstrable commitment to implementing an exemplar solution, including by reference to examples. Demonstrable understanding and

track record of meeting occupiers' requirements in relation to best practise sustainability and employee wellbeing).

- Key stakeholder engagement (demonstrating an understanding of who the key stakeholders are and how they will be engaged; overall approach to consultation)
- Occupiers (details of known pre-let interest and approach to securing high quality tenants)

The key priority in relation to the 'Quality Criteria' section is to identify the purchaser with the best approach to delivery of the scheme, but not so as to specify the scheme under the terms of the land disposal (recognising that as a land disposal not subject to OJEU, that is not possible). The criteria, outlined above, will provide assurance that the purchaser selected is aligned with the Council's objectives.

Financial Criteria

- Financial appraisal (submission of full appraisal to enable the Council to both understand assumptions used and assess the robustness of the approach, to including the funding of the proposed scheme)
- Non-returnable deposit on exchange (to be put forward by purchasers under competitive tension)
- Lease gearing (commitment to a fixed level of gearing to provide an on-going rental income to the Council. The Council would also welcome any alternative proposals to provide the Council with a long-term income stream).
- Capital premium (to be put forward by purchasers under competitive tension, and taking account of the requirement for a fixed level of gearing and a non-returnable deposit)
- Overage (to be put forward by purchasers under competitive tension, reflecting the above)

The underlying thinking in relation to consideration (price) is to identify financial offers which both seek to provide an income, recognising the loss of car park income, and a capital sum, given the investment made by the Council to date and the need to satisfy Best Consideration for the Council.

Commercial Aspects

- A response to and any comments on the issued suite of legal documentation

We will also reserve the right to meet with all or some purchasers to clarify any relevant matters, both during the 12-week bid period and after submission.

Step 2 – Documentation (August 2019 to end October 2019)

There is a significant amount of information/documentation to be prepared before the disposal process commences. This is summarised below. It is important to ensure that this information is robust as it underpins the sale process:

- Establish a data room to include a full suite of property and supporting information; the Council already has a good level of property data given its work on the site to date.
- Preparation of a very high-quality sales brochure defining the opportunity and sale process (including the approach to evaluation set out below).

- Enable the data room to be used for the purpose of responding to any clarification questions raised.
- A full package of legal documentation which, among other things, defines the contractual basis of a long leasehold sale subject to planning (ancillary documents to include e.g. parent company guarantee, collateral warranties).

Step 3 – Proactive Marketing (launch in Autumn 2019 – after the planning application decision)

As above, the intention is to maximise appetite and interest and therefore optimise competitive tension by prospective purchasers.

We will work with the Council to refine a marketing process and timetable to achieve this. One possible refinement, for example, could be issuing a request for best and final offers.

To ensure maximum exposure of the opportunity, we anticipate that this will include:

- Preparation of a very high-quality sales brochure and data room
- Widespread advertising of the opportunity via recognised property channels e.g. Estates Gazette, Commercial Property Register Magazine, Estate Agents Clearing House mailer etc.
- Direct occupier marketing through occupier mailing
- Inclusion of the opportunity on JLL's website
- LinkedIn advert
- Hampshire Business Magazine advert / article
- Participation and exposure at events such as the South Coast Commercial Property Show (31st October 2019)
- Discussion of an appropriate launch event
 - For purchasers
 - For occupiers
- Ongoing market engagement during the sales process period

We will monitor, with the Council, the economic climate associated with plans to leave the EU and reserve the right to, if circumstances dictate, reassess the optimal time to launch the marketing process.

Step 4 – Evaluation (February 2020)

We anticipate that the marketing process will commence in late Autumn 2019. We then recommend giving prospective purchasers circa 12 weeks with bids due back at the end of January 2020.

The first three weeks of February will be used to assess bids received. This period will also be used to interview a number of the best bids received (for example up to four).

This process will allow us to select our preferred purchaser by the end of February 2020.

Step 5 – Contract (April 2020)

We have set aside up to two months for all legal documentation to be agreed, and for a conditional sale contract to be exchanged.

The overall timescale is very tight and may be subject to slippage.

Other Matters

Please note that the Council can reserve a right to terminate the disposal process at any stage. Therefore, it is not obliged to select a purchaser and sell the site if at the end of the marketing process it should decide not to.

From a delivery perspective, we note that an OJEU process is likely to involve more stages and would therefore likely take longer than a single stage sale disposal process. For example, an OJEU Competitive Dialogue process could take up to six months longer. LEP grant funding was a consideration when assessing the disposal programme as clear timescales are in place which require LEP funded site preparation works to be undertaken by 31 March 2021.

From a market perspective, our experience is that developers and investors would respond more positively to a non-OJEU process due to the perceived additional time and resource commitments that an OJEU process would command.



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Appendix 2 – Full risk register

Risk Number: 15		Risk Owner: Project Executive				
Risk Title: Change in commercial market including post Brexit						
Causes	Consequences	Mitigation	Current Risk Score		Risk Proximity	Financial impact
			Likelihood	Impact		
<p>Change in commercial market Potential occupiers do not sign up for pre-lets of an appropriate level of office space prior to commencement of the development. Economic uncertainty due to Brexit</p>	<p>Purchaser does not commence scheme. Required financial return for the Council is not met Bidders for the site do not submit offers that are attractive to the council; bidder numbers may be limited. Delay in project programme. Changes to the programme and scope of the project incur additional fees. Impact on the interested businesses. Impact on the local economy. Impact on the Medium Term Financial Strategy.</p>	<p>1. Maintain political support to move project forward and prevent delays. 2. Continued economic and political monitoring. 3. bidders for the site to demonstrate how they will secure prospective occupiers , e.g. by way of pre-lets or non binding expressions of interest. . A competitive process to secure a purchaser will provide assurance of genuine demand for the site. The outline planning application route will also b stimulate further market interest. 4. - It will be expected that bidders and the selected purchaser undertake market testing to ensure demand and do so regularly to ensure demand continues. Equally, they will engage with those retailers who have expressed an interest. Because of the significant uncertainties of a Brexit deal and the increased risk of no deal or an early general election, it is not possible to mitigate or quantify every possible outcome. So while mitigation can help to reduce the impact, it is not possible to mitigate entirely against these risks. 5. Comprehensive marketing of the site to generate high levels of interest</p>	Likely	Major	2	£££ - ££££
Further actions		Target date	Residual Risk Score			
			Likelihood	Impact		
<p>Market the site and ensure bidders pursue and demonstrate suitable occupiers Market testing (by the purchaser working with the Council) should also be undertaken to ensure continuing demand. <u>Trend:</u> Increasing</p>		Q3 2019	Likely	Major		

Risk Number: 16			Risk Owner: Project Executive			
Risk Title: Planning application decision delay						
Causes	Consequences	Mitigation	Current Risk Score		Risk Proximity	Financial impact
			Likelihood	Impact		
Planning decision is significantly delayed as a result of a political change which result in a change of governance, or issues raised by key stakeholders that require further time to address.	Delay in project programme. Changes to the programme and scope of the project incur additional fees. Impact on the interested businesses. Impact on the local economy. Impact on the Medium Term Financial Strategy.	1. Engage with the nominated Case Officer early in the project process. 2. Ensure that the design principles are in accordance with the themes of LPP2 3. Seek pre application advice prior to submission of the Planning Application 4. Offer direct liaison with key stakeholders on the planning submission, to clarify points.	Likely	Significant	1	£££
Further actions		Target date	Residual Risk Score			
Continue engagement with officers in other teams to identify areas of concern and/or opportunities to enhance a planning application. Retain consultant team to provide further technical advice as required Trend: Increasing		Q2 2019	Likely	Major		

Risk Number: 17			Risk Owner: Project Executive			
Risk Title: Planning application decision refusal						
Causes	Consequences	Mitigation	Current Risk Score		Risk Proximity	Financial impact
			Likelihood	Impact		
Planning Permission is refused	Risks to Council's reputation. Delay in project programme. Changes to the programme and scope of the project incur additional fees Impact on the interested businesses. Impact on the local economy. Impact on the Medium Term Financial Strategy.	1. Engage with the nominated Case Officer early in the project process. 2. Ensure that the design principles are in accordance with the themes of LPP2. 3. Seek pre application advice prior to submission of the Planning Application. 4. Offer direct liaison with key stakeholders on the planning submission, to clarify points.	Likely	Significant	1	£££
Further actions		Target date	Residual Risk Score			
Continue engagement with officers in other teams to identify areas of concern and/or opportunities to enhance a planning application. Retain consultant team to provide further technical advice as required. Trend: Increasing		Q2 2019	Likely	Major		

Risk Number: 18	Risk Owner: Project Executive
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Risk Title: Designs and Gateway approvals

Causes	Consequences	Mitigation	Current Risk Score		Risk Proximity	Financial impact
			Likelihood	Impact		
Detailed designs at reserved matters stage not acceptable	Risks to Council's reputation. Delay in project programme. Changes to the programme and scope of the project incur additional fees. Impact on interested businesses. Impact on the Medium Term Financial Strategy	1. The competitive process to select a purchaser will test the design philosophy and approach of the bidders (as a selection criteria) 2. The Council may retain some (but not decisive) influence over the design as landlord, and otherwise may rely on the planning process to regulate the detailed design to ensure these reflect the themes and principles of the Council's objectives. 3. Establish bi-monthly briefings for Cabinet (SA) Committee members and keep other members informed through informal Cabinet. Request delegated authority where appropriate and possible.	Likely	Significant	1	££

Further actions	Target date	Residual Risk Score	
		Likelihood	Impact
Agree programme at start of each stage and sign-off with Project Board and Committee members. <u>Trend:</u> No change	Q2 2019	Unlikely	Major

Risk Number: 19	Risk Owner: Project Executive
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Risk Title: Manage public expectation on public realm scope.

Causes	Consequences	Mitigation	Current Risk Score		Risk Proximity	Financial impact
			Likelihood	Impact		
Manage public expectation on public realm scope.	Public concern is raised regarding the public realm proposals cause delays and require additional work at cost.	Mitigate Retain Public Realm spending to within confines of red line and agree this with LEP Maintain communications with LEP and demonstrate in business case how works in advance will support the development of the public realm in line with the LEP requirements.	Likely	Moderate	1	££

Further actions	Target date	Residual Risk Score	
		Likelihood	Impact
Encourage alternative delivery mechanisms for projects in the public realm strategy that are out of scope for the LEP bid spending. <u>Trend:</u> No change	Q22019	Unlikely	Major

Risk Number: 21			Risk Owner: Project Executive			
Risk Title: Design and public expectation						
Causes	Consequences	Mitigation	Current Risk Score		Risk Proximity	Financial impact
			Likelihood	Impact		
Design does not meet public expectation due to limitations of viability or delivery.	Local residents and members of the public feel disengaged in the project or object to aspects of the scheme, leading to dissatisfaction with the development and potential campaigns against the development which may delay matters and cause additional costs to be incurred. Risks to Council's reputation.	Mitigate - 1. Put Engagement and Communication Strategy in place, setting out how to engage interested parties in the design process; implement Communications Plan. 2. Work closely with the Communications team at WCC to ensure awareness of the most recent updates, any concerns for issues that arise which may cause people to raise concerns and engage with stakeholders regularly to ensure they are kept well informed about the project.	Likely	Moderate	2	£-££
Further actions		Target date	Residual Risk Score			
Involve LEP more in process to demonstrate commitment and share issues/opportunities arising which may affect grant spend. Trend: Increasing		Q2 2019	Likely	Low		
Risk Number: 22			Risk Owner: Project Executive			
Risk Title: Stakeholder approvals						
Causes	Consequences	Mitigation	Current Risk Score		Risk Proximity	Financial impact
			Likelihood	Impact		
Stakeholder approvals for scheme may not be forthcoming as sought by programme.	Public realm improvements cannot be delivered as per programme. Carfax scheme not enhanced by public realm works nor supported by LEP funding.	1. Continue work with Hampshire County Council to explore potential schemes that could be delivered in conjunction with both authorities to improve the public realm in this area. 2. Involve other agencies, landowners including Network Rail/SW Railway, the BID.	Likely	Major	3	££££
Further actions		Target date	Residual Risk Score			
Further liaison with LEP regarding how funding can be used to support the Carfax development. Agreement for payment to Network Rail to review documentation Trend: No change		Q22019	Unlikely	Major		

Risk Number: 23	Risk Owner: Project Executive
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Risk Title: Changes in markets, costs (including finance and construction costs), and taxation treatment on financial return including post Brexit

Causes	Consequences	Mitigation	Current Risk Score		Risk Proximity	Financial impact
			Likelihood	Impact		
<p>Changes in markets, cost of construction and/or borrowing (Gilt rate) or other financial/taxation elements mean that the scheme does not achieve a financial return. Changes may occur in rental income, funding rates increases or lease indexation.</p>	<p>Full project business case does not achieve commercial and / or financial viability and as such scheme does not progress via the preferred delivery route Affects finance, costs, and/or rents Significantly increased cost of borrowing. (This would have a greater impact had the Council decided to develop the site/s itself).</p>	<p>1. Ensure that bidders to purchase the site establish the most appropriate business mix to deliver the expected outcomes and that this is backed up with a solid evidence base. 2. Liaise with the Finance Team to ensure the financial models and assumptions submitted by bidders reflect the expected outcomes and they include the latest information that is available. 3. Continue to review costs and values put forward by bidders and the selected purchaser before deciding to proceed to enter into contract. 4. Carry out continual economic and political monitoring. 5. Ensure an element of contingency is built into the purchaser's construction budget. Because of the uncertainties of a Brexit deal and the increased risk of no deal or an early general election, it is not possible to mitigate for every outcome. So while mitigation will reduce the impact, it is not possible to reduce the likelihood of this risk.</p>	Likely	Significant	2	££££

Further actions	Target date	Residual Risk Score	
		Likelihood	Impact
<p>Establish processes to promote financial due diligence, whereby any officer or councillor involved in the project receives regular updates on the input assumptions for the financial modelling and is encouraged to robustly challenge these and any subsequent models Accept the financial market risk but mitigate where possible as follows: a. Regular scanning of the financial markets is already undertaken by the Finance Team as part of their treasury management responsibilities, to facilitate early identification of any potential financing implications, and finance officers will be aware of the current options available to keep borrowing costs to a minimum. b. Ensure an element of contingency is built into the construction budget. c. There is a decision gateway in the business case process where the full business case is considered by ELB and Councillors prior to any financing commitment being made. <u>Trend:</u> Increasing</p>	Q42019	Unlikely	Major

Risk Number: 24	Risk Owner: Project Executive
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Risk Title: Highway Authority agreement

Causes	Consequences	Mitigation	Current Risk Score		Risk Proximity	Financial impact
			Likelihood	Impact		
Highways Authority do not sign off on advice given informally.	Design produced using informal Highways Officer advice is not signed off by Highways Authority, or approvals not forthcoming on account of Movement Strategy timetable, or other reasons. Delay in project programme Changes to the programme and scope of the project incur additional fees under the contract Impact on the interested businesses. Impact on the local economy Impact on the Medium Term Financial Strategy.	Mitigate 1. Continually engage with HCC as the designs are developed. 2. An Engagement and Communication Strategy sets out proposals to engage interested parties in the design process. HCC will be a key stakeholder for this.	Unlikely	Significant	1	££

Further actions	Target date	Residual Risk Score	
		Likelihood	Impact
Provide further advice to HCC on submission of their comments to the LPA on the outline planning application. <u>Trend:</u> No change	Q2 2019	Highly Unlikely	Major

Risk Number: 26	Risk Owner: Project Executive
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Risk Title: Project delivery

Causes	Consequences	Mitigation	Current Risk Score		Risk Proximity	Financial impact
			Likelihood	Impact		
Project does not result in development	Council then become liable for repayment of borrowed capitalised costs in full.	Accept - Project does not result in development and so capitalised design costs must be charged as a one-off expense to revenue. If these costs have been financed by borrowing the Council must repay the borrowing and finance the costs from revenue reserves.	Likely	Major	2	£££

Further actions	Target date	Residual Risk Score	
		Likelihood	Impact
None identified at this stage. <u>Trend:</u> Increasing	n/a	Likely	Major

Risk Number: 27	Risk Owner: Project Executive
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Risk Title: Programme risks in relation to governance, resourcing and contingency

Causes	Consequences	Mitigation	Current Risk Score		Risk Proximity	Financial impact
			Likelihood	Impact		
Pressure on delivery timescale (e.g. LEP Grant).	Pressure put on project programme removes contingency from design, business case and delivery stages	Ensure the purchaser has a risk register to monitor and manage risks to avoid them becoming issues. Manage all parties' expectations for delivery timescales. Identify issues with relevant parties when they occur, and flag impacts on programme. Seek advice on any governance process changes.	Likely	Major	2	££

Further actions	Target date	Residual Risk Score	
		Likelihood	Impact
Engage in review process from new administration and identify where changes to scope/timetable would impact negatively on programme and benefits to be realised. Trend: Increasing	Q2 2019	Likely	Moderate

Risk Number: 28	Risk Owner: Project Executive
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Risk Title: Delivery decisions

Causes	Consequences	Mitigation	Current Risk Score		Risk Proximity	Financial impact
			Likelihood	Impact		
Decision on delivery Council's insurance does not cover chosen delivery option insurance requirements	Council takes development route which increases the risks to the Council and requires increased insurance limits and indemnities. Risks not covered by insurance Insurers impose conditions for increase capital spend WCC need to identify a new risk insurer	Mitigation - Advice form the Council's internal and external risk advisors has been obtained to set the current insurance limits. The Council has cover for public liability and employer's liability and can decide to increase this if after a risk re-assessment this is required.	Unlikely	Major	3	££

Further actions	Target date	Residual Risk Score	
		Likelihood	Impact
Whilst unlikely, if a review of the risk assessment identified a need to increase insurance limits, the Council has the option of requesting contractors to increase insurance cover. Get Council's insurer to assess risk and advise on how to manage May need to expand premiums or insure any additional risks. Trend: No change	Q3 2019	Unlikely	Low

Risk Number: 29	Risk Owner: project Executive
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Risk Title: VAT Treatment

Causes	Consequences	Mitigation	Current Risk Score		Risk Proximity	Financial impact
			Likelihood	Impact		
VAT treatment is not properly identified and applied	The Council incurs penalties and/or financial disadvantage	Mitigate 1. Ensure the Finance Team are kept up to date with project progress and current thinking by assigning appropriately experienced finance officers to sit on the Project Team and on the Project Board.	Unlikely	Significant	3	££££

Further actions	Target date	Residual Risk Score	
		Likelihood	Impact
Put arrangements in place to facilitate engagement with a specialist VAT consultant on a timely basis. Trend: No change	Q4 2019	Highly Unlikely	Low

Risk Number: 31	Risk Owner: Project Executive
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Risk Title: Infrastructure provision

Causes	Consequences	Mitigation	Current Risk Score		Risk Proximity	Financial impact
			Likelihood	Impact		
Existing utilities and their infrastructure cannot support proposed development	Cost of construction increases.	Mitigate - contact all existing utility companies early in the project process to establish the capacity and establish any potential issues.	Unlikely	Major	4	££-£££

Further actions	Target date	Residual Risk Score	
		Likelihood	Impact
Keep adequate contingency in viability assessment work. Trend: No change	Q1 2020	Highly Unlikely	Major

Risk Number: 37	Risk Owner: Project Executive
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Risk Title: Capital spend ahead of Planning

Causes	Consequences	Mitigation	Current Risk Score		Risk Proximity	Financial impact
			Likelihood	Impact		
Accelerated project programme implemented with overlapping stages.	Capitalised costs incurred ahead of earlier design stage sign-off. These capital costs may become revenue costs if development not implemented.	Monitor spend and reallocate costs as required.	Unlikely	Significant	4	££££

Further actions	Target date	Residual Risk Score	
		Likelihood	Impact
Trend: Increasing	Q1 2020	Unlikely	Major

Risk Number: 38	Risk Owner: Project Executive
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Risk Title: Procurement of developer and/or construction project manager

Causes	Consequences	Mitigation	Current Risk Score		Risk Proximity	Financial impact
			Likelihood	Impact		
Delivery approach negotiation delays the subsequent procurement of a developer (by Council or 3rd party dependent of route chosen). Developer Financial Standing - Insolvency or bankruptcy of Contractor/Consultant/Developer	Delays to delivery programme. Financial investment cannot be recouped	Set a realistic programme. Allow sufficient time for decision making Allow sufficient time for any marketing/procurement requirements.	Likely	Moderate	3	£££

Further actions	Target date	Residual Risk Score	
		Likelihood	Impact
Trend: Increasing	Q3 2019	Unlikely	Moderate

Risk Number: 39	Risk Owner: Project Executive
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Risk Title: Construction Delay

Causes	Consequences	Mitigation	Current Risk Score		Risk Proximity	Financial impact
			Likelihood	Impact		
Adverse weather	Construction delay	Mitigate - carry out robust financial checks as part of the procurement process	Unlikely	Major	4	£££-££££

Further actions	Target date	Residual Risk Score	
		Likelihood	Impact
<u>Trend: No change</u>	Q4 2020	Unlikely	Major

Risk Number: 40	Risk Owner: Project Executive
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Risk Title: Report on Title

Causes	Consequences	Mitigation	Current Risk Score		Risk Proximity	Financial impact
			Likelihood	Impact		
Small strip of land between the Carfax and Cattlemarket sites has a possessory title. This small area of land may be subject to third party rights created before HCC registered their title which have not been disclosed and in respect of which they are unaware	This small area of land may be subject to third party rights created before HCC registered their title which have not been disclosed and in respect of which they are unaware	Look into taking out insurance if this is deemed necessary	Unlikely	Moderate	3	£-££

Further actions	Target date	Residual Risk Score	
		Likelihood	Impact
<u>Trend: No change</u>		Highly Unlikely	Low

Risk Number: 41	Risk Owner: Project Executive
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Risk Title: Change in Project Scope

Causes	Consequences	Mitigation	Current Risk Score		Risk Proximity	Financial impact
			Likelihood	Impact		
Change in Council Governance	Risks to Council's reputation. Impact on delivery of Council Strategy outcome Additional budget requirement	Keep all political parties well informed throughout the project to ensure each party has bought into and is in support of the project Continual engagement with members demonstrating the importance of the project to ensure they are all in support.	Likely	Major	1	£££

Further actions	Target date	Residual Risk Score	
		Likelihood	Impact
Engage in review process from new administration and identify where changes to scope/timetable would impact negatively on programme, costs and and benefits to be realised. <u>Trend:</u> Increasing	Q2 2019	Unlikely	Moderate

Risk Number: 44	Risk Owner: Project Executive
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Risk Title: Construction contingencies

Causes	Consequences	Mitigation	Current Risk Score		Risk Proximity	Financial impact
			Likelihood	Impact		
Unexpected findings during construction i.e. significant archaeological remains, contamination Security of site if Council act as developer	Delays to programme Additional Costs Insurance risk	Mitigate - Carry out site investigations prior to construction. Implement strategy for dealing with any unexpected findings. Ensure the necessary security procedures are followed and the site is left secure when unoccupied	Unlikely	Significant	4	££-£££

Further actions	Target date	Residual Risk Score	
		Likelihood	Impact
<u>Trend:</u> No change	Q3 2019	Highly Unlikely	Major

Risk Number: 46	Risk Owner: Project Executive
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Risk Title: Site disposal

Causes	Consequences	Mitigation	Current Risk Score		Risk Proximity	Financial impact
			Likelihood	Impact		
Design halted and site sold before planning permission secured Sell with Planning - loss of initial investment Value of site for offices less than originally valued for mixed use (incl resi) and price paid for site.	Reduced return on investment. Loss of initial investment.	Set out risk of options clearly in business case to inform Council's decision.	Unlikely	Major	2	£££-££££

Further actions	Target date	Residual Risk Score	
		Likelihood	Impact
Revalue site <u>Trend:</u> No change	Q2 2019	Highly Unlikely	Major

Risk Number: 47	Risk Owner: Project Executive
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Risk Title: Legal advice on project including procurement

Causes	Consequences	Mitigation	Current Risk Score		Risk Proximity	Financial impact
			Likelihood	Impact		
Resource pinchpoint. Legal resource not available in-house to advise on the project at required time	Advice not forthcoming in timely manner. Project Team take on legal tasks at risk.	Seek to use external legal specialist advisors for project.	Highly Unlikely	Significant	1	££££

Further actions	Target date	Residual Risk Score	
		Likelihood	Impact
<u>Trend:</u> Decreasing		Unlikely	Significant

Risk Number: 48	Risk Owner: Project Executive
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Risk Title: Legal Challenge

Causes	Consequences	Mitigation	Current Risk Score		Risk Proximity	Financial impact
			Likelihood	Impact		
Legal challenges are raised	Causes delay in the development and subsequently an additional cost to the project	Mitigate - ensure any legal challenges can be defended by obtaining expert advice to guide and inform processes.	Unlikely	Significant	2	££

Further actions	Target date	Residual Risk Score	
		Likelihood	Impact
Trend: No change		Unlikely	Major

Risk Number: 49	Risk Owner: Project Executive
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Risk Title: Contract

Causes	Consequences	Mitigation	Current Risk Score		Risk Proximity	Financial impact
			Likelihood	Impact		
The contract could fall outside of Reg 12(7) if with HCC DES places private operators at an advantage over their competitors by sub-contracting.		This requirement, as advised by Counsel, will be managed through the contract with HCC DES and monitored to ensure no sub-contracting is undertaken. HCC DES has already confirmed this is not their intention.	Unlikely	Moderate	1	££

Further actions	Target date	Residual Risk Score	
		Likelihood	Impact
Trend: No change		Highly Unlikely	Moderate

Risk Number: 51	Risk Owner: Project Executive
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Risk Title: Rights of Light

Causes	Consequences	Mitigation	Current Risk Score		Risk Proximity	Financial impact
			Likelihood	Impact		
Rights of Light survey identifies potential issues.	Delay and additional cost	Commission RoL survey prior to christmas 2018.	likely	Major	2	£££

Further actions	Target date	Residual Risk Score	
		Likelihood	Impact
Follow up with day and sun light surveys Feb 2019 ahead of planning for submission. Issue identified - mitigate through design changes or negotiation. Risk remains for future design changes. Trend: No change	Q1 2019	Highly Unlikely	Low

Risk Number: 52	Risk Owner: Project Executive
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Risk Title: Construction cost may require fee adjustment.

Causes	Consequences	Mitigation	Current Risk Score		Risk Proximity	Financial impact
			Likelihood	Impact		
Design Team fees are set by the construction costs. Through the design process, fee estimates are made; these may need to be adjusted up or down when the final construction cost is set.	May need to pay additional fee to design team before construction.	Cost assessments are iterative throughout the design process and are monitored; there are strong drivers to keep costs down to ensure viability of the development. Alternative delivery options are being considered; identify this risk as part of the options considerations	Likely	Moderate	3	£££

Further actions	Target date	Residual Risk Score	
		Likelihood	Impact
Review contingency in valuation to cover design team fees increases. Trend: No change	Q3 2019	Likely	Moderate

Risk Number: 53	Risk Owner: Project Executive
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Risk Title: Archaeology spend

Causes	Consequences	Mitigation	Current Risk Score		Risk Proximity	Financial impact
			Likelihood	Impact		
If project halted after archaeology work begun, will still be liable for spend to finish excavation analysis and publication	Fees will continue if project halted.	Accept: Add contingency into budget	unlikely	Major	3	£££

Further actions	Target date	Residual Risk Score	
		Likelihood	Impact
risk acceptedTrend: No change	Q4 2019	Unlikely	Major

Risk Number: 54	Risk Owner: Project Executive
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Risk Title: Adverse weather delays excavation

Causes	Consequences	Mitigation	Current Risk Score		Risk Proximity	Financial impact
			Likelihood	Impact		
Adverse weather delays excavation	Delay to programme	Accept - allow contingency in project plan	unlikely	Major	4	£££

Further actions	Target date	Residual Risk Score	
		Likelihood	Impact
risk acceptedTrend: No change	Q1 2020	Unlikely	Major

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Risk Number: 55			Risk Owner: Project Executive			
Risk Title: Lack of contractors available for archaeological excavation						
Causes	Consequences	Mitigation	Current Risk Score		Risk Proximity	Financial impact
			Likelihood	Impact		
Lack of contractors available for archaeological excavation due to limited market available	Cannot procure in time - delay to programme	Get agreement for procurement as early as possible in programme to start procurement earlier in programme and allow contingency in programme	Likely	Moderate	2	££
Further actions		Target date	Residual Risk Score			
None		Trend: No change	Likelihood	Impact		
None		Q1 2020	Unlikely	Moderate		

Risk Number: 58			Risk Owner: Project Executive			
Risk Title: Commercial vs regeneration						
Causes	Consequences	Mitigation	Current Risk Score		Risk Proximity	Financial impact
			Likelihood	Impact		
If Council accept lower viability than commercial rate, then will not be able to sell site on market if pre-let tenants go bankrupt for example.	Council cannot sell site and incur additional costs in development.	Work on design, cost and efficiencies to improve viability for a commercial profit.	Unlikely	Significant	4	££££
Further actions		Target date	Residual Risk Score			
Include risk in business case development to inform Council's decision		Trend: No change	Likelihood	Impact		
Include risk in business case development to inform Council's decision		Q3 2019	Highly Unlikely	Significant		

Risk Number: 61				Risk Owner: Project Executive			
Risk Title: Network Rail governance process							
Causes	Consequences	Mitigation	Current Risk Score		Risk Proximity	Financial impact	
			Likelihood	Impact			
Public realm design work delayed or agreement for works cannot be reached in a timely manner on land controlled by 3rd parties (Network Rail), results in not being able to meet required LEP spending programme.	Bid for Local Enterprise Partnership (LEP) funding is unsuccessful or cannot be spent by the deadline. Loss of potential £5M bid. Loss of opportunity to regenerate areas of public realm. Carfax scheme not enhanced by public realm works.	Mitigate -1. Close liaison with M3 Enterprise LEP, and land owners (Network Rail) throughout the project to agree priorities for spend and mechanisms and programme for delivery.	Likely	Major	3	££££	
Further actions			Target date	Residual Risk Score			
Continue close engagement with landowners for public realm works and identify any requirements for sign-off using their processes. Pay the required fee for NR to review documentation Trend: No change			Q3 2019	Unlikely	Major		
Risk Number: 62				Risk Owner: Project Executive			
Risk Title: Governance sign-off periods							
Causes	Consequences	Mitigation	Current Risk Score		Risk Proximity	Financial impact	
			Likelihood	Impact			
Length of governance sign off processes require significant lead in time for decision making.	Delays project progress as work and assessments need to be completed before report circulation commences; this causes pressure to overlap project stages and remove time contingency in programme.	Accept - Ensure governance timescales built into programme and highlight requirements to all project team members and relevant members; include contingency within programme. Set out requirements in future procurement specifications so consultants are aware of potential 'stand down' periods to work around.	Likely	Moderate	1	££	
Further actions			Target date	Residual Risk Score			
Non at this timeTrend: No change			Q2 2019	Likely	Moderate		

Risk Number: 64			Risk Owner: Project Executive			
Risk Title: Splitting build and enabling package						
Causes	Consequences	Mitigation	Current Risk Score		Risk Proximity	Financial impact
			Likelihood	Impact		
If the Council decide to contract excavation work out seperately to the main construction work	Coordination issues between 2 contractors	Set out risk of option in business case development to inform decisions on delivery.	Unlikely	Major	4	££
Further actions		Target date	Residual Risk Score			
Subject to delivery decision process Clarify coordination requirements in specification for works. Use experience of design team and RIBA advisor to advise on coordination issues and how to address. <u>Trend:</u> No change		Q2 2019	Highly unlikely	Moderate		
Likelihood	Impact					

Risk Number: 66			Risk Owner: S161 Officer			
Risk Title: Borrowing rates available to local governments						
Causes	Consequences	Mitigation	Current Risk Score		Risk Proximity	Financial impact
			Likelihood	Impact		
Government changes borrowing rates available to local government through the Public Works Loans Board.	The Council is unable to borrow at current favourable PWLB rates	Monitor government policy on PWLB lending rates; Investigate alternative funding options.	likely	Major	2	£££
Further actions		Target date	Residual Risk Score			
<u>Trend:</u> No change		Q2 2019	Unlikely	Major		
Likelihood	Impact					

Risk Number: 67			Risk Owner: Legal			
Risk Title: Procurement of legal advisors						
Causes	Consequences	Mitigation	Current Risk Score		Risk Proximity	Financial impact
			Likelihood	Impact		
Legal advisors procured to draft contract for delivery, but delivery route selected by Cabinet differs from expertise of legal advisors	Additional advice required - financial/time implications	Liaison with Cabinet members on delivery options to be considered to understand better the potential delivery route selection.	unlikely	Moderate	1	££
Further actions		Target date	Residual Risk Score			
			Likelihood	Impact		
Trend: No change		Q2 2019	unlikely	Low		

Risk Number: 68			Risk Owner: Project Executive			
Risk Title: LEP spend dates not achieved						
Causes	Consequences	Mitigation	Current Risk Score		Risk Proximity	Financial impact
			Likelihood	Impact		
Change in scope, agreements with third parties not forthcoming in timely manner, Planning decision delays or refusal.	Loss of potential £5M bid or less spend within LEP timeframes. Loss of opportunity to regenerate areas of public realm. Carfax scheme not enhanced by public realm works nor supported by LEP funding.	1. progress delivery decision for Carfax; flag risk with decision makers, prepare documentation for delivery early in process; get legal advisors on board as soon as budget agreed. Stakeholder influence by senior officers.	Likely	Major	2	££££
Further actions		Target date	Residual Risk Score			
			Likelihood	Impact		
Ensure good engagement with EM3 LEPTrend: Increasing		Q3 2019	Unlikely	Moderate		

Risk Number: 69	Risk Owner: Project Executive
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Risk Title: LEP terms and conditions not met

Causes	Consequences	Mitigation	Current Risk Score		Risk Proximity	Financial impact
			Likelihood	Impact		
LEP funding withdrawn by central government Delivery not achieved within timescales set Invoices not submitted in time contractor goes bust Agreements not achieved within timescales	Loss of funding for public realm Fees incurred ahead of LEP payments	Close liaison with LEP to understand the requirements Identification early in process of issues and discuss with LEP	Unlikely	Major	3	££££

Further actions	Target date	Residual Risk Score	
		Likelihood	Impact
Trend: No change	Q3 2019	unlikely	Moderate

Risk Number: 70	Risk Owner: Project Executive
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Risk Title: Invoice payments delayed

Causes	Consequences	Mitigation	Current Risk Score		Risk Proximity	Financial impact
			Likelihood	Impact		
LEP payments delayed to Council to pay off invoices	Financial penalties incurred	Identify suitable payment method with parties involved and agree terms for payment when contracts signed.	Unlikely	Moderate	3	££

Further actions	Target date	Residual Risk Score	
		Likelihood	Impact
Trend: no change	Q3 2019	highly unlikely	Moderate

Risk Number: 71			Risk Owner: Project Executive			
Risk Title: Relationship with HCC as consultants						
Causes	Consequences	Mitigation	Current Risk Score		Risk Proximity	Financial impact
			Likelihood	Impact		
HCC DES do not have capacity for workload	Public Realm work becomes a low priority and deadlines missed; risk to LEP spend	Maintain regular and clear lines of communication and agreed programme with HCC DES	Unlikely	Moderate	2	££
Further actions		Target date	Residual Risk Score			
			Likelihood	Impact		
Trend: No change		Q2 2019	highly unlikely	Moderate		

Risk Number: 72			Risk Owner: Project Executive			
Risk Title: Regional Design Panel						
Causes	Consequences	Mitigation	Current Risk Score		Risk Proximity	Financial impact
			Likelihood	Impact		
PA request outline planning application is considered by the Regional Design Panel	Delay to project if process delays planning decision Comments received from review perceived negatively in public	Accept risk Provide required information to design review panel Request date where both key members of the design team can attend and present.	Likely	Moderate	2	££
Further actions		Target date	Residual Risk Score			
			Likelihood	Impact		
Trend: Increasing		Q2 2019	unlikely	Moderate		

Risk Number: 73	Risk Owner: Project Executive
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Risk Title: Process for site disposal challenge

Causes	Consequences	Mitigation	Current Risk Score		Risk Proximity	Financial impact
			Likelihood	Impact		
Disposal of the site via land disposal rather than a procurement process is challenged	Delay to project Additional cost to address challenge Negative publicity	<p>Appropriate legal advice obtained The procedural steps below are proposed to mitigate these risks:</p> <ul style="list-style-type: none"> • Ensuring there is a fully documented audit trail to justify the transaction being undertaken outside of the PCR. • Conducting the competitive process to select a purchaser in a manner which clearly demonstrates the intention to enter into a land transaction. • Ensuring that the legal agreement entered into satisfies the relevant tests for being a land sale and is therefore not a contract for works or services. • If/when an agreement with the selected purchaser is successfully negotiated, giving due consideration to publishing a “Voluntary Ex Ante Transparency” (VEAT) notice in the Official Journal of European Union (OJEU), describing the nature of the agreement to be entered into and the reasons for not publishing an OJEU Contract Notice. <p>Ensure the disposal is on terms which follow legal advice</p>	Likely	Major	2	££

Further actions	Target date	Residual Risk Score	
		Likelihood	Impact
<u>Trend:</u> Increasing	Q2 2019	Unlikely	Major

Risk Number: 74			Risk Owner: Project Executive			
Risk Title: Changes to design						
Causes	Consequences	Mitigation	Current Risk Score		Risk Proximity	Financial impact
			Likelihood	Impact		
Developer decides to change design within the outline consent	Impact on programme	Assess as part of selection process	Likely	Major	3	££££
Further actions		Target date	Residual Risk Score			
			Likelihood	Impact		
Trend: no change		Q1 2020	Unlikely	Moderate		

Risk Number: 75			Risk Owner: Project Executive			
Risk Title: Perception of quality of scheme						
Causes	Consequences	Mitigation	Current Risk Score		Risk Proximity	Financial impact
			Likelihood	Impact		
Sale of the leasehold to a 3 rd party	Concerns raised over quality of the scheme Risk of not all economic benefits being delivered	Robust assessment as part of purchaser selection process Local Planning Authority decision making and through any future reserved matters application	Likely	Moderate	3	££
Further actions		Target date	Residual Risk Score			
			Likelihood	Impact		
Trend: no change		Q2 2020	Unlikely	Moderate		

Risk Number: 76			Risk Owner: Project Executive			
Risk Title: Financial returns						
Causes	Consequences	Mitigation	Current Risk Score		Risk Proximity	Financial impact
			Likelihood	Impact		
Risk of loss on the sale of the Council's asset	The proceeds could be less than the value that the Council has invested in the site	Assessment as part of purchaser selection process to consider best consideration. Risk should also to be considered against regenerative benefits gained	Unlikely	Significant	3	££££
Further actions		Target date	Residual Risk Score			
			Likelihood	Impact		
Trend: no change		Q2 2020	Unlikely	Moderate		

Risk Number: 77			Risk Owner: Project Executive			
Risk Title: Phasing of works						
Causes	Consequences	Mitigation	Current Risk Score		Risk Proximity	Financial impact
			Likelihood	Impact		
LEP spend timescale requirements put pressure on suitable phasing of public realm implementation	Impact on programme	Construction logistics Ongoing discussion with LEP	Unlikely	Moderate	4	£££
Further actions		Target date	Residual Risk Score			
			Likelihood	Impact		
<u>Trend: no change</u>		Q2 2021	Unlikely	Minor		

Appendix 3: Minute of Scrutiny Meeting 14 August 2019 on report SC009

One Member requested that in addition to the other comments made, Cabinet be further requested to specifically consider the following issues:

- (i) Putting in place a realistic schedule and timing for spending LEP funding that manages the risk of repayment in the event of development problems and the possibility that LEP funding can be suspended by the Government at any time;
- (ii) As well as defining desired outcomes, setting clear 'go / no-go' red-line criteria as a checkpoint in the developer selection process – including a clear reserve value and a robust process for managing design changes – including legal preconditions and other options to protect the council's interests;
- (iii) Finding ways to adjust the marketing timing for the project, if necessary, to reflect the likely high levels of uncertainty in the Commercial Property market in November/December 2019 and early 2020.

The Committee agreed that these additional points be forwarded to Cabinet for consideration.

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REPORT TITLE: ESTABLISHING THE WINCHESTER HOUSING COMPANY

18 SEPTEMBER 2019

REPORT OF PORTFOLIO HOLDER: Cabinet Member for Housing and Asset Management – Cllr. Kelsie Learney

Contact Officer: Richard Burden Tel No: 01962 848136

Email rburden@winchester.gov.uk

WARD(S): ALL

PURPOSE

This report seeks approval for the establishment of a wholly owned housing company to deliver:

- Units for sub-market rent let on non-secure tenancies
- Shared ownership accommodation
- And where required, the sale of units for open market sale.

It is envisaged that the company will be incorporated in October 2019. It will function as an ethical landlord, providing a more secure offer than the private rented sector currently delivers.

It should be noted that potential housing company developments will be individually assessed on their financial viability and suitability; and that the primary focus will remain on delivering affordable/social rented units through the Housing Revenue Account (HRA), which affords significant efficiencies.

RECOMMENDATIONS:

To Cabinet:

1. That the appointment of three senior officers to the Board of Directors be approved:
 - a) Strategic Director – Place

- b) Corporate Head of Housing
 - c) Housing Finance & Resources Manager.
2. That the approval process for housing company development opportunities be approved; with authority to agree Terms of Reference for the Housing New Build Panel delegated to the Corporate Head of Housing in consultation with the Portfolio Holder for Housing and Asset Management. This proposal was considered and supported by the Business and Housing Policy Committee on 18 June 2019.
 3. That the £10 million General Fund expenditure be approved on the basis of a 25:75 equity/loan split, to be drawn down as the housing company requires the funds, and to be funded by capital receipts and prudential borrowing proportionally within each tranche.
 4. That the Partnered Home Purchase budget be reduced by £1.2m in order to finance the equity purchase, noting that the Council may increase this budget in the future subject to future capital receipts.

To Council:

5. That Council gives permission to establish a company limited by shares and wholly owned by the Council to deliver and manage units for sub-market rent, shared ownership accommodation and units for outright sale.
6. That the Council approves the establishment of the Housing Company Scrutiny Panel and nominates three members to sit on the Panel.

IMPLICATIONS:1 COUNCIL STRATEGY OUTCOME

- 1.1 Delivering quality housing with a balanced range of tenures is a commitment within the Council Strategy 2017 – 2020. Whilst new housing for affordable rent and shared ownership can be delivered through the HRA, other options such as certain types of sub-market rent and alternative tenures are best delivered in a company structure.
- 1.2 Establishing a housing company to deliver a wide range of housing tenures to meet the needs of the market is also a key priority for the Housing Strategy 2017 – 2023, and it supports priorities in the emerging Preventing Homelessness and Rough Sleeping Strategy 2019 – 2024.

2 FINANCIAL IMPLICATIONSFunding and impact on the General Fund

- 2.1 CAB3139 (HSG) approved a combined loan facility and equity shareholding of £10m from the General Fund to support the company's development activity. This reflected legal advice which stated that to avoid state aid implications any funding should be a mix of debt and equity. As a result, the business plan assumes a level of 75% debt to 25% equity, resulting in a £7.5m loan facility and a £2.5m equity shareholding from the General Fund.
- 2.2 As the housing company draws funds from the General Fund, these will be in the proportion detailed above; i.e. 25% share purchase and 75% loan. Eventually, and subject to the availability of retained profits, annual dividend payments will be due from the housing company to the General Fund.
- 2.3 The loan element from the General Fund will be repaid by the housing company on an annuity basis at an interest rate based on the European reference rate plus 400 basis points. As at 1st August 2019 the UK reference rate was set at 1.09% so the interest rate would be 5.09%. This is to ensure that the Council does not fall foul of state aid rules.
- 2.4 The General Fund will finance the loan element via prudential borrowing and, as there is no immediate return to cover the cost of borrowing, will finance the equity purchase via capital receipts.
- 2.5 An illustrative financial business case, summarised at **Appendices A and B** demonstrates that the housing company is financially viable and that the General Fund will receive a positive return on the equity/loan investment. Once the company has been established, individual schemes will be assessed against a series of financial viability tests for both the company and General Fund prior to their being approved.

Partnered Home Purchase (PHP) Scheme

- 2.6 CAB3139 (HSG) proposed that this scheme, which was created in 2018 to provide open market shared ownership accommodation be transferred from the General Fund to the housing company once it commences trading.
- 2.7 This proposal has subsequently been reviewed and due to the inherent risk of losses arising on sales in the event of a falling market, the scheme will remain within the General Fund. The PHP scheme allows owners to “staircase” (increase their share of the property) by buying additional market value shares from the Council up to a maximum of 100%. In the event of a market fall, this could result in a capital loss. As the housing company’s overall balance sheet will be proportionally much lower, it is less able than the General Fund to absorb any potential loss. However, by establishing a housing company, it does present the opportunity for the company to purchase a property and re-let it should the owner be in arrears with their mortgage provider, thereby protecting the Council’s interest.
- 2.8 Furthermore, the General Fund’s capital receipts reserve is forecast to fall to £1.3m of uncommitted receipts by the end of 2020/21 and so in order to finance the purchase of equity from capital receipts it will be necessary to reduce the current PHP budget by £1.2m to £3.3m. It is estimated that the total PHP pilot will result in up to £2m of expenditure (£1.2m to date) and therefore £1.3m will remain should the Council wish to continue the scheme after the review of the pilot. If the Council generates further receipts in the future from the sale of its assets, it would be possible to increase the PHP budget to its original level.

Units for open market sale

- 2.9 Financial modelling has demonstrated the need for a flexible approach to tenures with some units for open market sale delivered alongside those for sub-market rent and shared ownership.
- 2.10 The primary purpose of providing housing for sale will be to cross-subsidise sub-market development. It will also provide the company with greater flexibility to respond to market fluctuations by, for example, converting rented accommodation to market sales in order to re-invest receipts into additional sub-market development.
- 2.11 Updated legal advice has confirmed that the company can provide accommodation for both rent and sale on an ethical rather than commercial basis, and as such is unlikely to have the “commercial character” necessary to fall outside of the EU procurement rules. This point is addressed in further detail at paragraphs 3.8 – 3.10.

Tax

- 2.12 CAB3139 (HSG) included tax advice from Trowers and Hamlins LLP which addressed the implications for the company in respect of corporation tax

(including chargeable gains), VAT, SDLT, Construction Industry Scheme (CIS), PAYE and tax on enveloped dwellings (ATED).

- 2.13 This advice has been revisited in light of the need for the company to deliver units for open market sale, and it is unchanged.
- 2.14 Further tax advice in relation to the administration and practical application of VAT & corporation tax will be obtained from tax advisors PSTax prior to the commencement of trading.

Financial business case

- 2.15 A summary of the five year financial business case for the housing company is shown at **Appendix A**. The business case demonstrates that the company is financially viable, generating income that is sufficient to cover operational costs from the General Fund, including loan interest and management support. The plan also includes assumed corporation tax payments on post tax profits and dividend payments to the General Fund where there is sufficient post tax profit available.
- 2.16 As detailed in paragraph 2.5, the financial business case is an illustrative example and does not include real schemes. The plan demonstrates that the housing company can be financially viable with funding of £10m (£7.5m loan and £2.5m equity). In arriving at the key assumptions, a number of factors were considered, including average build cost, average rents, management & maintenance costs and assumed interest rates. The key assumptions are summarised in **Appendix A**.
- 2.17 Rents are assumed to be a minimum of 90% of market rent and will therefore be above local housing allowance levels which are a maximum of 80% market rent. The annual operating costs for the housing company will include a number of recharges from the General Fund. The loan facility from the General Fund assumes an interest rate of 5.09%, as the rate needs to be based on market rates to comply with state aid requirements. The recharge of management costs and corporate overheads include a margin on cost of 5% and VAT where applicable. Dividends, arising from the General Fund shareholder equity investment, are assumed to be 5% of post tax profits each year. As the housing company is liable for corporation tax, this is assumed to be 17% of the pre tax profit.
- 2.18 In the business case the housing company generates a post tax profit each year including a higher profit in year two of £245k arising from the sale of open market properties. Total financing reaches a peak of £9.75m in year three and then reduces as the housing company has the ability to begin to repay the outstanding debt. As a result of the repayments, Interest payable on the loan also begins to reduce.
- 2.19 The main focus of the business case is to provide residential sub-market rent properties to be let on flexible short term tenancies. In order to provide additional funding to support this activity, the business case assumes the sale

- of eight open market properties in year two. The sale profits increase reserves and provide funding to support the annual operating costs going forward.
- 2.20 In addition to acquiring properties for long term sub market rent, the plan also assumes income resulting from the housing company leasing properties on a short term basis from either the HRA or General fund.
- 2.21 When the housing company initially appraises new development schemes it will need to consider the increased cost of loan funding and operational costs when assessing the financial viability. Rents will also need to be above local housing allowance levels to enable schemes to pass a series of robust viability tests. These tests will include achieving a positive NPV, ensuring build costs are below market values and there is sufficient operational income to cover the cost of interest
- 2.22 The business case has also considered the financial impact on the general fund of the proposed shareholder equity investment and loan facility. **Appendix B** demonstrates that the General Fund can achieve a positive financial return on its investment.
- 2.23 As the General Fund must provide a loan on commercial terms to the housing company to avoid falling foul of state aid rules, the rate of interest charged on the loan facility is anticipated to be 5.09% (see paragraph 2.3). This is more than double the interest rates the General Fund is currently able to obtain on borrowing from the PWLB.
- 2.24 The General Fund also benefits from a mark up on the management and maintenance costs that it recharges to the housing company, currently assumed to be 5% of the base cost. Dividends arising from the shareholder equity investment are assumed to be 5% of the post tax profit, although in reality it will be up to the Board of Directors to determine the level of dividend dependent on the level of post-tax profit.
- 2.25 The business case assumes that the General Fund will finance the £2.5m shareholder equity investment from its capital receipts reserve. The loan to the housing company will be financed from an increase in the General Fund's Capital Financing Requirement (borrowing need) and along with the overall capital programme, is likely to require that the Council increase its external borrowing.
- 2.26 The business case assumes that land will be acquired at market value, although the intention will be to acquire land from the HRA at less than best consideration wherever possible. Any transfers of land will take into consideration all housing act consents and state aid implications.
- 2.27 The business case also assumes the housing company will contract with the HRA in most cases to build residential properties. The company will also be able to contract directly with a private developer for this purpose, although this will likely require a tender process as the housing company is likely to be a

contracting authority (as defined in the Public Contracts Regulations 2015) and therefore subject to EU procurement rules.

3 LEGAL AND PROCUREMENT IMPLICATIONS

Legal

- 3.1 CAB3139 (HSG) noted that legal advice had confirmed that since the Council wishes to offer a range of market and sub-market tenures and to be able to interchange between such tenures in order to respond to the market with agility, the use of a company would be the best means to achieve its objectives. The Council is entitled to rely on section 1 of the Localism Act 2011 in establishing the company for such purposes.
- 3.2 Section 1 of the Localism Act permits local authorities to do anything an individual may do, subject to a number of limitations. This is referred to as the “general power of competence” which an authority may exercise for its own purpose, for a commercial purpose and/or for the benefit of others. In exercising this power, it is still subject to its general duties (such as the fiduciary duties it owes to its rate and local tax payers) and to public law requirements to exercise its power for a proper purpose.
- 3.3 Legal advice also addressed the powers to transfer land to the company, powers to fund the company and state aid compliance.
- 3.4 CAB3139 (HSG) also noted that further legal guidance would be required to finalise the memorandum and articles of association, the shareholder agreement and other key documents. The proposal to delegate authority to the Corporate Head of Housing in consultation with the Legal Services Manager and the Leader with Portfolio for Housing Services to progress these documents was approved (recommendations 7 and 8).

Land acquisition

- 3.5 CAB3139 (HSG) confirmed that the housing company can acquire land from the HRA, General Fund or externally. Land acquired from the General Fund will generally be at best consideration, as will land acquired externally. Land from the HRA can be acquired at an “undervalue” subject to conditions outlined in section 25 of the Housing Act 1988; or with the approval of the Secretary of State and with the 2003 General Consent if “secures the promotion or improvement of the economic, social or environmental wellbeing of its area”.
- 3.6 Updated legal advice has confirmed that any land transferred from the HRA for the purposes of delivering units for market sale would need to be at market value. This could also include overage provisions, which would entitle the HRA to a proportion of the increase in the value of the land once planning has been obtained.

Procurement

- 3.7 Legal advice has confirmed that where the purpose of establishing the housing company is to meet the needs of the community rather than generate a financial return, it is unlikely to have the “commercial character” required in order to fall outside of the definition of a “body governed by public law” in the Public Contracts Regulations 2015. This would mean that the company would therefore fall within the scope of EU procurement rules.
- 3.8 If the company is a “Teckal” subsidiary, land may be transferred from the Council to the company with development obligations in compliance with EU procurement regulations.
- 3.9 In order for the company to meet the criteria for “Teckal” the Council must exert control over it in a manner similar to that exerted over its own departments, and at least 80% of the company's activities must be undertaken for the Council. Legal advice has confirmed that provided the governance arrangements between the company and the Council reflect these criteria and the company is entrusted with the obligation to deliver the housing on behalf of the Council, the company is likely to qualify as a “Teckal” subsidiary.

4 WORKFORCE IMPLICATIONS

- 4.1 The marginal capacity of existing teams will be utilised to support company activity charged on a cost recovery contractual basis at “arms length”, thereby generating additional income for the Council.
- 4.2 Additional resources may be required as housing company development increases. This may include employing staff to support the development of new homes and housing company administration.
- 4.3 It is proposed that three senior officers be appointed to the Board of Directors of the company. They will not receive any additional remuneration. These proposals, and the role of the directors are outlined in further detail at section 12.4 & 12.5 of this report.
- 4.4 CAB3139 (HSG) also proposed (recommendation 6) that there be flexibility to appoint additional and possibly remunerated independent directors should a future need eventually arise. The proposal was approved by Cabinet (HSG).

5 PROPERTY AND ASSET IMPLICATIONS

- 5.1 The housing company will acquire land from the HRA or General Fund. It could also acquire land from external developers but there could be SDLT and VAT issues associated with the final cost. To construct the properties, it will contract either with the HRA or a private developer.
- 5.2 When appropriate, the housing company will lease properties from both the HRA and the General Fund for short to medium term use, and potentially purchase properties on the open market.

6 CONSULTATION AND COMMUNICATION

- 6.1 Officers have liaised extensively with other local authorities who have established housing companies. This has given them a clear picture of the different approaches to governance, and how company secretary responsibilities are being discharged. Officers are continuing this dialogue in order to explore how operational matters have been addressed.
- 6.2 Proposals in respect of the governance structure and the process for approving housing company development opportunities were considered and supported by the Business and Housing Policy Committee on 18 June 2019.

7 ENVIRONMENTAL CONSIDERATIONS

- 7.1 As with all new development, properties will be built to a high standard and take into consideration the impact of the carbon footprint.

8 EQUALITY IMPACT ASSESSMENT

- 8.1 All policies and procedures (for example allocations and lettings) will be subject to a full equality impact assessment prior to implementation.

9 DATA PROTECTION IMPACT ASSESSMENT

- 9.1 None required.

10 RISK MANAGEMENT

- 10.1 Key risks and opportunities are outlined below.

Risk	Mitigation	Opportunities
<i>Property</i>		
High and increasing development costs	Detailed financial modelling based on current building costs and stress-testing for price increases	Property values increase Flexibility and control of the portfolio
Property values fall	The business plan recognises that short-term fluctuations in the market are inevitable but the outturn is positive over the length of the plan	
Insufficient demand	Each development will be subject to its own business case which will identify a	Evidence demonstrates that there is a consistent demand for sub-market

Risk	Mitigation	Opportunities
	suitable mix of tenure reflecting current demands in the market	rented housing
<i>Community Support</i>		Capacity to meet housing need that cannot be met by the HRA Raising standards in the private rented sector
<i>Timescales</i> Company not established in time to support specific initiatives	Resources are in place to ensure that the company is incorporated in October 2019.	
<i>Project capacity</i> N/A		
<i>Financial / VfM</i> The housing company is not profitable and is unable to pay dividends to the Council and/or defaults on loan interest and repayments, resulting in the Council's Investment not achieving the projected return. Tax rules/HMRC requirements impacting on viability Future Government restrictions on prudential borrowing rules to limit allowable public sector debt forces the housing company to borrow at higher interest rates Brexit - worst case scenario: shortage of	The Housing New Build Panel will require detailed financial modelling by the housing company, including sensitivity analysis, to ensure careful selection of investment options that excludes those that fall short of the necessary viability criteria. Additional tax advice detailed within CAB3139 (HSG) at exempt Appendix B The housing company would need to consider commercial debt in order to continue its expansion taking into consideration any effect this may have on the viability of individual schemes Potential development is continually appraised	Generation of profit on Disposal Maximise available tax relief where possible Potential receipt of dividends Potential reduction in borrowing costs for the General Fund if gilt yields, and therefore PWLB borrowing costs, fall leading to greater margin for the General Fund

Risk	Mitigation	Opportunities
labour and materials; house price downturn; rising demand for affordable housing as a result of rising unemployment; rising cost of loan finance	before contracts are agreed and any loan finance is based on fixed rates	
<p><i>Legal</i></p> <p>Council acting outside of relevant powers</p> <p>Personal risk arising from the duties and liabilities of company directors</p>	<p>External specialist legal advice on company governance detailed within CAB3139 (HSG) at exempt Appendix C</p> <p>Appropriate insurance against claims for negligence, breach of trust etc. will be obtained</p>	
<p><i>Innovation</i></p> <p>N/A</p>		
<p><i>Reputation</i></p> <p>Reputational impact of the company on the council</p> <p>Reputational damage in the event of the company's failure</p>	<p>A marketing and communications plan will be developed to ensure that the branding and image of the company contribute to a positive view of the Council's services</p> <p>Risks reviewed and evaluated on a regular basis as part of corporate risk management process</p>	
<p><i>Other</i></p> <p>N/A</p>		

11 SUPPORTING INFORMATION:

Background

- 11.1 The development of new affordable housing is a key priority in the Council Strategy 2017-2020, and the new build programme was extended following the removal of the HRA debt cap in October 2018. In addition, the Council works closely with its housing association partners to maximise their development activity within the district.
- 11.2 The Council Strategy also recognises the need for a range of housing products in order to meet the evolving needs of the market which can best be delivered through a company structure.
- 11.3 In March 2017 CAB2911 (HSG) set out an initial proposal to establish a dual structure with a development company for commercial activity and a subsidiary charitable arm to deliver some affordable housing for purchase by the Council through the HRA. However, financial modelling demonstrated that this would be significantly more expensive than the current approach where the HRA directly funds development on Council land. As a result, in November 2017 CAB2990 (HSG) proposed the establishment of a single company limited by shares to focus specifically on the delivery of sub-market rent.
- 11.4 Following approval of this proposal, rising costs made a review of the original financial modelling a priority. In March 2019 CAB3139 (HSG) confirmed that the single company model remained viable.

Local context

- 11.5 CAB3139 (HSG) noted the considerable demand for affordable housing in the Winchester district and the difficulties faced by households who are dependent upon the private rented sector. This includes but is not limited to:
- Hampshire Home Choice applicants who have been assessed as medium or low priority. These households will potentially face a longer wait for accommodation than those with higher priority and often look to the private rented sector as an alternative. For example, in the twelve months to 31 March 2019 the average waiting time for a three-bedroomed home for a medium priority family was four years and eleven months
 - Households accepted as homeless by the Council. The Council's duty to homeless applicants can be discharged by identifying suitable private rented housing, but there is little suitable accommodation available
 - Households who are threatened with homelessness
 - Those who would be owner occupiers but lack the capital required for a deposit.
- 11.6 All of these households are potentially confined to the private rented sector for the long-term.

12 GOVERNANCE STRUCTURE

- 12.1 It is envisaged that the governance structure of the housing company will consist of two delegations acting to oversee the business plan and overall strategic direction of the company. These two delegations act as the Board of Directors and a specific Housing Company Scrutiny Panel¹.
- 12.2 The Housing Company Scrutiny Panel will consist of three elected members appointed by full Council. It will meet twice a year to oversee company activity, provide strategic guidance and advise full Council in its capacity as shareholder. Authority to finalise the draft Terms of Reference for the panel was delegated to the Corporate Head of Housing in consultation with the Legal Services Manager and the Leader with Portfolio for Housing Services in March 2019 (CAB3139 (HSG), recommendation 8.). A further copy of the draft Terms of Reference is included within the background documents to this paper.
- 12.3 In accordance with the Companies Act 2006 there is no necessity for a named company secretary. The responsibilities that would sit with the secretary must still be discharged, and become by default, the directors'. They include: ensuring compliance with corporate governance and other financial and legal regulations; arranging directors' and shareholder meetings; and the filing of returns with Companies House. This role will be supported by the Council's Legal Services and Finance teams.
- 12.4 It is proposed that the Board of Directors consist of the following three senior officers:
- Strategic Director – Place
 - Corporate Head of Housing
 - Housing Finance & Resources Manager.
- 12.5 Once appointed, a director has a number of duties and liabilities under general company law:
- A fiduciary duty to act honestly, in good faith and in the interests of the company
 - A general duty to take reasonable care and skill, and to exercise independent judgement when dealing with the company's affairs
 - A duty to avoid conflict of interest, not make a private profit from the position, and to ensure that the legislation contained in the Companies Acts is complied with
 - Personal liability if the company acts outside it's powers with the prior knowledge of the director
 - Liability for breach of trust

¹ Initially referred to as the Shareholder Advisory Group (CAB3139 (HSG) March 2019)

- Liability for losses sustained if a director abuses their position; and/or fails to act in the best interest of the company; and/or fails to exercise the requisite level of skill and care
 - Liability to contribute to the company's assets if a director knows or ought to know that there is no reasonable prospect of the company avoiding liquidation
 - Liability for fraudulent trading
 - Liability for a fine and/or making good losses where cheques and other documents do not bear the company's name
 - Liability for damages arising from the unauthorised activities of a director.
- 12.6 The Council's own insurance does not provide cover for officers acting as directors. However, the company will be able to obtain insurance for its directors against claims for negligence, breach of trust etc. Directors will also be provided with an appropriate level of training, to be sourced externally.
- 12.7 Authority to finalise the memorandum and articles of association, and the shareholder agreement was delegated to the Corporate Head of Housing (in consultation with the Legal Services Manager, the Leader with Portfolio for Housing Services, and external legal advisors) in March 2019 (CAB3139 (HSG), recommendation 7).
- 12.8 A summary of the governance structure is provided below:

	Function
Sole Shareholder	Full Council taking decisions reserved for the shareholder in the company's articles of association and shareholder agreement. This would include approval of the annual company budget and business plan.
Housing Company Scrutiny Panel	Three elected members appointed by the Shareholder to oversee company activity and provide strategic guidance. Senior officers will attend panel meetings as required.
Board of Directors	Three senior officers appointed by the Shareholder and legally responsible for the company's performance, accounts and records.
Company Secretary	Duties will be administered by the Legal Services team in accordance with the requirements of the Board of Directors.
Operational Management Team	Identified by the Board of Directors and responsible for the discharge of any duties and responsibilities delegated by the Board of Directors.

13 PROCESS FOR THE APPROVAL OF HOUSING COMPANY DEVELOPMENT OPPORTUNITIES

- 13.1 It is proposed that all potential development opportunities for both the HRA and the housing company be appraised initially by the New Homes Delivery

team. If the opportunity is considered viable, the Housing New Build Panel (consisting of the strategic directors and the Cabinet Member for Housing and Asset Management) will decide whether it progresses through the HRA or the housing company.

- 13.2 If the housing company is considered to be the most appropriate vehicle, an outline business case will be prepared with input from the Housing Company Scrutiny Panel prior to submission to the Board of Directors. If the opportunity is rejected by the Board of Directors the outline business case may be amended and resubmitted, it may progress as an HRA scheme instead, or it may be shelved altogether.
- 13.3 This proposal was considered and supported by the Business and Housing Policy Committee on 18 June 2019. A flow diagram illustrating this process is attached at **Appendix C**.

14 NEXT STEPS

- 14.1 A summary of the next steps to be taken is set out in the table below.

Governance structure
Company Secretary responsibilities: <ul style="list-style-type: none"> ▪ Identification of internal resources, processes and training
Finalise key governance documentation: <ul style="list-style-type: none"> ▪ Memorandum and articles of association ▪ Incorporation of Company at Companies House ▪ Shareholder agreement ▪ Terms of reference for Housing Company Scrutiny Panel, Housing New Build Panel, Board of Directors and Operational Management Team ▪ Service level agreement for services provided by the General Fund and the HRA ▪ Funding agreements - loan facility and equity ▪ Development agreement – housing company/HRA
Processes for, and the appointment/identification of: <ul style="list-style-type: none"> ▪ Housing Company Scrutiny Panel ▪ Board of Directors ▪ Operational Management Team
Financial
Company bank account
Procure and Appoint external auditor
HMRC registration for relevant taxes
Obtain directors' & officers insurance (employers and public liability)
Review business plan prior to commencement of trading
Communications and marketing
Communications and marketing plan
Web site
Company name
Branding and logo
Operational policies, procedures and service standards (Including Equality Impact Assessments where required)
Process for approving housing company development opportunities

Corporate recharge process
Allocations and lettings: <ul style="list-style-type: none"> ▪ Marketing of vacant homes ▪ Recording and assessment of applications for accommodation ▪ Offering a tenancy ▪ Tenancy sign-up
Housing management: <ul style="list-style-type: none"> ▪ Service standards ▪ Tenants' handbook and other information ▪ Tenancy management ▪ Estates services ▪ Rent collection and accounting ▪ Tenancy termination
Property services: <ul style="list-style-type: none"> ▪ Service standards for responsive repairs, cyclical and planned maintenance ▪ Contractor procurement and selection (if appropriate)
Procurement
Accounting & systems: <ul style="list-style-type: none"> ▪ Orchard ▪ SharePoint ▪ Keystone

15 OTHER OPTIONS CONSIDERED AND REJECTED

- 15.1 CAB2911 (HSG) considered the more complex option of dual company structures, one a company limited by guarantee and one in the form of a community benefit society. Whilst the business case for the dual structure was marginally more positive than the single company structure, set up, management and governance would be more complex with little or no immediate benefits to the Council.
- 15.2 As a result, both CAB2990 (HSG) and CAB3139 (HSG) recommended that initially the Council establish a single company structure. This would not preclude the establishment of a subsidiary charitable company at a later date to exploit potential tax advantages.
- 15.3 With regard to governance, the Council's Scrutiny Committee could be delegated to undertake the overview function for the Council. However, a specific panel is considered more appropriate and in accordance with good practice elsewhere.

BACKGROUND DOCUMENTS:-

Previous Committee Reports:-

Business and Housing Policy Committee 18 June 2019 – Winchester District Housing Company: Presentation

CAB3139 (HSG) 20 March 2019 – Establishing the Winchester Housing Company

CAB2990 (HSG) 22 November 2017 – Establishing Local Housing Companies to Support New Homes Development

CAB2911 (HSG) 22 March 2017 – Establishing Local Housing Companies to Support New Homes Development

CAB2626 (HSG) 1 October 2014 – Options for Increasing the Supply of Affordable Housing

Other Background Documents:-

Draft Terms of Reference for Housing Company Scrutiny Panel

APPENDICES:

Appendix A - Housing Company Financial Business Case

Appendix B - General Fund Financial Impact

Appendix C - Development Approval Process flow diagram

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Appendix A - Housing Company Financial Business Case

Note: this is an illustrative example only and is based on delivering 57 properties for Sub Market Rent & 8 properties for Outright Sale.

The Housing Company, once operational, will assess the actual financial implications for each individual project on a case by case basis.

The financial business case is based on the following broad assumptions:

Rental Income - Minimum of 90% of Market Rent

Loan Interest Rate - 5.09%

Management & Maintenance to be provided by the General Fund and recharged at a margin of 5% on cost.

Dividends to the General Fund at 5% of annual post-tax profits.

Corporation tax at 17% of pre-tax profits

a) Profit & Loss Account

	2020/21	2021/22	2022/23	2023/24	2024/25
	Year 1	Year 2	Year 3	Year 4	Year 5
	£000s	£000s	£000s	£000s	£000s
<u>Income</u>					
Net Rent	52	393	670	691	705
<u>Expenditure</u>					
Management	(1)	(28)	(39)	(40)	(41)
Maintenance	(2)	(26)	(40)	(41)	(43)
Depreciation	(9)	(59)	(97)	(100)	(102)
Overheads	0	0	0	0	0
Direct Costs	(12)	(113)	(177)	(181)	(186)
Outright Sales - Profits	0	270	0	0	0
Profit before Interest & Charges	40	551	494	510	520
Interest Payable	(31)	(226)	(374)	(373)	(363)
Interest Receivable	3	3	3	3	3
Interest & Charges	(28)	(223)	(371)	(370)	(360)
Profit before Taxation	12	328	123	140	159
Corporation Tax	(1)	(69)	(44)	(47)	(50)
Profit after Taxation	12	259	79	93	109
Dividends	(1)	(13)	(17)	(21)	(25)
Retained Profit	11	245	62	73	84
<u>Sub Market Units</u>					
Per Year	5	32	20		
Cumulative	5	37	57	57	57
Outright Sale Units		8			

b) Balance Sheet

	2020/21	2021/22	2022/23	2023/24	2024/25
	Year 1	Year 2	Year 3	Year 4	Year 5
	000's	000's	000's	000's	000's
<u>Fixed Assets</u>					
Properties	995	6,776	11,125	11,403	11,688
Net Current Assets	349	268	111	89	57
Total Assets	1,343	7,043	11,235	11,491	11,745
Equity Financing	338	1,604	2,500	2,500	2,500
Loan Financing	991	4,467	7,254	7,060	6,842
Total Financing	1,329	6,071	9,754	9,560	9,342
<u>Capital & Reserves</u>					
Revenue Reserves	11	256	319	391	476
Revaluation Reserve	3	716	1,162	1,540	1,927
Shareholders Funds	14	972	1,481	1,931	2,403
Capital & Reserves	1,343	7,043	11,235	11,491	11,745

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Appendix B - General Fund Impact Financial Business Case

Note: this is an illustrative example only and is based on delivering 57 properties for Sub Market Rent & 8 properties for Outright Sale. The Housing Company, once operational, will assess the actual financial implications for each individual project on a case by case basis.

The financial business case is based on the following broad assumptions:

Interest Rate payable on PWLB loans 2.60%

Interest Rate receivable on Housing Company Loan - 5.09%

Management & Maintenance recharged to Housing Company at a margin of 5% on cost.

Shareholder Equity financed from other capital receipts

Dividends assumed to be at 5% of housing company post-tax profits.

a) Revenue Impact

	2020/21	2021/22	2022/23	2023/24	2024/25
	Year 1	Year 2	Year 3	Year 4	Year 5
	£000s	£000s	£000s	£000s	£000s
<u>Revenue Income</u>					
Interest Receivable on Housing Company Borrowing	31	226	374	373	363
Income from Services Charged to Housing Company	2	41	60	62	63
Dividends Received	0	1	13	17	21
	33	268	448	451	447
<u>Revenue Expenditure</u>					
Interest payable on PWLB loan	(15)	(114)	(185)	(179)	(168)
Expenditure on Services Charged to Housing Company	(2)	(39)	(58)	(59)	(60)
Minimum Revenue Provision (MRP)	0	(21)	(86)	(152)	(158)
	(17)	(174)	(329)	(390)	(387)
Net Income/Expenditure	16	94	119	61	60

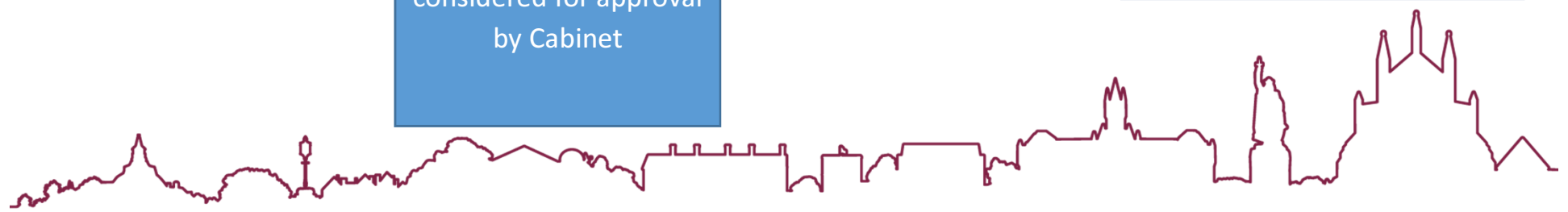
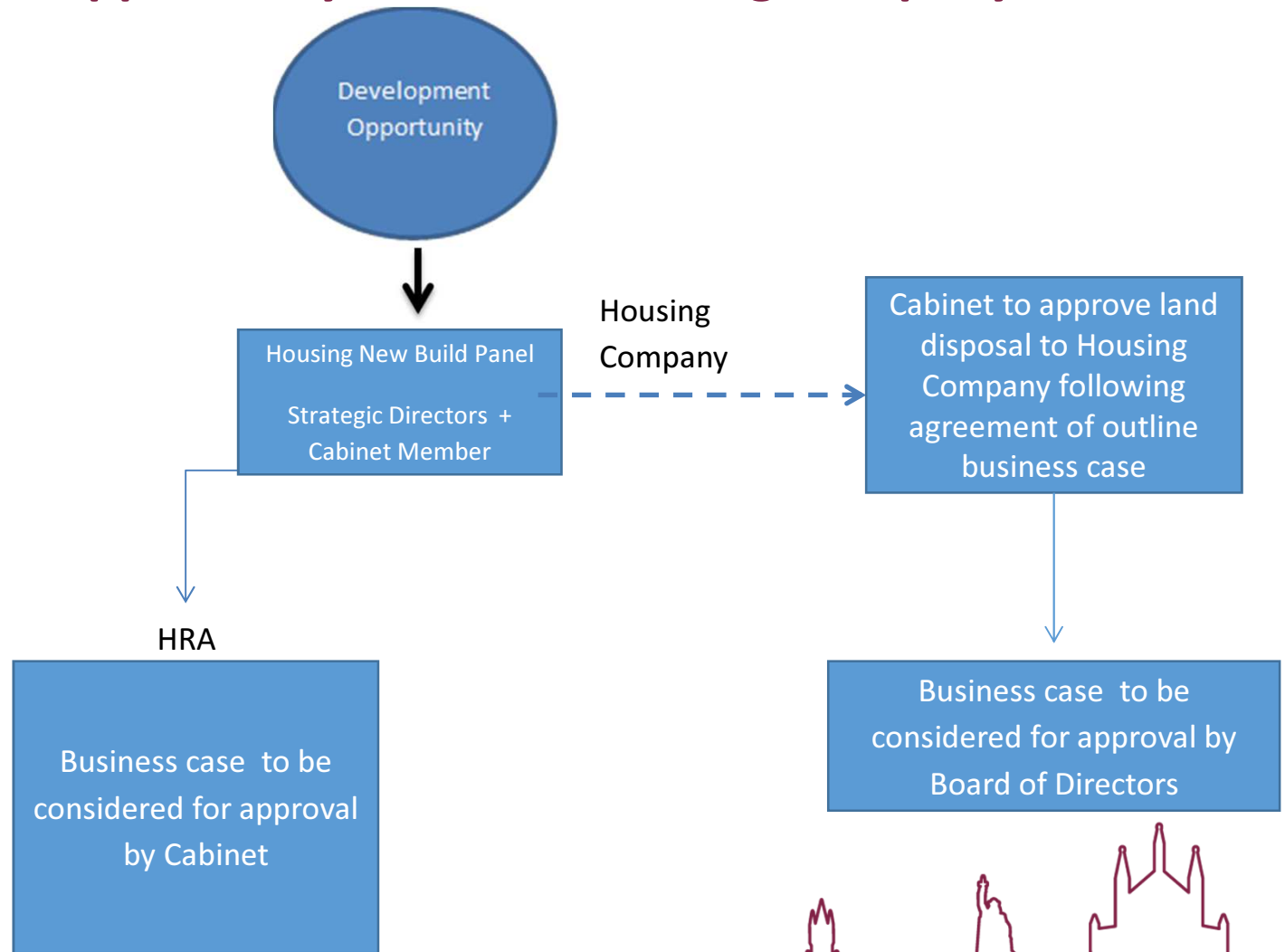
b) Balances

Shareholder Equity	338	1,604	2,500	2,500	2,500
Debtors with Housing Company	991	4,467	7,433	7,254	7,060
	1,329	6,071	9,933	9,754	9,560
General Fund Balances	16	110	229	290	350
PWLB Loan Balances	976	4,336	7,097	6,705	6,292
Capital Adjustment Account	338	1,625	2,607	2,759	2,917
	1,329	6,071	9,933	9,754	9,560

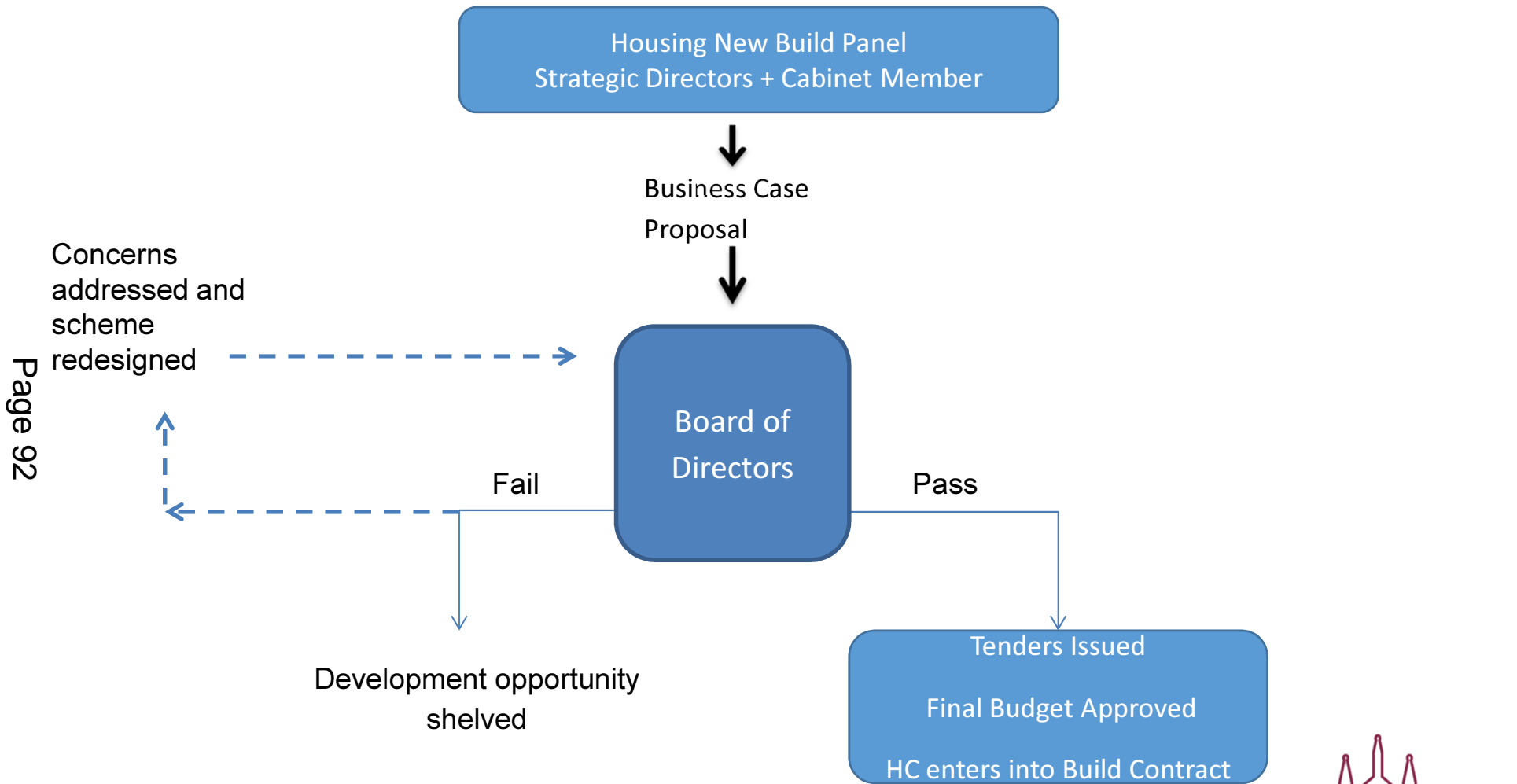
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Development opportunity – HRA or Housing Company?

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Housing Company Development Scheme



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CAB3191
CABINET
WINCHESTER TOWN FORUM

REPORT TITLE: LOCAL PLAN 2036 CONSULTATION AND ENGAGEMENT PROCESS

11 SEPTEMBER 2019 - WINCHESTER TOWN FORUM

18 SEPTEMBER 2019 - CABINET

REPORT OF CABINET MEMBER: Built Environment and Well Being

Contact Officer: Jenny Nell Tel No: 01962 848278 Email jnell@winchester.gov.uk

WARD(S): ALL

PURPOSE

This report sets out a programme for moving forward with Local Plan 2036, with a focus on how we will engage with communities and stakeholders across the District. This includes a refresh of the Vision for Winchester building on the earlier 2012 document. It is intended that consultation on the key matters to be included in Local Plan 2036 will take place during 2020.

RECOMMENDATIONS:

That the Winchester Town Forum consider the paper and provide any comments for the Cabinet Member in particular respect of

- Support the proposal to refresh the 'Vision for Winchester' building on the concept of the 2012 Vision document
- Agree that a supplementary budget estimate of up to £25,000 is allocated from Winchester Town Forum earmarked reserve to fund specific city related research and engagement to support this work

That Cabinet :-

1. Consider the views of Winchester Town Forum in respect of development of a Vision for Winchester and its subsequent role in informing policies to achieve appropriate development in the Forum area
2. Agree the engagement model for the emerging local plan as set out in the report
3. Agree that £50,000 is allocated from existing General Fund Local Plan budget to assist the Town Forum to prepare an update of the Vision for Winchester.

IMPLICATIONS:1 COUNCIL STRATEGY OUTCOME

- 1.1 The preparation of the district wide Local Plan 2036 provides an opportunity to reflect and reinforce in planning policies the positive outcomes for our communities which are at the core of the Council Strategy, thereby supporting its vision and objectives. The Local Plan is a key mechanism by which to deliver those elements of the Council Strategy and other strategies prepared by the Council, that are reliant on the use of land, the protection of the environment and the provision of infrastructure. The Local Plan will include policies to promote economic development and diversity reflecting the emerging Economic Strategy; allocate land for housing purposes and include policies to address specific housing needs across the District. Given the Council's declaration of a Climate Emergency it will include appropriate planning measures relating to climate change, in so far as national planning policy will allow. It will also provide controls on inappropriate or poor quality development across the District.
- 1.2 The Local Plan is required by national planning policy to promote sustainable development and will incorporate a range of policies to enhance the character and strengthen the communities of our towns and villages and to protect our countryside and natural resources. Provision of open space and green infrastructure are key planning requirements when considering new development and contribute to the health and well being of our communities.

2 FINANCIAL IMPLICATIONS

- 2.1 Resources needed to undertake preparation of Local Plan 2036 including procurement of the evidence base and community/stakeholder engagement have been approved as part of the budget process. Specific commissioning of the necessary reports and studies has commenced following approval via PHD868.
- 2.2 The current forecast external expenditure of approximately £560,000 for the period 2019/20 to 2021/22 is within existing budget projections and supported by the Local Plan reserve (opening 2019/20 balance of £454,000) as well as baseline revenue budget projections. This budget is also required to fund the update of the Councils' Community Infrastructure Levy (CIL) charging schedule, including its evidence base, preparation, consultation and examination processes.
- 2.3 The report (para 11) includes reference to the requirement to update the 'Vision For Winchester' last updated in 2012 (Winchester Town Forum report WTF 173 refers (12 June 2012)). Depending on the level of updating required including the need for stakeholder/community engagement and consultation, additional resources will be required to be allocated to this element of work. At present there is no capacity within the Strategic Planning Team to assist with this process and therefore additional resources will need to be secured

through a secondment or short term contract opportunity. This report proposes that a budget of £50,000 is identified from the existing General Fund Local Plan budget (reflecting that this work impacts on a wider area than just the city boundaries) and £25,000 from the Town Forum earmarked reserve to secure this resource. The Town contribution would significantly deplete the remaining uncommitted reserve balance and the replenishment of the reserve would need to be considered in the town budget setting process.

3 LEGAL AND PROCUREMENT IMPLICATIONS

- 3.1 It is a statutory requirement for the Council to have a district wide Local Plan in place and ensure it is relevant. The statutory provisions under which a Local Plan is made are within the Planning and Compulsory Purchase Act 2004 (as amended) and regulations made under the Town and Country Planning (Local Planning) (England) Regulations 2012 and The Environmental Assessment of Plans and Programme Regulations 2004. To not prepare a sound and up to date Local Plan runs the risk that the Secretary of State will 'step in' and prepare a Local Plan for the Council.
- 3.2 The National Planning Policy Framework (NPPF) and Planning Practice Guidance (PPG) contains guidance that must be met to enable a Council to approve a Local Plan, including the 'tests of soundness' that Local Plans are assessed against. A Local Plan must be justified, effective, positively prepared and consistent with national policy
- 3.3 The Local Plan Regulations, in particular Regulations 18 and 19 require very specific steps to be undertaken in respect of consultation to ensure that both statutory consultees and the wider communities' responses are taken into consideration during the plan making process. The steps outlined below reflect these statutory requirements, the risk of legal challenge will be avoided if the Local Plan meets the objectively assessed needs of the Council and the evidence is consistent with and has regard to the statutory framework and the requirements of the National Planning Policy Framework.
- 3.4 Procurement of the evidence base reports will be conducted in accordance with Contract Procedure Rules and/or the Public Contracts Regulations 2015 (PCR 2015), as necessary.

4 WORKFORCE IMPLICATIONS

- 4.1 Preparation of Local Plan 2036 is a key corporate district wide project (excluding the area within SDNP) which will be led by the Strategic Planning Team. Given the strategic nature of the plan, contributions from a number of teams across the Council, will be required, in particular housing, landscape/ecology, transport, finance, communications and legal.

- 4.2 The Strategic Planning Manager has secured another role with a neighbouring authority and it will be necessary to recruit to this post as soon as possible. It is anticipated that the Town Forum may wish to appoint an external resource to support development of the Vision for Winchester using the budget available, but this will still require some input from within the Strategic Planning team to manage the overall process.

5 PROPERTY AND ASSET IMPLICATIONS

- 5.1 There is opportunity to consider the impact of local plan policies on the Council's estate during the development of the plan.

6 CONSULTATION AND COMMUNICATION

- 6.1 National Planning Guidance and statutory requirements including the Local Plan Regulations 2012 require the preparation of Local Plans to demonstrate community and stakeholder engagement throughout the plan making process. The Council would always want such an important policy document to be the subject of wide and effective community engagement and it will follow the requirements of the Statement of Community Involvement which was updated in last year.

- 6.2 The Winchester Town Forum will consider this paper in advance of Cabinet and have opportunity to provide their views

7 ENVIRONMENTAL CONSIDERATIONS

- 7.1 The purpose of a local plan is to plan for sustainable development in accordance with national planning policy and guidance which has been recently revised. This is to ensure a balance of growth and change with protection and conservation being embedded in the local plan process. Furthermore, once a local plan is drafted it will be assessed against sustainability criteria which will also encompass strategic environmental assessment; habitat regulations assessment, equalities and health impact assessments.

8 EQUALITY IMPACT ASSESSMENT

- 8.1 The Public Sector Equality Duty (PSED) under section 149 of the Equality Act 2010 requires the Council, when exercising its functions, to have due regard to:
- (i) the need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
 - (ii) the need to advance equality of opportunity between persons who share protected characteristics and those who do not, and;
 - (iii) foster good relations between those who have protected characteristics and those who do not.

Note: 'Protected characteristics' are: age, sex, race, disability, sexual orientation, marriage and civil partnerships, religion or belief, pregnancy and maternity and gender reassignment.

- 8.2 The Council is committed to all of the above in the provision, procurement and commissioning of its services, and the employment of its workforce. In addition, the Council is also committed to improving the quality of life and wellbeing for all residents in respect of socio-economics and health determinants.

9 DATA PROTECTION IMPACT ASSESSMENT

- 9.1 The Council is required to engage with a range of organisations set out in legislation throughout the plan making process. Whilst a formal DPIA will not be required, it is worthwhile noting that the Local Plan process involves consultation with many individuals and organisations and the collection of large amounts of personal information. Meeting the requirements of the General Data Protection Regulation for the data gathered and held will be a significant additional responsibility.
- 9.2 All responses to consultations are 'redacted' of personal information as necessary prior to their publication on the Council's website.

10 RISK MANAGEMENT

- 10.1 The Local Development Scheme was updated in December 2018 (CAB3087(LP)) and this includes a high level risk assessment, which forms the basis of the identified risks below:

Risk	Mitigation	Opportunities
<i>Property</i>	N/A	
<p data-bbox="177 387 587 719"><i>Community Support</i></p> <p data-bbox="177 465 587 719">Preparation of a local plan requires extensive community and stakeholder engagement and consultation. This is documented at all stages and published.</p> <p data-bbox="177 757 587 1160">If the Vision for Winchester is updated in parallel with preparation of the Local Plan, there is a risk of confusion of the remit of each document – the Vision having a more aspirational and broader remit than a land use document such as the local plan.</p> <p data-bbox="177 1198 587 1637">A further consideration is that the larger settlements (Bishops Waltham/New Alresford etc) may also request a similar focus given their position in the existing settlement hierarchy and wish to develop their own visions through preparing/updating parish plans.</p> <p data-bbox="177 1675 587 1899">Denmead Parish has its own neighbourhood plan and has indicated that it wishes to update this in parallel with the LP2036 process.</p> <p data-bbox="177 1937 587 2038">Officers are also aware of additional communities (Kings Worthy) that are</p>	<p data-bbox="595 387 999 689">Given the level of interest in planning matters across the District, it is necessary to ensure sufficient time and staff resources are allocated to allow for comprehensive engagement.</p> <p data-bbox="595 1198 999 1496">The Council will work with these communities to ensure they are properly engaged in the Plan making process as was the case with the development of previous Local Plans.</p> <p data-bbox="595 1675 999 1899">The Council will work with the parish council to ensure there is alignment between the Neighbourhood and Local Plans.</p> <p data-bbox="595 1937 999 2038">The Council will work with these communities to ensure they are properly</p>	<p data-bbox="1007 387 1414 645">Methods of community engagement are set out in the Council's Statement of Community Involvement (SCI) which was revised and published in December 2018.</p> <p data-bbox="1007 683 1414 940">The Council sees the benefit of working collaboratively with local communities and opportunities to continue with this approach will be explored.</p> <p data-bbox="1007 978 1414 1202">It will be necessary to be clear with the remit of the local plan and any documentation linked with Winchester Town Forum and the larger parishes.</p>

<p>exploring the opportunity for preparing their own neighbourhood plan.</p>	<p>engaged in the Plan making process as was the case with the development of previous Local Plans.</p>	
<p><i>Timescales</i></p> <p>Preparation of the local plan is established in the Local Development Scheme which identifies key milestones.</p> <p>A number of evidence studies have been recently commissioned and the results of these are anticipated by end of November 2019. These are crucial to inform the emerging options to be explored.</p>	<p>Timescales expressed in the revised LDS allow for a number of processes to be undertaken in parallel particularly community engagement and commissioning of evidence studies.</p>	<p>The LDS anticipates that a draft plan (including draft policies and proposals) will be available for consultation during late 2019. This is no longer the case so at some point it will be necessary to update the LDS. At this time the intention is that a 'Local Plan Prospectus', will be published and consultation undertaken to explore current issues arising from the evidence base and potential options for resolution.</p> <p>It will however, be necessary to ensure that any updating of the Vision for Winchester, work with parish councils and associated evidence and engagement remains synchronised with local plan preparation.</p>
<p><i>Project capacity</i></p> <p>Preparation of the Local Plan and updating the Vision for Winchester and engagement with parishes, will involve both in-house resources consisting of officers of the Strategic Planning team and others within the Council, plus appointment of specialist consultants to prepare technical reports for the evidence base.</p>	<p>It will be necessary to ensure that adequate resources are in place to prepare both the Local Plan, update the Vision for Winchester and engage with parishes.</p> <p>Every effort should be made to fill staff vacancies rapidly with appropriately qualified and experienced staff.</p>	<p>Opportunities for joint evidence and engagement will be maximised</p>

<i>Financial / VfM</i>		
<i>Legal If legal processes are not followed correctly the plan could be found unsound or vulnerable challenged.</i>	<p>Statutory process and consultation requirements are clearly defined through both legislation and central government guidance and policy. It is important to ensure that these are followed.</p> <p>It is necessary to ensure that adequate resources are in place to work with the Local Plan team during the consultation and preparation of both the Local Plan, update the Vision for Winchester and engagement with stakeholders including the Parishes.</p>	
<i>Innovation</i>		
<i>Reputation Incorrect statutory procedures or consultation may lead to a reputational risk</i>	Ensure that the plan making process, including public engagement, accords with statutory requirements.	
<i>Other</i>		

11 SUPPORTING INFORMATION:

- 11.1 This report builds on the content of CAB 3158 reported to Cabinet in June 2019, which summarised current progress with Local Plan preparation through the workshops with parishes and commissioning of the evidence base.
- 11.2 Technical evidence recently commissioned includes the following, this data will be available by the end of November 2019 to inform the formulation of local plan policy expression:-
- a) Housing needs and population projections
 - b) Employment needs
 - c) Retail, Town Centre and Leisure Use needs

- d) Strategic Housing Market Assessment
 - e) Gypsy and Traveller Accommodation Assessment
 - f) Transport assessment (Stage 1)
- 11.3 These reports will present detailed data on the state of the District and future trends for growth and change summarised as 'objectively assessed needs'. This is required by National Planning Policy/Guidance, and addressing these needs through land use planning is what is required to be reflected in LP2036, whether this be expressed through allocations for new development or policies to promote/control certain types of development.
- 11.4 Preparation of a local plan/neighbourhood plan is a regulated process focussing on spatial planning and must be subject to independent examination prior to final adoption. However non planning documents such as parish plans/visions are simply reflective of local communities' aspirations for the locality and can cover a wider range of matters and be more general in their expression.
- 11.5 It is important that full and proper engagement is undertaken in line with the national requirements. In development of the previous Local Plan a successful approach was taken called Blueprint and we can draw upon this experience when moving forward with the new Plan. The key principles and timeline for the engagement process is set out at para 11.17.
- 11.6 A key issue is engagement with the Parish Councils. Opportunity has already been taken to brief the Parish and Town Councils on the emerging timetable for the Local Plan in sessions held in autumn 2018 and this was followed up by workshops held at the start of the year which were designed to help the Council prepare for the next steps in the plan making process.
- 11.7 The Winchester Town Forum, as the representatives of the non parished city areas agreed at their meeting of 12 June 2019 (Report WTF272 refers) that:

"The Forum considered the report which set out the draft work programme for the new Municipal Year, 2019/20 and asked Members to consider appointments to a number of Informal Groups. Following discussion, the Forum agreed for the following items and indicative terms of reference to be included in the Work programme for 2019/20:

1. Winchester Town Forum - future governance. *"to form a task and finish group of the Town Forum to consider options and to make recommendations to Cabinet"*

2. Planning for the future in Winchester. *"Proposals have come forward to the Town Forum - including an urban design framework and a neighbourhood plan. A task and finish group would consider the options and make early recommendations to Cabinet on preparation of*

a plan for Winchester Town to be adopted as an SPD under the LP refresh (2036)."

- 11.8 In accordance with item 2 the task and finish group has met and discussed options for consideration. A key requirement is to understand the broader aspirations for the Town area, an appropriate mechanism for this would be to update the Vision for Winchester which was last updated in 2012. This document sets out eight themes :-
- Encourage people to create economic prosperity
 - Care for our history, heritage and setting
 - Be a natural destination for visitors and shoppers
 - Provide new and affordable housing
 - Improve transport, infrastructure and air quality
 - Be a regional centre for creativity and culture
 - Create a green and environmentally friendly city
 - Be a town that supports safe and stable communities
- 11.9 It would be beneficial to assess each of these and determine if they are still relevant and what actions have taken place during the intervening period in terms of implementing projects and proposals that would contribute.
- 11.10 Numerous projects have been initiated – including the major projects of Station Approach, Central Winchester Regeneration and the new leisure centre, which would support a number of the themes, both individually and collectively.
- 11.11 Recent concerns highlighted by the Town Forum appear to focus on public realm and design aspects of how the City is growing and evolving with the impact new development is having on the character of certain areas of the town. An opportunity exists to update the Vision for Winchester to set out clearly future aspirations for the city along with future guidance which could provide the means to identify areas that are changing and how potential effects could be appropriately managed. A key challenge would therefore be how to accommodate new development and redevelopment proposals needed to support the sustainable growth of Winchester without compromising valued attributes of established neighbourhoods across the city (see 11.15 below).
- 11.12 The role of the Local Plan is to set out the land use requirements for the whole district outside SDNP for the period up to 2036, local plans have to comply with national planning policy/guidance and contribute to the achievement of sustainable development, the NPPF summarises this as *'meeting the needs of the present without compromising the ability of future generations to meet their own needs'*. The policy goes on to elaborate that achieving sustainable development means that *the planning system has three overarching objectives (economic, social and environmental), which are interdependent*

and need to be pursued in mutually supportive ways (so that opportunities can be taken to secure net gains across each of the different objective)

- 11.13 The NPPF requires plans to '*positively seek opportunities to meet the development needs of their area, and be sufficiently flexible to adapt to rapid change*' and at the heart of the framework lies a presumption in favour of sustainable development.
- 11.14 It is envisaged that Local Plan 2036 will include general design policies (as currently expressed in existing policies CP13, CP14, DM15- DM18), but it is not the right forum to be overly prescriptive as this would be contrary to the aims of the NPPF. The Local Plan will have to express the strategic priorities for Winchester looking ahead to 2036 and this will include reference to meeting housing, retail and employment needs. It is anticipated that policies will be required to identify new sites for development.
- 11.15 In relation to Winchester a suggested way forward is for the Town Forum is to adopt a two stage process:-
- Stage 1. To produce a new 'Vision for Winchester' through which to identify and articulate the key issues for the town area (which may be across a broad range of policy areas) so as to ensure that these can be properly reflected in the policies of the Local Plan as a whole and to guide and prioritise other projects and opportunities;
 - Stage 2. Once the policies of the Local Plan have begun to take shape, to undertake additional evidence gathering and produce more detailed guidance on which will shape the nature and form of development in the town area, for example through character assessments to inform design guidance, through better local infrastructure planning such as provision for pedestrian and cycling infrastructure or through specific projects to improve specific areas and for these to be expressed in formal documents in due course.
- 11.16 In terms of timings the immediate focus should be to ensure that the major issues and considerations for the town area are brought together in a new Vision for Winchester which can inform the emerging local plan.

11.17 Next Steps

It is therefore proposed that the following steps are instigated for the local plan and associated documents:-

11.18 Stage 1 – Preparation of a 'LP 2036 Prospectus'

Having gathered a range of evidence and reflecting its priorities in responding to the challenges of growth and change across the District, the City Council prepares and consults upon the principles and features of a development strategy. This would include explaining and identifying how it proposes to choose areas/sites for growth, achieve excellence in development proposals

of all types and to address the issues of climate change and low carbon. This document would endeavour to bring together the ambitions set out in other Council strategies, such as the Movement Strategy, to demonstrate how the next Local Plan could help to achieve these. This document will then be issued for consultation, probably in the early part of the 2020.;

11.19 Stage 2 – Engagement and Consultation on ‘Prospectus for LP 2036’

This stage consists of the Council inviting responses to that document and in particular:

- for the Town forum to produce a new ‘Vision for Winchester’ to identify those matters with a Winchester focus that require either a planning policy response in LP2036 or other Council strategy/action plan;
- for parish councils to be given the opportunity to identify any locally specific matters that require either a planning policy response in LP2036 or other Council strategy/action plan;
- options for resolution – meeting development needs, issues arising from evidence studies, growth around Winchester, locally derived development requirements elsewhere;
- Following the requirements of the Local Plan Regulations 2012, it is necessary to formally consult on the available documentation, this would be for a minimum of 6 weeks and made available through the website, Citizen Space online questionnaire and in libraries across the District.
- At this stage the Prospectus would be available to view, along with the evidence studies and any other local data for communities/parishes to assist them in commenting on the options presented for consideration.
- It is envisaged that this engagement/consultation would encourage local debate with workshops/forums to discuss the data presented and options identified. It is anticipated that this would be concluded by spring 2020.

11.20 Stage 3 – Feedback from Engagement and Consultation and production of a draft Local Plan

- it may be necessary to commission additional evidence, or explore points made with technical advisors depending on the level of comments made.
- Any feedback and emerging commentary would be reported for consideration, along with suggested actions/way forward;
- At this stage it will be necessary to translate the Prospectus into a draft Local Plan with chapters on settlements/spatial areas of the District (as per Local Plan Parts 1/2) and to include policies and allocations for new development.

- Further consultation on a draft local plan would be required following the requirements of the Statement of Community Involvement and the emerging local plan would be amended accordingly and published for formal consultation in late 2020.

11.21 Stage 4 – Pre- Submission Consultation

- By this stage the Local Plan strategy and policies would be established, however it is necessary under the Local Plan Regulations to hold a further consultation on the ‘soundness’ of the plan prior to submission of the document to the Planning Inspectorate for examination.
- Formal minimum 6 week consultation is required under Regulation 19 Town and Country Planning (Local Plan)(England) Regulations 2012. The current published Local Development Scheme, anticipates that the Pre-Submission consultation would take place at the end of 2020. This consultation is purely based around the tests of ‘soundness’ as set out in the NPPF 2019, rather than detailed content and proposals:-
- Positively prepared – meets the areas objectively assessment needs, including unmet needs of neighbours under the Duty to Cooperate
- Justified – an appropriate strategy based on evidence
- Effect – is deliverable
- Consistent with National Policy – enables the delivery of sustainable development

11.22 Stage 5 – Submission for Examination and Examination

- All documentation is submitted for independent examination against the tests of soundness (see above). The current LDS (Local Development Scheme) envisages submission in March 2021, however, it may be necessary to revise this, depending on the results of the previous stages.
- The examination consists of hearings where participants are invited by the planning inspector to contribute to the debate of matters identified for discussion.

11.23 Stage 6 – Modifications

- It is likely that through the examination process, modifications will be identified that not only resolve objections raised but also clarify the intention of policy expression.
- It is necessary for any proposed modifications to be subject to SA/SEA/HRA etc and consultation for a minimum of 6 weeks. Any

responses are then considered directly by the appointed planning inspector.

11.24 Stage 7 – Inspector’s Report and Adoption

- Following consultation on the proposed modifications, the inspector will prepare a report to the Local Planning Authority recommending if the Local Plan is sound or not. At this stage Main Modifications may well be recommended to make the plan sound.
- The Council’s procedures will then be applied to formally adopt the Local Plan as part of the development plan for the District. The current LDS (Local Development Scheme) envisages adoption in December 2021, but this will be highly dependent on the previous stages and results of the examination and inspector’s Report.

12 OTHER OPTIONS CONSIDERED AND REJECTED

- It is a statutory requirement to have an up to date local plan and failure to do so creates uncertainty for businesses and investment and for local communities having to deal with speculative planning applications.
- Government advice also emphasises the importance of having an up to date local plan, and of reviewing it as necessary every 5 years. Delay or failure to progress the local plan is not, therefore, a realistic option and would risk the existing Local Plan becoming out of date and planning decisions being made on the basis of national planning policy or by appeal.

13 BACKGROUND DOCUMENTS:-

Previous Committee Reports:-

Other Background Documents:-

None

APPENDICES:

None

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CAB3184
CABINET

REPORT TITLE: PREVENTING HOMELESSNESS AND ROUGH SLEEPING STRATEGY

18 SEPTEMBER 2019

REPORT OF CABINET MEMBER: Cllr Kelsie Learney Cabinet Member for Housing

Contact Officer: Kenna-Sian Young Tel No: 01962 848 234 Email
ksyoung@winchester.gov.uk

WARD(S): ALL

PURPOSE

The Homelessness Act 2002 placed a duty on Local Authorities to develop a strategy to prevent homelessness. The strategy should be formulated based on a comprehensive assessment and review of local homelessness within the District.

The Council's Preventing Homelessness and Rough Sleeping Strategy sets out the Council's key priorities for the next 5 years. The priorities and underpinning actions are set out in the Action Plan.

The Council's delivery of homelessness services has been recognised by the Ministry of Housing, Communities and Local Government as a 'Gold Standard' housing options service since 2017. Successes have included maintaining low levels of rough sleeping, no use of bed and breakfast for young people and families since 2012, against the national trend of increased use by other local authorities, and for robust partnership working within an established network of agencies.

These strengths place the Council in an excellent position to deliver the outcomes of the revised strategy over the next five years and of remaining a gold standard local housing authority.

RECOMMENDATIONS:

1. That Cabinet approves and formally adopts the Preventing Homelessness and Rough Sleeping Strategy 2019 – 2024.

IMPLICATIONS:

1 COUNCIL STRATEGY OUTCOME

- 1.1 Delivering quality housing options for all is one of the strategic outcomes for the Council.
- 1.2 In addition the priorities and accompanying action plan will also support the Council to achieve the 4th Council Strategy outcome to improve the health and happiness of the community.

2 FINANCIAL IMPLICATIONS

- 2.1 The delivery of homeless prevention services is supported by Government grants allocated specifically to help the Council fulfil its obligations under the national homelessness agenda.
- 2.2 The Council have had confirmed funding of the Flexible Homelessness Support Grant for 2019/20 of £154,479 for the purpose of supporting the Council toward the expenditure lawfully incurred by preventing and dealing with homelessness. A further £26,560 has been awarded as part of the New Burdens Funding associated with the Homelessness Reduction Act. The previously awarded Homelessness Prevent Grant is now received by the Council as part of core funding. Although the grant figures for future financial years have not been announced, by reporting quarterly returns the service demonstrates the need for continued funding.
- 2.3 The Council has co-commissioned provision to support the introduction of a Housing First project in the city (in line with the co-commissioning principals approved in report CAB3054 (HSG)). This service is co-commissioned with Hampshire County Council and solidifies the partnership and commitment to tackling homelessness in the district. The funding and new Housing First provision supports individuals to recover from crisis and meets our statutory duties to prevent and relieve homelessness under the Homelessness Reduction Act 2017.
- 2.4 In order to achieve the priorities of the strategy there will be a reliance on grant funding which is not guaranteed long term. The Council will need to ensure they remain committed to the prevention of homelessness agenda and use funding in a creative way to meet the needs of the district.

3 LEGAL AND PROCUREMENT IMPLICATIONS

- 3.1 A local housing authority has a duty under the Housing Act 1996 to secure that accommodation is available for eligible applicants who are homeless, in priority need and not intentionally homeless. Once the local housing authority is satisfied that a housing duty is owed, it may discharge its duties by making:
 - a) an offer of suitable accommodation under section 193 of the Housing Act 1996;
 - b) a final offer of suitable accommodation by way of allocation through Part 6 Housing Act 1996; or

- c) an offer of an assured shorthold tenancy with a private landlord (d) referring the applicant to another local housing authority.
- 3.2 The introduction of the Homelessness Reduction Act 2017 has increased the Council's obligations, which encourages local authorities to intervene at an earlier stage to prevent homelessness and to improve the provision of support to anyone who is eligible and homeless, regardless of priority need or intentional homelessness. The Act has also changed the timeframe so that "a person is threatened with homelessness if it is likely that he will become homeless within 56 days" instead of 28 days. The two additional duties introduced are as follows: a) the "Prevention Duty" where an authority has to take reasonable steps to help the applicant to secure that accommodation does not cease to be available'. i.e. prevent the threatened homelessness of anyone eligible (s4) b) the "Relief Duty" applies to all eligible people who are homeless, where the authority has to take reasonable steps to help the applicant to secure that suitable accommodation becomes available(S5)
- 3.3 The Homelessness & Rough Sleeping Strategy Action Plan includes the involvement of voluntary sector agencies that have been consulted during the course of the review and any relevant interested parties.
- 3.4 A services or works that are to be commissioned to meet the priorities set out in the Strategy will be undertaken in accordance with the Council's Constitution, Financial Procedure Rules and Contract Procedure Rules.
- 3.5 The introduction of this Strategy does not introduce any new statutory duties for the Council as the service works in accordance with the Homelessness Reduction Act 2017 and the Homelessness Act 2002.

4 WORKFORCE IMPLICATION

- 4.1 The intention is to prioritise existing staff time and resources with the Housing & Social Inclusion service as well as the time of partners to implement the strategy. Should it be identified in due course that additional staff resources are required; in the first instance consideration will be given to using temporary project/support resources from other relevant services. Should this not meet demand then consideration will be given to using grants provided by MHCLG for prevention of homelessness activities or identifying relevant funding opportunities that are made available. Consideration will need to be given to the fact that grant entitlement fluctuates year on year and cannot be relied upon as a consistent income stream.

5 PROPERTY AND ASSET IMPLICATIONS

- 5.1 84-86 Sussex Street has historically been used as a homeless hostel as part of the Council's temporary accommodation stock. The purchase of Milford House, Christchurch Road from a Registered Provider in November 2016 enabled the Council to complete a review of its temporary accommodation stock. It was recognised that the Sussex Street homelessness provision was in need of refurbishment and that this provided an opportunity to reconsider its usage. The property has been converted into 12 self contained units of

accommodation to support the Preventing Homelessness and Rough Sleeping Strategy aim to provide bespoke accommodation for rough sleepers through a Housing First approach.

- 5.2 The Sussex Street provision has been empty for 18 months and will be brought back in to use this year through a lease arrangement with Two Saints a recognised supported housing provider.

6 CONSULTATION AND COMMUNICATION

- 6.1 The strategy has been developed in consultation with partner organisations and customers. An independent housing consultant was commissioned to review the current local systems and support in place to prevent homelessness and rough sleeping, canvassing views from a number of partner agencies, as well as meeting with individuals currently accessing local homelessness services.

- 6.2 Consultation was also undertaken with housing teams delivering the service and with customers accessing the services offered by the Trinity Day Centre and Winchester Churches Nightshelter.

- 6.3 Identified areas of continuous improvement within the strategy review process formed part of a consultation event held in January 2019, with local members and a network of partner agencies.

- 6.4 To further capture customer feedback a service questionnaire was circulated to both customers and local services.

- 6.5 The report and strategy has been reviewed and approved by the TACT support group. The group asked that this report notes the feedback provided in respect of local connection. That the strategy primarily concentrates support and assistance on local residents and not those that arrive from out of district.

- 6.6 The report and strategy has been reviewed and approved by the Business and Housing Policy Committee on 18 June 2019. Committee Members complimented officers in respect of the robust partnership working theme within the strategy and commitment to pursue co-commissioning opportunities of service delivery. The 'City Lets' ethical landlord offer was endorsed with encouragement to grow the scheme through the establishment of the housing company. The strategy has since been amended to reflect Committee feedback to reduce the number of aims and objectives within the 4 priority areas of the strategy to provide a more realistic framework of delivery.

7 ENVIRONMENTAL CONSIDERATIONS

- 7.1 Improved housing environment for rough sleepers through a bespoke housing provision.

8 EQUALITY IMPACT ASSESSEMENT

8.1 The Council is required when exercising its functions to comply with the duty set out in section 149 of the Equality Act 2010, namely to have due regard to the need to eliminate unlawful discrimination, advance equality of opportunity between those who share a protected characteristic and those who do not, and foster good relations between those who share a protected characteristic and those who do not. An Integrated Impact Assessment was completed on 16th August 2019.

9 DATA PROTECTION IMPACT ASSESSMENT

9.1 Data sharing agreements and housing options privacy statements are in place in line with GDPR requirements.

10 RISK MANAGEMENT

Risk	Mitigation	Opportunities
<i>Property</i>		
<i>Community Support-</i> Failure to prevent homelessness and end rough sleeping across the district by 2023.	Partnerships in place to deliver shared objectives within the Preventing Homelessness & Rough Sleeping Strategy at both strategic and operational levels.	Increased partnership working and co-commissioning opportunities with stakeholders.
<i>Timescales</i> Failure to deliver the aims and objectives of the Preventing Homelessness & Rough Sleeping Strategy action plan within timelines.	Annual monitoring of the strategy action plan. Reviewing service trends and demands.	Opportunities to celebrate and publicise the successes of the Preventing Homelessness & Rough Sleeping Strategy.
<i>Project capacity.</i> Impact of changed local and national initiatives over the lifetime of the Preventing Homelessness & Rough Sleeping Strategy	Working closely with central government homelessness advisors. Reviewing sector trends.	Opportunity to positively enhance the Council's reputation through delivering of the strategy action plan.
<i>Financial / VfM</i> Failure to invest in homelessness services reducing the effectiveness of the Preventing Homelessness & Rough Sleeping Strategy. Government grants undetermined after this	Continued Corporate commitment to the prevention of homelessness agenda. Government grants/general fund prioritised to support the delivery of	Opportunities to maintain the Council's reputation and Gold Standard status by reducing homelessness and ending rough sleeping. Future funding

financial year.	homelessness services.	opportunities from Central Government through positive homelessness statistical returns.
Legal Failure to comply with statutory duties as outlined in the Homelessness Reduction Act (2017)	Regular training opportunities to ensure officer and service delivery comply with the HRA legislation. Robust policies and procedures.	Opportunities to maintain the Council's reputation and Gold Standard status by reducing homelessness and ending rough sleeping.
<i>Innovation-</i> Opportunity to reduce rough sleeping and homelessness through new strategy initiatives and a new 'housing First' provision.	Partnership working.	Opportunities to maintain the Council's reputation and Gold Standard status by reducing homelessness and ending rough sleeping.
<i>Reputation-</i> Failure to deliver the aims and objectives of the Preventing Homelessness & Rough Sleeping Strategy.	Annual monitoring of the action plan and regular review of strategic priorities.	Opportunities to celebrate and publicise the successes of the Preventing Homelessness & Rough Sleeping Strategy.
<i>Other</i>		

11 SUPPORTING INFORMATION:

11.1 BACKGROUND

11.2 The homelessness sector has been through significant change since the last Preventing Homelessness Strategy was published in 2014. Including the introduction of new legislation in 2017, in the form of the Homelessness Reduction Act (HRA). The biggest change in homelessness legislation in 40 years.

11.3 The HRA legislation placed new duties on local authorities to prevent and relieve homelessness for all eligible applicants regardless of priority need and brought new duties to prevent and relieve homelessness with 4 key measures:

- Extension of the definition of threatened with homelessness from 28 to 56 days
- A new duty to prevent homelessness for all eligible applicants threatened with homelessness, regardless of priority need.
- A new duty to relieve homelessness for all eligible applicants regardless of priority need, and

- A new duty to refer for specified public services to notify the LA if they come in to contact with someone who they believe may be at risk of homelessness.

11.4 In 2017, the Council's housing options service achieved the Government's Gold Standard award for its committed approach to preventing and tackling homelessness for all. The first local authority in the County and only the fifth nationally to achieve the award. At the same time the 2014 Preventing Homelessness Strategy set out the prevention aims of the Council's homelessness service which aligned with the government intentions within the new HRA legislation.

As a Council already working within the new legislative measures it was a welcome change which endorsed our strategic approach of early intervention and preventative work through a robust partnership working approach.

11.5 The new Preventing Homelessness and Rough Sleeping Strategy 2019 - 2024, continue to build on early intervention and preventative work with our network of partnership agencies. It also introduces the concept of co-production opportunities to enable those with lived experience of homelessness a voice in the way the Council plans and delivers its homelessness services.

11.6 The Preventing Homelessness and Rough Sleeping Strategy identify 4 key delivery priorities.

1. Provide early intervention and support to prevent homelessness.
2. Promoting systems change through partnership arrangements.
3. Ensuring sufficient supply of accommodation.
4. Provide the right support and services so that no one needs to sleep rough.

11.7 There is no single reason why someone can end up without a home. Often someone facing homelessness approaches the Council for housing assistance when they are at the end of their homelessness journey having suffered many crisis and interactions with other public bodies and voluntary sector services a long the way. The new Preventing Homelessness and Rough Sleeping Strategy remains committed to tackling the wider issues of homelessness through a multi agency person centered approach.

11.8 The Ministry for Housing, Communities and Local Government published its Rough Sleeping Strategy in 2018, with an ambition to halve rough sleeping by 2022 and eradicate it by 2027. The MHCLG expects all local authorities to have robust plans within their homelessness strategies to support its aim to eradicate rough sleeping.

11.9 In 2018, the Council introduced a multi agency Social Inclusion Group to bring together a network of senior decision makers to challenge established systems and to effect change. With an ambitious pledge to reduce rough sleeping in the Winchester City Centre by 2020 and to end rough sleeping within the Winchester district by 2023’.

11.10 The Preventing Homelessness and Rough Sleeping Strategy has a range of commitments to help those rough sleeping or at risk of doing so, through a model focused on prevention, early intervention and a rapid rehousing approach to recovery.

11.11 CONCLUSION

11.12 The Preventing Homelessness and Rough Sleeping Strategy clearly set out the practical ways the Council will achieve its aims and objectives. Including the Council’s commitment to continue to not use bed and breakfast accommodation for young people and families and to ensure that no one needs to sleep rough within the Winchester district by 2023.

11.13 The Council recognises that homelessness is a complex issue that cannot be solved by the Council alone. The Preventing Homelessness and Rough Sleeping Strategy will continue to build a stronger network of partnerships and services to help deliver its strategic priorities.

11.14 An effective Homelessness Prevention and Rough Sleeping Strategy and its action plan are key tools in helping to deliver our objectives in meeting the needs of the most vulnerable and excluded members of our community. By providing targeted help and support at the right time, right place and in the right way. Supporting people to maintain a stable home and preventing people becoming homeless in the first place.

12 OTHER OPTIONS CONSIDERED AND REJECTED

12.1 None as the Homelessness Act 2002 places a duty on Local Authorities to develop local strategies to prevent homelessness.

BACKGROUND DOCUMENTS:-

Previous Committee Reports:-

CAB3054(HSG), THE FUTURE OF HOMELESSNESS SERVICES AND SUPPORT IN WINCHESTER, 4 JULY 2018

[CAB3054\(HSG\)](#)

BHP004, PREVENTING HOMELESSNESS & ROUGH SLEEPING STRATEGY, 18th JUNE 2019

[BHP004](#)

Other Background Documents:-

Journey to the Pledge, Karina Christiansen, Spirende Ltd October 2018

[Journey to the Pledge](#)

Homelessness Reduction Act (2017)

<http://www.legislation.gov.uk/ukpga/2017/13/contents>

APPENDICES:

Appendix 1 – Draft Preventing Homelessness & Rough Sleeping Strategy 2019-2024

[Draft Preventing Homelessness & Rough Sleeping Strategy 2019-2024](#)

Appendix 2 – Preventing Homelessness & Rough Sleeping Action Plan 2019-2024

Appendix 1



Preventing Homelessness & Rough Sleeping Strategy 2019-2024



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Foreword by Portfolio Holder

Homelessness remains a constant theme in our work and the council remains committed to early intervention and preventing homelessness wherever possible through a network of partnership working.

This strategy clearly sets out the practical ways the council will achieve its aims and objectives including the council's corporate commitment to not use bed and breakfast accommodation and to ensure that no one needs to sleep rough within the Winchester district by 2023.

An effective Homelessness Prevention and Rough Sleeping Strategy and its Action Plan are key tools in helping to deliver our objectives in meeting the needs of the most vulnerable and excluded members of our community by providing targeted help and support to enable them to prevent homelessness and sustain tenancies

We have seen an upturn in approaches for housing advice and assistance from people facing homelessness and officers are focussing a great deal of attention on delivering an effective package of preventative measures a key part of our approach in tackling the causes of homelessness.

A focus by officers on early intervention work avoids the need to take corrective action later and deliver's more efficient and cost effective homelessness prevention services. There are clear proven cost benefits to developing preventative services rather than relying on expensive and reactive emergency provision such as bed and breakfast and other temporary accommodation.

In 2018, a strategic multi agency Social Inclusion Group was introduced to bring together a network of senior decision makers to effect established system changes and reduce duplication of effort, ensuring the prevention of homelessness is central to all our partners work.

When someone facing homelessness approaches the council for housing assistance they are often at the end of their homelessness journey having suffered many crisis and interactions with other public bodies and voluntary sector services a long the way.

Our strategic aim is that agencies work together and in partnership to support those at risk of homelessness. Together we need to think about how we can prevent all households from reaching a crisis point that results in homelessness and in some cases the need to sleep rough. We need to ensure that every contact we make with vulnerable households' makes a difference bringing together all our skills and resources to prevent homelessness and rough sleeping.

We know we can not solve all the issues alone and that homelessness is a complex issue and is not always solved by simply putting a roof over someone's head and as such we will continue to build a stronger network of partnerships and services to help deliver our strategic vision.

We strongly believe that our strategic theme of early intervention and prevention work, supported by our network of partners and local communities will ensure we find positive ways to support people to maintain a stable home and prevent people becoming homeless in the first place

Since the previous Homelessness Strategy the following significant outcomes have been achieved.

- Gold Standard award for the Housing Options team.
- No bed and breakfast placements for young people and families
- Maintained low level rough sleeping numbers.
- Introduced a 'City Lets' scheme as an alternative and ethical private landlord offer to help people in housing need secure private rented accommodation
- Co-commissioned homelessness services in partnership with Hampshire Country Council and Registered Providers.
- Increased the supply of supported housing units.
- Increased the supply of Council owned affordable housing and delivery of an Extra Care scheme.
- Established a co-commissioned assertive outreach team to identify and support people rough sleeping at the earliest opportunity.
- Established a strategic multi agency Social Inclusion Group (SIG) to effect system change across partnership working opportunities.
- Become a member of the MEAM (Making Every Adult Matter) charitable network.
- Embedded the Supporting Families programme within Housing Services.
- Co-location of Citizens Advice within the Council Offices
- Introduced a discretionary Disabled Facilities Grant programme to keep people living with disabilities in their own home.
- Produced an Empty Homes Strategy and a register of empty homes offering support to property owners to bring homes back in to use.
- Exceeded the government's local target to accommodate and settle vulnerable Syrian Refugees.

The Preventing Homelessness and Rough Sleeping Strategy Delivery Priorities.

- 1. Provide early intervention and support to prevent homelessness.**
- 2. Promoting systems change through partnership arrangements.**
- 3. Ensuring sufficient supply of accommodation.**
- 4. Provide the right support and services so that no one needs to sleep rough.**

Cllr Kelsie Learney
Winchester City Council
Portfolio Holder for Housing

Introduction

The homelessness sector has been through significant change since the last Preventing Homelessness Strategy was published in 2014. This includes the introduction of new legislation in 2017, in the form of the Homelessness Reduction Act, the biggest change in homelessness legislation in 40 years.

The impact of welfare reform has resulted in many more people being at risk of homelessness. Frozen Local Housing Allowance rates have reduced access to the private rented housing sector for vulnerable households.

Homelessness is a complex issue that cannot be solved by one organisation alone with a range of social and economic factors contributing to the causes of homelessness. Many of these issues are not housing related. Childhood trauma has been linked to drug and alcohol abuse in later life as well as domestic abuse and mental health issues often leading to homelessness and rough sleeping.

The impact of homelessness can be devastating and damaging with long term consequences for those affected. The Council is committed to tackling the causes of homelessness, to prevent and reduce homelessness and end rough sleeping within the Winchester district by 2023. 'Delivering quality housing options' is a key strategic outcome and corporate commitment within the Council strategy with an objective 'To drive down homelessness across the district and support partner agencies in the drive for an improved life for those in need'.

The new Preventing Homelessness and Rough Sleeping Strategy 2019-2024, will continue to build on early intervention and preventative work through our network of partnership agencies. It also introduces the concept of co-production an opportunity to enable those with lived experience of homelessness to be heard and to contribute to the way the Council plans and delivers its homelessness services.

Winchester is an attractive district with a strong economy and varied cultural life but there are also inequalities of both health and wealth. The revised strategy explores joint working collaboration opportunities through a systems change approach to tackle the complex issues of homelessness.

The updated strategy clearly sets out the practical ways the Council will achieve its aims and objectives. This includes the Council's commitment to continue to not use bed and breakfast accommodation for young people and families and to ensure that no one needs to sleep rough within the Winchester district by 2023.

A homeless review and assessment of local homelessness was undertaken to identify key issues and trends. The Homelessness Review Report is found on the Council's website. The report includes consultation undertaken to inform the 4 key strategic delivery priorities.

Our vision

Everyone within the district receives meaningful advice to prevent homelessness and access to services to ensure that no one needs to sleep rough.

Our vision and the strategy focus on 4 key delivery priorities:

- Provide early intervention and support to prevent homelessness.
- Promoting system change through partnership arrangements.
- Ensuring sufficient supply of accommodation.
- Provide the right support and services so that no one needs to sleep rough.

The key priorities align with the introduction of the Homelessness Reduction Act 2017, which encourages local authorities to intervene at an earlier stage to prevent homelessness and to improve the provision of support to anyone who is eligible and homeless, regardless of priority need or the reason for homelessness.

The need for an effective and collaborative approach to tackling homelessness and its root causes is embedded within our strategic vision through partnership working opportunities.

The Council introduced a multi agency Social Inclusion Group in 2018, to bring together a network of senior decision makers to challenge established systems and to effect change. With an ambitious pledge to reduce rough sleeping in the Winchester City Centre by 2020 and to end rough sleeping within the Winchester district by 2023.

To support the work of the Social Inclusion Group the Council became a member of the MEAM (Making Every Adult Matter) charitable network last year in recognition of the Council's development of local partnership working. Our vision is to further develop a collaborative problem solving approach to tackling the root causes of social problems associated with homelessness.

Progress delivery of the Preventing Homelessness Strategy 2014-19

In 2017, the Council's housing options service achieved the Government's Gold Standard award for its committed approach to preventing and tackling homelessness for all. The Council was the first local authority in the County and only the fifth nationally to achieve the award.

The 2014 Preventing Homelessness Strategy underpinned the award with its early intervention and prevention plans for the Council's housing options service. The aims and objectives of the strategy were set out and aligned with the governments 'Gold Standard' qualifying criteria. Providing advice and assistance to all at risk of homelessness regardless of whether they met the Housing Act 1996, tests of homelessness. This positive approach meant that the Council was in an excellent position to deliver the new Homelessness Reduction Act 2017, enacted in 2018.

The Homelessness Reduction Act placed new duties on local authorities to prevent and relieve homelessness for all eligible applicants regardless of priority need and brought new duties to prevent and relieve homelessness with 4 key measures:

- Extension of the definition of threatened with homelessness from 28 to 56 days.
- A new duty to prevent homelessness for all eligible applicants threatened with homelessness, regardless of priority need.
- A new duty to relieve homelessness for all eligible applicants regardless of priority need.
- A new duty to refer for specified public services to notify the LA if they come in to contact with someone who they believe may be at risk of homelessness.

Through our strategy work we have maintained and introduced the following headline achievements:

- No bed and breakfast placements for young people and families since 2012.
- Maintained low levels of rough sleeping numbers.
- Improvement of the Council's temporary accommodation stock.
- Increased supply of supported housing units.
- Accommodated families through the Councils 'City Lets' ethical landlord Private Rented Housing offer.
- Established a multi agency Universal Credit project group to mitigate the roll out of UC across the district.
- Embedded partnership working within our service delivery.

Further details in respect of strategic achievements are listed within the Member Foreword.

Consultation and Communication.

The strategy has been developed in consultation with partner organisations and customers. An independent housing consultant was commissioned to review current local systems and the support in place to prevent homelessness and rough sleeping. Canvassing views from a number of partner agencies, as well as meeting with individual's currently accessing local homelessness services.

The scope of the report was based on 5 priority areas.

- The current situation in relation to homelessness and rough sleeping by canvassing views from internal council staff and managers, partner agencies, and individuals currently within the system.
- Understanding the part partner agencies play and their strengths, values and assets.
- Identify what systems need reviewing.
- Identify outcomes that individuals /organisations are seeking.
- Identify who has the potential and desire to champion, advocate and lead.

Consultation was also undertaken with housing teams delivering the service and with customers accessing the services offered by the Trinity Day Centre and Winchester Churches Nightshelter.

Identified areas of continuous improvement within the strategy review process formed part of a consultation event held in January 2019, with local members and a network of partner agencies.

To further capture customer feedback a service questionnaire was circulated to both customers and local services.

The Strategy and its identified priorities have been reviewed by a Council Member lead Business and Housing Policy committee.

The Council's tenant participation group 'Tenants and Council Together' (TACT) were consulted on the final draft of the strategy.

Delivering the 2019-2020 Preventing Homelessness and Rough Sleeping Progress

The Council's delivery of homelessness services has been recognised by the Ministry of Housing, Communities and Local Government as a 'Gold Standard' housing options service since 2017. Successes have included maintaining low levels of rough sleeping, no use of bed and breakfast for young people and families since 2012, against the national trend of increased use by other local authorities, and for robust partnership working within an established network of agencies.

These strengths place the Council in an excellent position to deliver the outcomes of the revised strategy over of the next five years and of remaining a best practice local housing authority.

Reducing homelessness and rough sleeping through early intervention and preventive work across the Winchester district remains a key delivery priority within the strategy. However, finding lasting change and effective solutions will require a systems change approach to address the root causes of social problems associated with homelessness.

The multi agency Social Inclusion Group has been introduced in an attempt to effect change of practices within local agencies through a joined up collaborative approach. We need to work together in partnership to map local systems, understand the needs of our customers and available assets, foster a learning culture and share leadership responsibilities. This strategy fully adopts such a new way of working. The alternative is to continue to simply mitigate challenges and contribute to future system failures for those at risk of homelessness and rough sleeping on our streets.

A focus on early intervention work is a theme throughout the strategy building on the delivery progress of the 2014-19 strategy. It is proven that an early intervention approach avoids the need to take corrective action later and delivers more efficient and cost effective homelessness prevention services. There are clear proven cost benefits to developing preventative services rather than relying on expensive and reactive emergency provision such as bed and breakfast and other temporary accommodation.

Since the implementation of the Housing Reduction Act 2017, the footfall to the housing options service has seen a slight increase with 1,494 enquiries in 2017/18, increasing to 1,641 in 2018/19. Accepted homeless cases saw a slight increase too from 36 cases in 2017/18 compared to 40 in 2018/19. These small increases in service delivery demonstrates that the Council continues to build on its early intervention and prevention work. Avoiding the use of costly emergency and temporary accommodation placements and only accepting the main housing duty in a small number of cases.

The Council will continue in its quest to maintain nil use of unsuitable bed and breakfast for young people and families. A pledge made and maintained since 2012.

This strategy fully embraces the introduction of a rapid rehousing approach to recovery for those found sleeping rough. An approach that aligns with the Ministry for Housing, Communities & Local Government published Rough Sleeping Strategy. The Council is already proactive in this area of work and as such continues to maintain low numbers of rough sleeping within the City Centre through a model focused on early intervention and prevention supported by a proactive 5 day a week outreach service. The outreach service will continue to be a focus of support through a robust and new improved partnership outreach service which will increase outreach times to cover evenings and weekends.

To support the rapid rehousing approach the Council has co-commissioned provision to support the delivery of a Housing First project within the City Centre in partnership with Hampshire County Council which solidifies the partnership working theme of this strategy.

The funding and new Housing First provision will support individuals to recover from crisis and meets the Council's statutory duties to prevent and relieve homelessness under the Homelessness Act 2017.

Strategic Priorities & Objectives

1. To provide early intervention and support to prevent homelessness across the district

- Providing early intervention opportunities to prevent and relieve homelessness through the frontline housing options triage service.
- Developing a holistic person centered approach to all housing options assessments. Enabling access to the service through flexible approaches such as home visits, accessible offices, assertive outreach team and drop in surgeries.
- Explore opportunities to prevent future homelessness from occurring through education programmes in schools, family projects, and care leaving teams. Develop pre eviction protocols with social housing landlords through the promotion of early intervention work and support.
- Develop lead housing officers to champion housing options and support for bespoke groups. Such as victims of domestic abuse, young care leavers, people suffering mental illness and those with complex needs. Prison leavers and those leaving hospital with no housing in place.
- Establish a community in house tenancy sustainment and floating support service across all tenures. An identified need and gap in service delivery following local funding cuts.
- To explore all grant funding opportunities to support the work of the strategy.
- Working with partner agencies and the voluntary sector to support the implementation of the 'Duty to Refer' through robust referral opportunities and joint service level agreements.

2. Promoting systems change through partnership arrangements

- Promoting district wide systems of change through the multi agency Social Inclusion Group. Increasing membership of the group, targeting gaps in attendance and joint funding opportunities.
- Establishing the Winchester District as a Make Every Adult Matter (MEAM) approach area. To design and deliver better coordinated services as a partnership. Delivering on whole systems change through an early intervention, prevention and recovery focused model.
- Explore opportunities to engage with physical and mental health services to provide positive interventions to reduce crisis through joint working practices.
- Attend the Hampshire wide 'Keep Well Collaborative' to deliver services in partnership with Health and Social Care.
- Reduce duplication of effort through the Social Inclusion Group. Ensuring optimal and effective deployment of resources, assets and skills (right people, right place, and right time) by mapping and carrying out a review of local homelessness services.
- Promoting and achieving safe and thriving civic space to be enjoyed by all (reduce ASB, Crime and vulnerability, raise public awareness, and increase safeguarding).
- To engage with Expert Link to coordinate a local network group containing professionals and those with lived experience to identify local priorities and find sustainable solutions, developing co-created systems and services in partnership.

3. Ensuring sufficient supply of accommodation

- Explore joint commissioning and funding opportunities with partner organisations to increase the supply of housing provision for vulnerable households.
- Increase the supply of local move on accommodation for vulnerable households.
- Introduce a housing company to drive forward the development of mixed tenure affordable housing options across the district.
- Provide an effective, fair and transparent process to access affordable social housing.
- Apply a rapid re-housing response to rough sleeping through a renewed assertive outreach service.
- Establish a Housing First led model of housing provision for those with multiple needs excluded from mainstream accommodation.
- Expand the City Lets scheme through a communication plan to increase the numbers of landlords participating in the scheme.
- Work with our Private Sector Housing team to bring empty properties back into use.
- Introduce a Landlords Forum.
- Promote independence and support the creation of accessible homes for people living with disabilities and those with support needs access to the accommodation and support they need.
- Review the Council's Older Persons Housing Strategy to enable those with care and support needs to have a choice of suitable and affordable accommodation.
- Work in collaboration with partner agencies to ensure those leaving supported housing will be tenancy ready and can successfully sustain move on accommodation.
- Support residents with the impact of welfare reform.
- Work with the Council's New Homes Delivery team, developers and Registered Providers to increase a supply of suitable and affordable housing options.
- Pursue co-commissioning of Homelessness Support Services in partnership with Hampshire County Council.

4. Provide the right support and services so that no person needs to sleep rough in Winchester.

- Develop support services which are led by an individual's strengths and needs to promote positive engagement and a pathway out of rough sleeping.
- Review the outreach provision to ensure support is targeted to meet the needs of those sleeping out for the first time, those returning to the streets and for single women rough sleeping.
- Promote the MEAM approach bringing together good will, passion and business objectives of services through the Social Inclusion Group. Identify clear joint aims and a framework of support.
- Develop a local peer mentoring support service for those working towards recovery.
- Embed trauma informed principles within staff work practices through an established framework and staff training opportunities.
- Explore the role of local 'navigators' to support different forms of innovative interventions to assist people out of rough sleeping.
- Capture and evaluate outreach intelligence and identify early indicators of rough sleeping to prevent street attachment.
- Reduce street activity through a communication plan and promotion of the alternative giving scheme 'Spare Change for Lasting Change'.
- Engaging members of the public, Council employees and the business community to support those at risk of rough sleeping through increase promotion of the national Street Link service to help identify rough sleeping and hot spots.

Links to other Council Strategies and Polices

The strategy should be considered within context of a range of other housing strategies and policies which are inter-dependent.



Other strategies and polices considered as part of the development of the Strategy.

Strategic Content

The Council Strategy 2017 to 2020

The Housing Strategy 2018 to 2023

National Context:

The Ministry for Housing, Communities & Local Government Rough Sleeping Strategy 2018

The Homelessness Reduction Act 2017

The Childrens Act 2004

The Localism Act 2011

The Challenges

Winchester offers a wide range of homelessness services across commissioned and voluntary agencies. Often a quick fix of putting a roof of someone's head is the desired solution. However, without the right housing offer and support in place this can instead continue the cycle of failed tenancies and repeat homelessness. Identifying and understanding many of the broader social and economic challenges is crucial to the delivery of this strategy, to enable sustainable and long term housing and support solutions. Among the key challenges are:

Affordability: The district has a high quality housing market with average housing prices significantly exceeding both the Central and South Hampshire market areas. The average household incomes in Winchester fall considerably short of the minimum income required for both purchasing and renting on the open market. An average Winchester home costs £402,000, with an income of £60,000 required to buy a property (11 times the average income) for a Winchester resident. Reducing realistic housing options for many and resulting in more households finding they are living in unsuitable accommodation.

Housing Need: Demand for social housing remains high, with 1278 households on the housing register. One bedroomed accommodation remains the highest demand with 802 households in housing need (as at April 2019). During 2018, 581 properties were let across the district.

Private Rented Sector: There are fewer homes within the sector that are affordable for households on lower incomes facing homelessness. The gap between Local Housing Allowance and the average rent has significantly grown over the years. Around 40% of residents do not have the means to rent a two bedroomed property with the average monthly rent of £1,196 per month.

Move on accommodation: Lack of affordable move on accommodation from supported housing provision.

Funding cuts: Homelessness Support Services provided by Hampshire County Council will be reduced by £1.8 million, the potential change to services as a consequence is a reduction in spend on lower level and move on supported housing and community support. This will mean that those with less critical support needs will need to seek help from alternative sources with changes taking effect this year from 1st August 2019.

Welfare Reform: An increase in evictions due to the viability of some households being able to remain living within the private rented sector. The Social Sector Size Criteria and Universal Credit have contributed to increasing social housing rent arrears causing barriers for households to sustain and secure accommodation.

Government Funding Grants: The delivery of the strategy remains reliant on central government homelessness grants which are reviewed and awarded on an annual basis affecting the ability to forecast budget income and expenditure to achieve the strategy aims and objectives.

Resources

The delivery of homeless prevention services is supported by Government grants allocated specifically to help the Council fulfil its obligations under the national homelessness agenda.

The Council have had confirmed funding of the Flexible Homelessness Support Grant for 2019/20 of £154,479 for the purpose of supporting the Council toward the expenditure lawfully incurred by preventing and dealing with homelessness. A further £26,560 has been awarded as part of the New Burdens Funding associated with the Homelessness Reduction Act.

The previously awarded Homelessness Prevent Grant is now received by the Council as part of core funding. Although the grant figures for future financial years have not been announced, by reporting quarterly returns the service demonstrates the need for continued funding.

The Council's temporary accommodation stock sits within the Housing Revenue Account. Expenditure associated with the provision is recovered through the Council's rental and service charge regime.

The delivery of the strategy is supported by corporate and housing grant funding opportunities. 2019/20 grant has been allocated to the CAB to support UC claimants to navigate the application process, sustaining tenancies, reducing the risk of evictions and empowering claimants to take ownership of their UC benefit. Grants are awarded to the Trinity Day Centre and Winchester Nightshelter to support the Council's rough sleeping pathway and aim to eradicate rough sleeping.

Discretionary Housing Payments (DHP) receives a £100,000 top-up grant from the Council's Housing Revenue Account. Providing our customers with short term financial assistance to sustain tenancies and reduce the threat homelessness. The award is reviewed annually and agreed depending on budgetary demands.

A successful joint North Hampshire bid submission secured a rough sleeping Initiative grant of £204,500 across North Hampshire (Winchester, Hart, Rushmoor and Basingstoke). The grant will provide training and reflective practice for staff and 1:1 therapy sessions for clients at risk of homelessness through an 18 month programme.

A further successful joint bid submission in partnership with Test Valley Borough Council secured a Private Rented Sector Access Fund of £177,000. The funding will enhance the current City Lets scheme through the provision of a tenant and landlord liaison officer. The Officer will work directly with the DWP to trouble shoot welfare benefit issues and provide tenancy ready programmes for vulnerable households at risk of homelessness through an 18 month programme.

Monitoring and Review

This strategy is for a five year term but will be reviewed annually to ensure it remains relevant and responsive to change. Some of the objectives and actions in this strategy are short term and will be achieved quickly. Others will take longer to realise.

It is important to understand that there are many outside influences that mean the needs of our communities will change over time. The Preventing Homelessness and Rough Sleeping Strategy must respond to these changing trends and needs as they arise.

Publication

A copy of the Preventing Homelessness and Rough Sleeping Strategy 2019-24 is available on the Council's website www.winchester.gov.uk and upon request as a hard copy at the Council's offices. Any request for versions in Large Print and Braille should be made in writing to:

Housing Services
Winchester City Council
City Offices
Colebrook Street
Winchester
SO23 9LJ

Email: homelessness@winchester.gov.uk

Appendix 2



Preventing Homelessness & Rough Sleeping

2019 - 2024 Action Plan

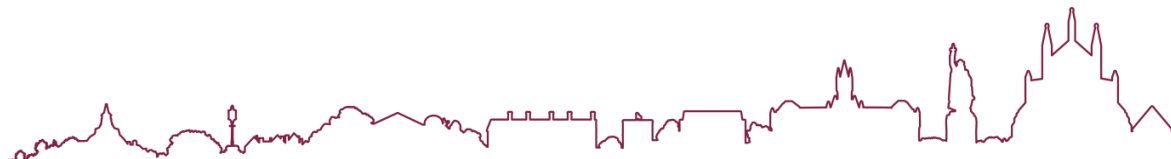
The Preventing Homelessness & Rough Sleeping Strategy is a working document which will be monitored through the multi agency Social Inclusion Group with the Council taking overall responsibility for any amendments or updates.

The Council will continue to review and consult on the effectiveness of the strategy to ensure it remains relevant and responsive to change.

The annual Housing Options business plans will be reviewed to ensure they align with the aims and objectives of the strategy and action plan.

The strategy and action plan covers a five year term some of the objectives and actions are short term and will be achieved quickly. Others will take longer to realise.

It is important to understand there are many outside influences that mean the needs of our communities will change over time. The Preventing Homelessness and Rough Sleeping Strategy action plan must respond to the changing trends and needs as they arise



1. Provide early intervention and support to prevent homelessness across the district

When will we do it by?	Who will monitor this and who will deliver this?	Resources needed	Tasks/Steps	Target	Outcome
April 2020 Ongoing and reviewed annually	Housing Options Manager & Housing Options Team	Existing resources	Maintain the frontline housing options triage service, providing early intervention opportunities to prevent and relieve homelessness.	Provide training and resources to officers to ensure they are equipped to carry out their duties under the Homelessness Reduction Act 2017.	Increase in prevention and relief outcomes for customers and an overall reduction in homelessness. High customer satisfaction.
September 2020	Housing Options Manager	Existing resources	Develop a holistic, person centred approach to housing options assessments.	Officers undertaking person centred housing options interviews. Producing achievable personalised housing plans.	Best practice approach adopted. Shared learning opportunities with partners.
April 2022	Housing Options Manager & Strategic Housing Manager	Existing resources Alternative grant funding streams	Explore opportunities to prevent future homelessness from occurring through education programmes in schools, family projects, care leaving teams etc.	To ensure individuals are aware of the realities of homelessness and have opportunities to develop skills and resilience to mitigate the risk of homelessness.	Increase prevention opportunities & Housing options for young people.
September 2021	Housing Options Manager and all	Existing resources	Develop pre-eviction protocols with social	Early intervention for customers at risk of	Reduction in evictions from social

	partners		housing landlords to promote early intervention and support for those tenants at risk of losing their homes	homelessness.	housing tenants and those tenants successfully sustaining their tenancies.
September 2022	Housing Options service & identified partners	Existing resources Explore grant funding opportunities with at risk groups such as Armed Forces. Domestic Abuse.	Develop lead officers for identified specified groups at risk of homelessness.	Housing Officers to become leads and point of contact for individual identified groups such as Domestic Abuse, Armed Forces to increase prevention opportunities through increased knowledge and best practice	Reduction in crisis approaches for individual groups Prevention of homelessness for identified groups.
April 2020	Social Inclusion Service	Existing resources & FHSG	To introduce a tenure blind floating support service to sustain tenancies or secure appropriate alternative accommodation to reduce and prevent homelessness.	To provide a robust support service in light of the reduction of the funding available for Social Inclusion community support services from August 2019.	Reduction in evictions from social housing, including those in temporary/supported housing and social housing tenancies due to tenancies being sustained. Reduction in rough sleeping. Reduction in footfall through the housing options duty service,
April 2020 and ongoing	Housing Options Manager, Strategic Housing Manager and partner	Existing resources & members of SIG	To explore all grant funding opportunities to support the work of the strategy	To ensure the service maintains appropriate levels of funding to meet demand and	Good level of service maintained, new initiatives identified by the Social

	agencies			carry out preventative activities.	Inclusion Group achievable due to additional funding.
September 2019 and reviewed annually	Housing Options service and key partner agencies	Existing resources	Regularly engage with relevant statutory services to promote the pathway for referrals under the Duty to Refer	To ensure timely referrals are made in to the Housing Options service by those statutory services who have a duty to refer to provide early intervention opportunities.	Reduction in crisis approaches. Increase in households prevented from becoming homeless. Reduction in rough sleeping.

2. Promoting systems change through partnership arrangements

When will we do it by?	Who will monitor this and who will deliver this?	Resources needed	Tasks/Steps	Target	Outcome
April 2021	Housing Options Manager, Strategic Housing Manager, Neighbourhood Services and partners of the Social Inclusion Group	Existing resources, future funding opportunities to develop systems change.	Promoting district wide systems change through the multi agency Social Inclusion Group. Increasing membership of the group, targeting gaps in attendance and joint funding opportunities.	Consistent membership from relevant agencies to ensure we can tackle and address any gaps in systems and identify better ways of working to support individuals in a person centred way.	Achieving the Council's pledge to ensure no one needs to sleep rough in the City by 2023.
April 2021	Strategic Housing Manager, key partners	Existing resources, officer time. However future funding opportunities may need to be explored.	Become an established MEAM approach area, to design and deliver better co-ordinated service as a partnership. Delivering on whole systems change through an early intervention, prevention and recovery focused model.	Record appropriate data to evidence outcomes and continue to promote the SIG and Tactical group to all relevant partners. Supporting the work of the MEAM network to inform local and national policy.	Reduction in those rough sleeping/vulnerably housed/street attached not accessing appropriate support services.
April 2022	Housing Options Manager, Strategic Housing Manager & key	Explore funding streams through CCG	Explore opportunities to engage with both physical and mental health services to	Improve access to support services to reduce crisis interventions by	Reduced crisis intervention.

	partners		provide interventions to prevent crisis where possible, through joint working practices.	attending the Keep Well Collaborative and High Intensity User Group. Ensure individuals can access the right support at the right time.	
April 2020	Housing Options service & key partners	Existing resources	Reduce duplication of effort through the Social Inclusion Group. Ensuring optimal and effective deployment of resources, assets, and skills (right people, right place and right time) by mapping and carrying out a review of local homelessness services	Clear understanding of the roles and responsibilities of each agency. Good communication between agencies to discuss new ideas and learning from elsewhere.	Appropriate sign posting to support services. Improved customer journey with appropriate support from appropriate services. Reduction in customers getting stuck in systems at transitional phases.
April 2021	Housing Options service, Neighbourhood team, Police and partners in attendance at the Tactical Group and SIG.	Existing resources	Promoting and achieving safe and thriving civic space to be enjoyed by all (reduce ASB, Crime and vulnerability, raise public awareness and increase safeguarding).	Exploring approaches to tackle street attachment to best engage with those who come in to contact with a wide range of services.	Reduction in incidents of begging and ASB being reported.
September 2022	Housing Options service	Existing resources	Promotion of co-produced service, recognising the	Expansion of co-production in reviewing systems.	Positive engagement with those facing homelessness who

			benefit of involving those with lived experience in reviewing services and pathways.	Introduction of peer mentoring to increase engagement for those with complex needs.	are unable to engage in current services.
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3. Ensuring a sufficient supply of accommodation

When will we do it by?	Who will monitor this and who will deliver this?	Resources needed	Tasks/Steps	Target	Outcome
April 2022	Housing Options Service	Existing resources Grant funding opportunities HCC funding	Explore joint commissioning opportunities with partner organisations to increase the supply of housing provision for vulnerable households	Partnership working to explore the potential for further provision of accommodation as informed by the Tactical group and SIG.	Appropriate housing options for vulnerable households.
September 2022	Housing Options Service	Existing resources	Increase the supply of local move on accommodation for households who have successfully completed their housing pathway,	Identified gaps in current provision being addressed.	Provision of suitable move on accommodation. Reduction in repeat homelessness.
April 2021	Housing Service	Existing resources	Introduce a housing company to drive forward the development of mixed tenure affordable housing options across the district.	Access to the scheme to increase the provision of housing in the District to develop mixed tenure accommodation.	Increased provision of accommodation.
September 2020 and reviewed	Housing Allocations Team, Housing Options,	Existing resources	Provide an effective, fair and transparent process to access	Ensuring customers are well informed of the process and	Improved customer journey and reduction in

annually.	HHC partners		affordable social housing.	administration of HHC applications to manage expectations.	complaints.
September 2020	Housing Options service & commissioned partners	Existing resources	Apply a rapid re-housing response to rough sleeping through a refreshed assertive outreach provision and Housing First led model for those with multiple needs.	Ensuring providers are flexible with their criteria for customers accessing accommodation. Taking a person centred approach to ensure positive engagement.	Reduction in rough sleeping numbers.
September 2021	Private Sector Housing Team & Housing Options Team	Existing resources & potential grant opportunities Corporate communication services	Expand the City Lets scheme through a communication plan to increase the number of landlords participating in the scheme.	Increase of suitable and affordable properties available in the private rented sector.	Reduction in homeless duties accepted.
September 2021	Private Sector Housing Team	Existing resources Funding opportunities for empty homes	Work with our Private Sector Housing team to bring empty homes back into use.	By identifying empty properties and engaging with owners, overcoming the reasons for the property being unoccupied and available to those in housing need.	Increase in properties available for those in housing need.
September 2021	Private Sector Housing	Existing resources	Introduce a landlords forum.	To engage with more landlords in the PRS.	Increased number of landlords willing to let properties via the City Lets scheme.
April 2022	Private Sector	Existing	Promote	To ensure	Reduction in

	Housing	resources	independence and support the creation of accessible homes for people living with disabilities and those with support needs access to the accommodation and support they need.	accommodation is suitable for an individual needs and avoid the need to move where possible.	hospital admissions and bed blocking.
September 2020	Housing Service	Existing resources	Review the Council's Older Persons Housing Strategy to enable those with care and support needs to have a choice of suitable and affordable accommodation.	Increasing the housing options available for those deemed to be 'older persons' in recognition of the ageing population.	Broader housing options for older persons to meet the ageing population.
2023	Housing Options Service & relevant partners	Existing resources	Work in collaboration with partners to ensure that there are suitable housing options for those leaving supported or temporary accommodation and they are tenancy ready.	Successful move on for those leaving supported housing by ensuring there is a variety of move on options to suit the customer.	Robust pathway in place. Reduction in repeat homelessness for this client group.
September 2021	Tenancy Sustainment Team, Strategic Housing Manager and Landlord Services.	Existing resources	Mitigate the impact of welfare reform through the provision of a toolkit of services	To ensure customers are supported with welfare benefits to sustain tenancies.	Increase in prevention of homelessness for those customers affected directly by welfare reform.
April 2020	Housing	Existing	Work in partnership	Ensure new	

<p>ongoing</p>	<p>Allocations Team, Housing Options Manager, New Homes</p>	<p>resources</p>	<p>with the New Homes team and Service Leads to ensure there is a clear understanding of what is affordable for those registered for housing.</p>	<p>development proposals meet the local housing need.</p>	<p>Decrease in waiting times for social housing.</p> <p>Local housing need met resulting in overall reduction in homelessness.</p> <p>Move on from supported accommodation more viable.</p>
<p>September 2019 and ongoing</p>	<p>Housing Options Manager, Strategic Housing Manager and HCC</p>	<p>Existing resources HCC Social Inclusion funding</p>	<p>Pursue co- commissioning of Homelessness Support Services in partnership with Hampshire County Council</p>	<p>Partnership commissioning of services to bring together knowledge and expertise (and pool resources) to provide innovative homelessness services.</p>	<p>Reduction in rough sleeping. Increase in tenancy sustainment.</p>

4. Provide the right support and services so that no person needs to sleep rough in Winchester

When will we do it by?	Who will monitor this and who will deliver this?	Resources needed	Tasks/Steps	Target	Outcome
April 2021	Tenancy Sustainment Service, Housing Options Team, Strategic Housing Manager, Housing Options Manager	Existing resources and committed extra spend.	Develop support services which are led by an individual's strengths and needs to promote positive engagement and a pathway out of rough sleeping.	Individuals to receive tailored support suitable for their needs.	Reduction in rough sleeping and repeat homelessness.
April 2020	Strategic Housing Manager, Outreach Worker and partners	Existing resources.	Review the outreach provision to ensure support is targeted to meet the needs of those sleeping out for the first time, those returning to the street and for single women rough sleeping.	Robust outreach service that is flexible to demand and need.	Increased engagement with those rough sleeping.
April 2020	Strategic Housing Manager, key partners	Existing resources	Promote the MEAM approach bringing together good will, passion and business objectives of services through the Social Inclusion Group. Identify clear joint aims and a framework	Improved partnership working, identifying gaps in service and changes to the systems in place.	New provision/services for those having the biggest social impact

			of support.		
September 2020	Housing Options service	Existing resources Rough Sleeper Initiative funding	Embed trauma informed principles within staff work practices through an established framework and staff training opportunities.	Staff to be trained and support to incorporate principles in day to day work.	Increased engagement with hard to reach client and more appropriate outcomes for those with multiple needs.
April 2020	Outreach services, Strategic Housing Manager, key partners	Existing resources	Capture and evaluate outreach intelligence and identify early indicators of rough sleeping to prevent street attachment.	No first night out model to be adopted. Data to be shared with partners to consider collaborative approaches.	Reduction in new individuals rough sleeping.
April 2020	Neighbourhood Services, Housing Options team, Tenancy Sustainment team and key partners	Existing resources	Reduce street activity through a communication plan and promotion of the alternative giving scheme 'Spare Change for Lasting Change'.	Increased awareness of the alternative giving scheme.	Reduction in street activity and the associated costs.
April 2020 and ongoing.	Housing Options Team, Tenancy Sustainment Team, Housing Options Manager, Neighbourhood Services and key partners	Existing resources	Engaging members of the public, Council employees and the business community to support those at risk of rough sleeping through increased promotion of the national StreetLink service to help	Increased awareness of the services in Winchester for those at risk of rough sleeping.	Reduction in begging. Increase in rapid response to those rough sleeping.

			identify rough sleeping and hot spots.		
April 2020	Strategic Housing Manager	Short term Rough Sleeper Initiative funding already awarded by MHCLG	Implement peer mentoring service and a sustainable platform for the voice of those with lived experience. Provide Psychological support to those experiencing multiple disadvantages. Partners to engage with Expert Link.	Record appropriate data for qtrly returns to MHCLG. Identify areas for change through engagement with those with lived experience.	Reduction in those rough sleeping/vulnerably housed/street attached not accessing appropriate housing.
April 2020	Strategic Housing Manager and Two Saints	Existing resources	Agree a new co-ordination of the outreach services available in t district. Consideration of 'community navigators'.	Flexible approach to when outreach is conducted for early identification of those rough sleeping particularly new to rough sleeping. Introduce a No First Night Out Model.	Increase in preventative work and reduction in those sleeping rough.

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CAB3189
CABINET

REPORT TITLE: FORMER POLICE STATION, TWYFORD – APPROVAL OF
TENDER TO CONSTRUCT COUNCIL HOMES

18 SEPTEMBER 2019

REPORT OF CABINET MEMBER: Cllr Kelsie Learney, Portfolio Holder Housing and
Asset Management

Contact Officer: Andrew Palmer Tel No: 01962 848293 Email
apalmer@winchester.gov.uk

WARD(S): COLDEN COMMON AND TWYFORD

PURPOSE

This report seeks final approval to enter into a build contract with Whitman Builders to construct 2 new Council properties at Dolphin Hill, Twyford for the sum of £441,635 (excluding VAT). Approval is sought in accordance with Financial Procedure Rule 7.4 for the capital expenditure of £599,611 for the project, as set out Appendix 1 and easements, wayleaves and related agreements with utility suppliers, telecom/media providers and neighbours in order to facilitate the development.

RECOMMENDATIONS:

1. That the Corporate Head of Housing be authorised to award and to enter into a build contract with Whitman Builders to construct 2 new properties at Dolphin Hill, Twyford for the sum of £441,635
2. That the additional scheme cost of £167,611 to be funded by right to buy 1-4-1 receipts be approved bringing the total budget to £599,611
3. That in accordance with Financial Procedure Rule 7.4, total capital expenditure of £599,611 as set out in Appendix 1 be approved.
4. That the Corporate Head of Asset Management be authorised to negotiate and agree terms and to enter into easements, wayleaves and related agreements with utility suppliers, telecom/media providers and neighbours in order to facilitate the development.

IMPLICATIONS:1 COUNCIL STRATEGY OUTCOME

- 1.1 Delivering Quality Housing Options – the scheme will provide 2 affordable rented properties for the Districts residents

2 FINANCIAL IMPLICATIONS

- 2.1 The scheme has been included in the HRA new build capital programme 2019/20 which was part of CAB3098 (HSG) Housing Revenue Account (HRA) Budget Option Paper approved by Cabinet (HSG) on the 30th January 2019.
- 2.2 The total scheme cost identified in CAB3098 (HSG) was £432,000, including £60,000 of pre-site costs in 2018/19 and £372,000 of works costs in 2019/20. Following the build tender exercise and allowing for other site works including demolition and the refurbishment of an additional house on the site, the total scheme cost is now £599,611. This paper seeks approval for the additional costs of £167,611. The additional cost will be funded by right to buy 1-4-1 receipts as the scheme provides 2 units for affordable rent. The build out phase is intended to commence in September 2019 and complete in December 2020.

3 LEGAL AND PROCUREMENT IMPLICATIONS

- 3.1 The report requests the authority to negotiate and enter into agreements and contracts for the purpose of housing delivery by the Council at Dolphin Hill, Twyford. The Council has power to enter a contract with a third party by virtue of section 111 of the Local Government Act 1972, providing the power to do anything is calculated to facilitate, or is conducive or incidental to the discharge of any of its functions. Under section 1 of the Localism Act 2011, the Council has the power to undertake any activity a normal person could undertake, for the benefit of the authority, its area or persons resident or present in its area. The Council must be satisfied it has the enabling power(s) to award and enter into the relevant agreements.
- 3.2 The Council has an obligation as a best value authority under section 3 of the Local Government Act 1999 to “make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.” By following due process the Council’s Contract Procedure Rules, the Council will have observed its other statutory duties, including in regard to the duty to obtain best consideration.
- 3.3 The Tender was advertised on Hampshire County Councils online tender portal on the 20th May 2019 and was awarded in accordance with the Council’s Contract Procedure Rules. Three Tenders were received and were opened on the 15th July 2019. Each Tender was marked on the basis of 60% price and 40% quality. The winning tender represents best value to the Council.

4 WORKFORCE IMPLICATIONS

4.1 None - Within existing resources

5 PROPERTY AND ASSET IMPLICATIONS

5.1 The scheme will consist of 2 x 2 bed houses for rent held within the Housing Revenue Account.

6 CONSULTATION AND COMMUNICATION

6.1 In addition to the statutory Planning Application process, a community consultation event was held in March 2018 where the feedback received was used to influence the design of the scheme.

7 ENVIRONMENTAL CONSIDERATIONS

7.1 The Council's design team have strived to use sustainable building techniques, materials and technologies to ensure that the design is as sustainable and cost effective as possible whilst maintaining high standards. The residential development is to be in accordance with building regulations and achieve a minimum equivalent to Code for sustainable homes - level 4. By improving the fabric of the building, the dwelling carbon dioxide emission rate has been reduced and the dwelling fabric energy efficiency improved. This constitutes an 8% improvement in the fabric of the building over levels set out within the building regulations. All the materials specified within the design are standard and can be easily sourced reducing the need for materials to be sourced from distant locations. It is also proposed that each driveway will be provided with an electric charging point for an electric vehicle to reduce the development's carbon emissions through improved parking.

8 EQUALITY IMPACT ASSESSEMENT

8.1 The Council's Housing Strategy was subject to an Equality Impact Assessment which has been considered by Officers and no update is required.

9 DATA PROTECTION IMPACT ASSESSMENT

9.1 None required.

10 RISK MANAGEMENT

10.1 The Council has opted to tender the build based on a traditional type build contract where the design risks are owned by the client (in this case the Council). The reasons for this approach are due to dissatisfaction with Design and Build contracts where quality is left to the contractor to determine. Where the construction risk lies with the Council, the Tender returns reflect the fact that there is less risk for the contractor and, being a lower value contract, an

opportunity to see if this approach is appropriate for other Council new build schemes.

Risk	Mitigation	Opportunities
<i>Property</i>	Ground surveys and structural advice taken as construction risk lies with client	
<i>Community Support</i>	Community consultation held as well as formal planning process	
<i>Timescales</i>	Liquidated ascertained damages (LAD'S) have been included within the build contract to compensate for any late completion of the project by the contractor	
<i>Project capacity</i>		
<i>Financial / VfM</i>	The Council has provided a detailed design to the contractor who has priced accordingly. The Council is responsible for the design risk, labour and material price risk lies with the contractor.	The Council could have transferred the design risk to the contractor through a Design and Build contract however this risks the quality of the materials and fittings being compromised
<i>Legal</i>	The Council must be satisfied it has the enabling power(s) to award and enter into the relevant agreements and achieves best value.	By following the due process the Council should achieve the best value for the contract award.
<i>Innovation</i>	Traditional construction techniques used	Modular construction considered however site unsuitable
<i>Reputation</i>		
<i>Other</i>		

11 SUPPORTING INFORMATION:

- 11.1 The Dolphin Hill development consists of 2 x 2bedroom houses. The scheme was granted planning consent on 11th January 2019 with 1 objection received. In addition, an existing property on the site has been retained and refurbished. The cost of this refurbishment is now included in the total scheme costs set out in paragraph 2.2 above.

- 11.2 The site formally consisted of 3 garages and an annex which was used as a local Police Station, these were demolished in March 2019 to enable the proposed development.
- 11.3 A consultation event was held with local residents on 9th March 2018 where the proposed design was displayed. Before the event over 40 invitations were hand delivered to neighbouring properties. Comments were made on the day, via email and the Council's online consultation tool Citizens' Space. In total seven varied comments were made. Some comments highly praised and supported the scheme whilst others were disappointed with the loss of garages and privacy. A summary of the comments is available to view on the Council's website. <http://www.winchester.gov.uk/housing/new-affordable-housing/early-stage-schemes>.
- 11.4 Amendments were made to the proposed scheme as a result of the consultation event and concerns raised by neighbours about potential overlooking.
- 11.5 The scheme was tendered via Hampshire County Council's online tender portal system in May 2019. Three tenders were received and were all evaluated using the 60% cost 40% quality cost model. The successful tender was submitted by Whitman Builders for the sum of £441,635 (see table below for comparative scores).

	Price	Overall Score
Tender A Whitman Builders	£441,635.00	84.4%
Tender B	£428,187.91	81.11%
Tender C	£400,413.00	72.5%

- 11.6 The qualitative questionnaire was scored by the Procurement Manager (HCC), PDP Architects and the WCC Project Manager independently and the scores then averaged. These were added to the "cost" score to produce an overall percentage score which indicated Whitman Builders as the best bid. The quality items that were scored as part of the tender submission included, construction quality, mobilisation and site set up, programme management and communication.
- 11.7 The viability assessment shows that the scheme meets the Council's viability tests as the scheme cost is lower than the market value and has a neutral Net Present Value at year 35. Full details are included in Appendix 1

12 OTHER OPTIONS CONSIDERED AND REJECTED

- 12.1 The Council has the option to sell the site for private development however one of the main priorities is to provide affordable rented properties for the District's residents, this is especially important in high value rural areas such as Twyford.

BACKGROUND DOCUMENTS:-

Previous Committee Reports:-

PHD812 Former Police Station, Dolphin Hill, Twyford (August 2018)

Other Background Documents:-

None

APPENDICES:

Appendix 1 - Viability Assessment

Financial Viability Summary – Dolphin Hill

Heading	Analysis	Criteria
Units	2 x 2 bed houses (AFF)	
Total Scheme cost	£599,611	
Market Value of dwellings	£632,400	
Total scheme cost as a % of market value	94.82%	< 95%
Net present value	£33,498	> £0
Interest Cover	117.31%	>= 110%
Loan repayment year	35	
Rent as % of open market rent	All properties at 75% of Market Value	Affordable properties maximum 80%, subject to not exceeding LHA
Rents per week based on 52 week year (AFF)	2 bed house £164.42 x 2	

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CAB3183
CABINET

REPORT TITLE: QUARTER 1 – FINANCE AND PERFORMANCE MONITORING

18 SEPTEMBER 2019

REPORT OF CABINET

Contact Officer: Lisa Kirkman Tel No: 01962 848 501 Email
lkirkman@winchester.gov.uk

WARD(S): ALL

PURPOSE

This report provides a summary of the Council's performance and financial position during the first quarter of 2019/20.

This first report of 2019/20 includes progress updates against project delivery, 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:

1. Notes the progress achieved during the first quarter of 2019/20 and endorses the contents of the report.

IMPLICATIONS:

1 COUNCIL STRATEGY OUTCOME

- 1.1 This report forms part of the framework of performance and financial monitoring in place to report the progress being made against the projects and programmes supporting delivery of 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 have financial implications, some significant and these are agreed and reported separately before the commencement of the project.
- 2.2 This report details the Council's financial position as at 30 June 2019.

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.

6 CONSULTATION AND COMMUNICATION

- 6.1 Cabinet members, Executive Leadership Board and Service Leads have been consulted on the content of the report.
- 6.2 The content of the report has also been considered by The Scrutiny Committee at its meeting on 9 September 2019 (Report [SC011](#) refers).
- 6.3 At that meeting the following issues were raised and discussed:
- What are the current building maintenance costs for the Guildhall and should they be accounted for within the Guildhall accounts
 - A request for an update on the progress of the Council's digitalisation approach to make all services available online by the end of 2019
 - Request for future Finance and Performance reports to include quarterly financial trend information
 - An update requested on the timetable and status of the new homes project at Knowle

- Update to be provided on the status and progression of Article 4 Directions
- An all member briefing requested to provide an update on housing
- An update requested covering the timetable for the new Winchester doctors surgery
- Concerns raised as to the reasons for the increase in the number of incidents of begging recorded in Winchester
- Proposal made to include a rural strand into the Strategic Asset Purchase Scheme (SAPS)
- An update requested on the current timetable for the Local Plan and when consultation is to be undertaken
- Update to be provided on fly-tipping and the inclusion of incidents on public/ private land recorded
- An update requested on proposals for meanwhile uses at the Central Winchester site
- Concerns raised over the status of the delivery of the glass collection boxes and letter for residents
- An update on the timetable and proposals for the River Park Leisure Centre site after the new Winchester Sport and Leisure Park opens
- Concerns raised over the level of staff sickness and turnover at the Council and that further information to be provided
- Request for an analysis of the Freedom of Information (FOI) requests received by the Council

6.4 Members of The Scrutiny Committee concluded that there were no items of significance that it wished to be drawn to the attention of Cabinet.

7 ENVIRONMENTAL CONSIDERATIONS

7.1 Many activities detailed in this report actively protect or enhance our environment. A separate report will be brought forward in December detailing the council's approach to tackling the climate emergency.

8 EQUALITY IMPACT ASSESSEMENT

8.1 None required arising from the content of the report, although an Equality Impact Assessment will be undertaken as required.

9 DATA PROTECTION IMPACT ASSESSMENT

9.1 None from the content of the report, although each activity will consider the impact of data protection requirements.

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 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.
<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 first quarter of 2019/20 and financial position as at 30 June 2019.
- 11.2 Council adopted the refreshed Council Strategy for 2019/20 on 16 January 2019 (Report CAB3094 refers) which outlines key council 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 sets out a number of measures across 24 aims to deliver the four outcomes by March 2020 and progress will continue to be presented quarterly during the year.
- 11.4 The Council Strategy was adopted before the district election was held on 2 May 2019 which saw a change in administration at the Council. Progress will continue to be reported against the measures included in the adopted Strategy while work has begun to develop the next Council Strategy for the period after 1 April 2020.
- 11.5 A draft of the next Council Strategy will be brought to this Committee at its meeting on 27 November for consideration as part of the wider consultation and engagement on the new priorities.
- 11.6 The new Council Strategy will then be presented to Council in January 2020 for adoption.
- 11.7 Work has also begun by the Administration on new priorities that were not included in the adopted Strategy back in January. These priorities include the declaration of a Climate Emergency and making the activities of the Council carbon neutral by 2024, and the district of Winchester being carbon neutral by 2030 (Report CAB3171, 5 June 2019 refers).
- 11.8 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.
- 11.9 Section three of the appendix 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.
- 11.10 Included for the first time in these quarterly performance reports are the Local Plan and response to the Climate Emergency. These are both significant projects for the Council with updates on progress included in future quarterly reports.

12 OTHER OPTIONS CONSIDERED AND REJECTED

12.1 None.

BACKGROUND DOCUMENTS:-

Previous Committee Reports:-

SC002 – Financial and Performance Monitoring – Q4 2018/19

Other Background Documents:-

None.

APPENDICES:

Appendix 1 – Q1 Finance and Performance Monitoring Report 2019/20



FINANCE & PERFORMANCE MANAGEMENT REPORT FIRST QUARTER 2019/20



Contents

Introduction and Summary

Section 1: Financial Update – First Quarter 2019/20

- General Fund Revenue
- General Fund Capital
- Outcome Based Budgeting – progress update
- Housing Revenue Account

Section 2: Council Strategy 2017-20 Progress Update

- 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**

Section 3: Project Management – Projects Update

- Central Winchester Regeneration
- Climate Emergency response
- Environmental Services Contract
- Local Plan
- New Homes Delivery Programme
- Station Approach
- Winchester Sport and Leisure Park

Section 4: Managing the business – Corporate Health Performance Indicators

Introduction and Summary

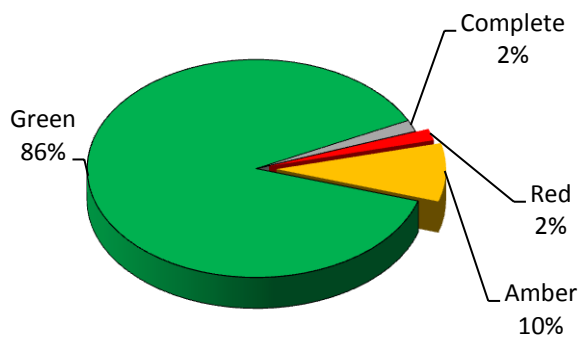
The purpose of this report is to demonstrate the performance of the Council at the end of each quarter throughout the financial year in relation to the aims, objectives and outcomes in the Council Strategy, progress of the Council's projects, the financial position and corporate health performance indicators.

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.

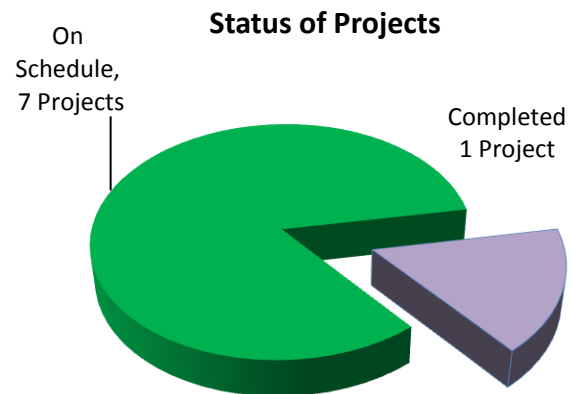
Similarly there are performance measures that are not reported here but support the business of that team and managed by each Corporate Head of Service.

The following diagrams provide a summary of the position of the Council as at the 30 June 2019 (Quarter 1) across the key areas of performance. Further information is provided in the following appendices.

Council Strategy Q1 2019/20



Project Monitoring Q1 2019/20



Section 1 – Financial Update as at 30 June 2019

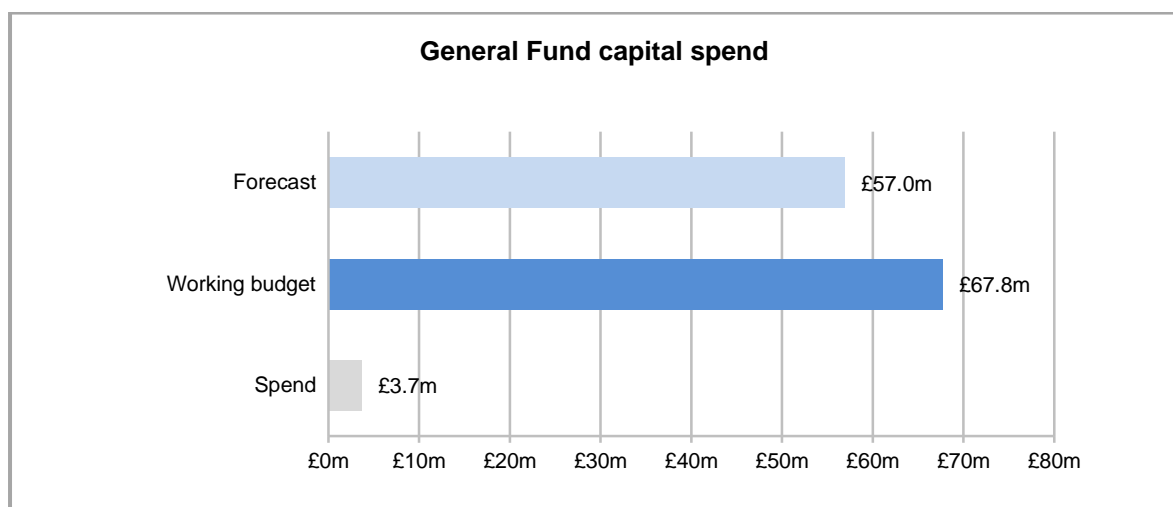
This section presents a summary of the Council's financial position as at 30 June 2019 with regard to the General Fund and Housing Revenue Account budgets.

General Fund Revenue

1. An interrogation of the 2018/19 outturn has identified a number of favourable variances which are forecast as ongoing savings. As at the end of Quarter 1 there is a total forecast 2019/20 underspend of £1.025m. Much of this favourable variance flows through from Q4 in 2018/19, after the budget for the year was set, or is a result of one off income achieved.
2. Additional financing and treasury activity net income of £0.2m related to forecast higher net interest receivable due to higher cash balances.
3. Also included in this appendix is a report that shows the progress and status of the 2019/20 Outcome Based Budgeting proposals. The overall target status is green, meaning that overall we are on target to achieve the net savings target of £0.961m.
4. Quarter 1 key variances:
 - i) **Net Interest receivable** – (+£0.2m) higher than budgeted cash balances have been available for investment which has significantly increased the net interest receivable for the year.
 - ii) **Planning Fee Income** – (+£0.3m) higher than planned income for the year relating to major planning applications.
 - iii) **Car Parking Income** – (+£0.35m) additional full year income relating mainly to off street car parking and in particular strong usage of the park and ride sites.
 - iv) **Benefits** – (+£0.1m) higher than planned subsidy and overpayment recovery rates.
 - v) **HRA Recharges** – (+£0.15m) higher planned recharges to the HRA reflecting the 2018/19 outturn for example additional utilisation of the Special Maintenance team.
 - vi) **Guildhall** – (-£0.125m) a target saving of £0.15m was set commencing 2019/20. Whilst plans are progressing it is now expected that the planned savings will not commence until early 2020.

General Fund Capital

1. General Fund capital expenditure to the end of June was £3.7m of which the single largest item was £2.3m on Winchester Sport & Leisure Park.
2. Capital budgets for 2019/20 were revised for brought forward balances and other changes as part of the 2018/19 outturn reported to July Cabinet.
3. Since approval, the forecast has been revised down by £10.8m with the largest single item (£2.8m) being the new Sport & Leisure Park re-profiled to reflect anticipated spend. Other significant items where it is anticipated that a significant element of the budgeted spend will now occur in 2020/21 include Station Approach Public Realm (£1.9m), the Replacement Surgery (£1.7m), and the car park at the Dean Alresford (£1.0m). There is also a budget of £18.0m in respect of the Strategic Asset Purchase Scheme which, although not re-profiled, may remain unspent if suitable assets are not identified for purchase or the economic environment is unfavourable.



4. Key items of expenditure in Q1 of 2019/20:

- **Winchester Sport & Leisure Park** Total Budget: £42,861k
Expenditure: Prior years £2,808k 2019/20 £2,337k Total £5,145k

The Full Business Case was approved by Cabinet in February 2019 and work is underway on site. The centre is due to open in January 2021.

- **Disabled Facilities Grants** Total Budget: £1,468k
Expenditure: recurring 2019/20 £231k

The amount of funding from central government has increased significantly in recent years. Spend is on generally on target and, in addition to expenditure incurred, over £300,000 in commitments have been made.

- **Partnered Home Purchase Scheme** Total Budget: £4,500k

Expenditure: Prior years £499k 2019/20 £699k Total £1,198k

The Partnered Home Purchase Scheme is an innovative open market shared ownership scheme. It provides the Council an ongoing index-linked rental income stream from the share the Council owns whilst enabling homebuyers to enter into a shared ownership arrangement without the restrictions of traditional schemes.

In total 3 purchases completed in 2018/19 and a further 4 purchases completed in the first quarter of 2019/20 bringing the total to 7.

General Fund 2019/20

	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	284	(2,337)	(2,053)	(2,053)		(2,043)	(2,043)
Total Environment	10,353	(16,909)	(6,556)	(5,906)	650	(3,481)	(2,635)
Total Health & Happiness	360	(2,502)	(2,142)	(2,142)		(28,035)	(23,405)
Total Business	213	(2,104)	(1,891)	(1,891)		(14,504)	(9,697)
Total Operational Delivery	2,239	(5,290)	(3,050)	(2,925)	125	(1,467)	(950)
Total Investment Activity	3,219	(882)	2,337	2,337		(18,009)	(18,009)
Total Organisational Management	466	(6,388)	(5,922)	(5,872)	50	(215)	(217)
	<u>17,135</u>	<u>(36,412)</u>	<u>(19,277)</u>	<u>(18,452)</u>	<u>825</u>	<u>(67,754)</u>	<u>(56,956)</u>
Total Tax and Grant Income			15,296	15,296			
Total Financing & Treasury Activity			(677)	(477)	200		
Total Reserve Related Movements			4,658	4,658			
Total Funding			<u>19,277</u>	<u>19,477</u>	<u>200</u>		
Transfer to Major Investment Reserve				1,025	1,025		

Housing Revenue Account 2019/20

	Housing Revenue Account				
	Budget		Forecast		
	Income	Expenditure	Net contribution / (spend)	Full Year Forecast	Full Year Forecast Variance
£'000	£'000	£'000	£'000	£'000	
Rent Service Charges & Other Income	27,688	0	27,688	27,688	
Housing Management General	164	(5,011)	(4,847)	(4,947)	(100)
Housing Management Special	1,155	(2,552)	(1,397)	(1,397)	
Repairs (including Administration)	101	(5,356)	(5,255)	(5,191)	64
Interest	0	(5,188)	(5,188)	(5,188)	
Depreciation	0	(6,904)	(6,904)	(8,349)	(1,445)
Capital Expenditure Funded by HRA	0	(8,622)	(8,622)	(8,622)	
Other Income & Expenditure	21	(106)	(85)	(85)	
	<u>29,129</u>	<u>(33,739)</u>	<u>(4,610)</u>	<u>(6,091)</u>	<u>(1,481)</u>
Working Balance at 1 April 2019			9,116	11,627	2,511
Add Surplus / (Deficit)			(4,610)	(6,091)	(1,481)
Projected Working Balance at 31 March 2020			<u>4,506</u>	<u>5,535</u>	<u>1,030</u>

Housing Revenue Account Capital 2019/20	HRA Capital Programme		
	Budget	Forecast	Variance
	£'000	£'000	£'000
Housing Major Works	(6,853)	(6,853)	0
Improvements and Conversions	(1,090)	(1,240)	(150)
Other Capital Spend	(1,103)	(196)	(58)
New Build Programme	(22,407)	(25,421)	(3,014)
	(31,453)	(34,617)	(3,164)

Notes:

1. All variances to forecast for both Revenue & Capital reflect the agreed carry forwards from 2018/19 identified in CAB3161 HRA Outturn 2018/19 presented to Cabinet on 17 July 2019.
2. Depreciation is forecast to increase by £1.45m. This is due to a change in the calculation method which assumes a reduced average property lifespan of 60 years. This method is recommended by our auditors (Ernst & Young) and has been reflected in the 2018/19 outturn result.
3. Other revenue forecast changes are due to late changes in the service review exercise at the end of 2018/19.
4. Improvements & Conversions are forecast to increase by £150k. This is recognising an increase in Estate Improvement projects from £250k to £400k. There a number of key projects needing to be carried out in 2019/20 requiring an increase in funding.
5. There are £3m of New Build carry forwards from 2018/19. This represents a number of projects where the start on site was delayed into 2019/20, including The Valley and Hookpit.

Outcome Based Budgeting – 2019/20 Progress Monitoring

The General Fund Budget 2019/20 report ([CAB3132](#), 14 February 2018 refers) included a number of budget proposals for 2019/20 that would achieve savings of £0.96m which would enable a balanced budget for 2019/20 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						
Guildhall	150.0		25.0	25.0	Amber	Due to go out to the market shortly with a tenancy forecast from early 2020
Internal Catering	20.0	2.0	8.0	10.0	Green	Part-year savings in 19/20 with the full year targets to be met from 20/21
Employee Benefits	21.5	1.3	3.8	16.5	Amber	Savings depend on employee take up which will be monitored and a more representative estimate ready for Q2
Business Travel	50.0		50.0	50.0	Green	
Public Conveniences	25.0		25.0	25.0	Green	
Occupational Health	10.0	3.0	8.0	10.0	Green	
Training Hub	17.0			0.0	Amber	Plans are under development
Other minor efficiencies	20.0	5.0	15.0	20.0	Green	
Restructure	100.0	25.0	75.0	100.0	Green	
Energy Efficiency	20.0			0.0	Amber	Plans are under development
Asset Management / Income Generation						
Rent Reviews	200.0	50.0	150.0	200.0	Green	

Item	Budget £'000	Achieved £'000	On-target £'000	Total £'000	Status	Comments
Digitalisation of services	30.0			0.0	Amber	Plans are under development
Pest Control	35.0	5.0	30.0	35.0	Green	New fees proposals prepared for agreement
Concessions at car parks	50.0			0.0	Red	Preliminary work underway to identify which options to take forward; compensatory in year savings from additional usage
Street naming and numbering	12.0	3.0	9.0	12.0	Green	
Fees and Charges	50.0	12.0	38.0	50.0	Green	
Car parking income through volume increase	150.0	125.0	375.0	500.0	Green	Additional usage particularly at Park and Ride
TOTAL	960.5	231.0	811.0	1,042.0		

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 16 January 2019 (Report CAB3094 refers) as at the end of the first quarter of 2019/20 (30 June 2019).

The Council Strategy 2017-20 includes fifty nine 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 June 2019 there was one measure that had been completed and fifty one 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 having a Red status 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 1 – 2019/20)

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>Develop a long term strategy for the delivery and development of the Central Winchester Regeneration area. Whilst enabling improvements to the existing estate where appropriate in the short term to ensure the area's potential is realised as soon as possible.</i>	Mar 2020	Green	JLL have been appointed as strategic development advisors and are currently reviewing the CWR delivery roadmap with a view to providing advice in the autumn as to phasing and next steps to enable delivery of development. Work to plan the refurbishment of Coitbury House is ongoing, a paper is going to Cabinet in August to request funding to carry out early archaeological investigations across the site and work is continuing to develop concept designs to transform the lower section of the High Street and Broadway to reflect the aspirations of the CWR SPD.
		Project manage and support the regeneration of the Station Approach area of Winchester. Measure: <i>Office floor space on the Carfax/ Station Approach site of approximately 140,000ft²</i>	Public Realm Mar 2021 Carfax 2023	Amber	The Administration has reviewed the project and will be taking decisions at cabinet on 28 August 2019 to progress the scheme. This will include the route to deliver the development, as well as to progress the public realm works with support from a grant of £5m from the EM3 Local Enterprise partnership” Amber status due to tight timescales.
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</i>	Mar 2020	Green	Strategy Framework has been presented to the Business and Housing Policy Committee. External engagements are now underway to develop the final

	Aim	How we will deliver our outcomes	Delivery Date	Current Status	Key Issues / comments
		<i>Plan and performance measures included in the Strategy</i>			strategy for consideration by Cabinet early in 2020
		Sustain our rural economy by supporting existing businesses to grow and new enterprises to start including Fieldfare LEADER Programme Measure: LEADER support for 70 businesses (WCC only)	Mar 2020	Green	<ul style="list-style-type: none"> Allocated £739,974.94 of LEADER funds to local, rural businesses across WCC, East Hampshire and Eastleigh generating around 30 jobs Closed 26 projects with claims being paid in full. Eight projects which have been contracted and being project managed by WCC and two applications outstanding. <p>The LEADER programme will end in March 2020</p>
3.	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: additional floor space identified/ provided	Mar 2020-23	Green	Regular dialogue is undertaken with owners of key development sites, such as Bushfield Camp and Sir John Moore Barracks. The Local Plan review will consider appropriate employment land locations.
		Seek to secure partners for a public service hub to be based around the City Offices/West Wing/Guildhall buildings Measure: Fixed target not appropriate	Mar 2020	Green	Winchester Citizens Advice Bureau opened their new offices next to City Offices earlier this year.
		Use a Strategic Asset Purchase Scheme to generate financial and community returns Measure: Additional £200k net income generated from Strategic Asset Purchase Scheme.	Mar 2020	Amber	Potential purchases will be considered by the SAPS Board. There have been no purchases in 2019/20 to date.

	Aim	How we will deliver our outcomes	Delivery Date	Current Status	Key Issues / comments
		Adopt and start to implement measures in a new Car Parking Strategy Measure: <i>Adoption of new Winchester Car Parking Strategy by Mar 2019</i>	Mar 2019	Red	The principles of the new Car Parking Strategy were presented to the Health and Environment Policy Committee in July 2019. A Parking Project Team has been established and an Action Plan is being developed in parallel with the study work for the City of Winchester Movement Strategy as this will inform the City Council's future approach to its parking strategy for the city and wider district.
		Develop a plan to deliver the measures needed to achieve the priorities set out in the City of Winchester Movement Strategy Measure: <i>Development of Plan</i>	Mar 2020	Green	Studies have now been commissioned to inform the detailed plan for the Winchester Movement Strategy. Stage 1 of these studies will be completed later in 2019 and early 2020
		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	New business support service now being delivered on behalf of the Council by IncuHive who provide a range of free business support and workshops, Since 1 July they have held sixteen one to one mentoring sessions, five 3hr workshops and three business networking events.
		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 redevelopment of the old depot at Bishop's Waltham has received planning permission. The council is currently marketing the units aiming to achieve full pre-letting before initiating development. If full pre-let is not achieved we will need to consider whether to build speculatively.
4.	Work with strategic partners to deliver digital infrastructure	Improve the digital experience and accessibility for residents, businesses	Mar 2020	Green	Wi-Fi contract is in place; implementation actions are underway (obtaining

	Aim	How we will deliver our outcomes	Delivery Date	Current Status	Key Issues / comments
	projects across the District	and visitors including Wi-Fi enablement of the city centre and development of a smart app. Measure: <i>Baseline assessment for 2019</i>			permissions for installation) Smart App contractor has been appointed.
6.	Be innovative by exploring opportunities to reduce revenue expenditure and maximise key revenue 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: <i>100% availability of services online</i>	Dec 2019	Green	Since the original assessment, a further 40 services have been identified since the beginning of the year. Over 85% of council services are now available online. with the remainder due to be available by the end of 2019
Deliver a programme of transformation that will provide an improved customer experience for residents and businesses when contacting the Council Measure: <i>Improved customer satisfaction</i>		Mar 2020	Green	Cohort 1a (Waste, Print and Office Support and Customer Services teams) at Test and Learn stage, Cohort 1b (housing tenancy, rents, income and allocations) at redesign stage to prepare for test and learn stage. Cohort 2a (Revenues and Benefits and Historic Environment) at gathering data stage covering customer demand and activity analysis.	
Explore the opportunities to establish joint-ventures to enable more efficient services Measure: <i>Number of joint venture opportunities explored, potential efficiency savings</i>		Mar 2020	Green	Ongoing. Opportunities reviewed as they present themselves. Shared Human Resources service lead with West Berkshire from Q2.	
Carry out improvements to the current City Offices while reviewing the long term options for staff office accommodation Measure: <i>Refurbishment completed</i>		Mar 2020	Green	Refurbishment to City Offices complete and next phases of work are to West Wing offices and some Guildhall areas. This work will commence in November and will include new lighting,	

	Aim	How we will deliver our outcomes	Delivery Date	Current Status	Key Issues / comments
		<i>March 2019, Works and longer term study complete March 2020</i>			improvements to insulation/ draught proofing and redecoration. The refurbishment is expected to be completed in September 2020.

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: <i>100% of housing stock meets the Decent Homes Standard with and energy performance ratings</i>	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. Reached the year-end target of zero Decent Homes failures.
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: <i>An additional 600 new homes delivered by 2020</i>	Mar 2020	Green	202 units completed with a further 88 on-site. 44 additional homes are expected to start on site in 19/20
		Bid for grant to support additional development Measure: <i>50% of New Homes Programme supported by grant</i>	Mar 2020	Green	Additional Homes England grant of £6.9M awarded to The Valley scheme. Further grants bids to Homes England are planned for 2 schemes
		Housing company be used to support the delivery of sub-market rented housing Measure: <i>Number of units delivered</i>	Mar 2020	Green	Report establishing the Winchester Housing Company to be considered by Cabinet at its meeting on 18 September 2019 (CAB3160 refers)
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: <i>No use of B&B accommodation (other than in exceptional circumstances)</i>	Mar 2020	Green	One instance when B&B accommodation was used in an emergency for a family during this quarter.

	Aim	How we will deliver our outcomes	Delivery Date	Current Status	Key Issues / comments
		Support an increase in the provision of supported housing units/move on accommodation by establishing and leading multi agency Homelessness/ Social Inclusion forum Measure: <i>Provision of 10 supported/ move-on units</i>	Mar 2019	Green	12 units of additional accommodation at Sussex St to be ready to let in September 2019.
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.	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	11 new affordable homes completed by Registered Providers in 1 st quarter 2019/20
		Develop an effective “shared ownership” programme Measure: <i>At least 30 affordable shared ownership homes developed by March 2020</i>	Mar 2020	Green	The Council has completed 19 shared ownership and sale homes, 30% of new build homes delivered by RP partners will be for shared ownership, although none completed in 1 st quarter.
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 with a particular emphasis on digital engagement Measure: <i>Number of involved tenants from 200 to 400 by March 2020</i>	Mar 2020	Green	STAR survey report finalised – meetings with Service Leads and DMT programmed for August to agree actions arising. Number of involved tenants increased to 300
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	Directions already made in Winnall and Stanmore. Currently insufficient evidence to justify further directions but this is being kept under review. The Strategic Housing Market Assessment will be form part of the new Local Plan

	Aim	How we will deliver our outcomes	Delivery Date	Current Status	Key Issues / comments
					baseline work and will include student accommodation requirements. Policy response, as required, will follow on from the assessment.
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 the Council</i>	Mar 2020	Green	See above comments in 4 above
		Provide access to custom build initiatives Measure: <i>2 custom build plots identified</i>	Mar 2020	Green	Target to release 2 further plots to custom build market during 19/20 –2 plots sold (subject to planning consent) in previous financial year
		Review the Partnered Home Purchase pilot scheme that enables residents to buy their own home in a shared equity scheme with the Council Measure: <i>20 households utilising the open-market shared ownership scheme (10 households in the pilot scheme)</i>	Mar 2020	Green	A further 4 completions in Q1 2019/20 bringing the total in the pilot to 7 properties. The remaining properties in the pilot are at an advanced stage of the process.

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: Maintain or increase level of grants and support using 2017/18 as base line	Mar 2020	Green	The Priority Outcomes Fund commenced in April 2019 and included physical inactivity as an outcome measure. Small grants fund closing in September is also open for clubs to apply.
		Develop the Exercise Referral programme to include classes for adults with long term health conditions Measure: <i>Achieve 270 referrals and class attendance during 2019/20.</i>	Mar 2020	Green	<u>Exercise Referrals</u> Q1 – 56 referrals <u>Highest referrals</u> Obesity High Blood Pressure Osteoarthritis Anxiety/ Depression <u>Community Classes Attendance</u> Q1 – 774 throughput <u>Breakdown</u> Nuero Fit - 146 Otago - 513 Assisted Circuits - 45 COPD - 38 Solent Mind - 24 ESCAPE-pain – 8

	Aim	How we will deliver our outcomes	Delivery Date	Current Status	Key Issues / comments
		Promote and encourage health walks across the District, helping everyone live longer, healthier and happier lives Measure: <i>Increase the number of health walks in the district to 6,000</i>	Mar 2020	Green	<u>Health Walks</u> Q1 – 1,666 throughput <u>Breakdown</u> Winchester City Centre - 527 Sutton Scotney - 156 Alresford - 84 Friarsgate - 92 Bishops Waltham - 462 Weeke - 242 Colden Common - 103
		Target discretionary business rates relief towards sports clubs Measure: Maintain or increase rate relief using 2017/18 as base line	Mar 2020	Green	Discretionary business rates relief for 29 sport club and scout clubs as at July 2019
		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 19.5%</i> <i>Fairly active – target 11.2%</i> <i>Active – target 69.3%</i>	Mar 2020	Green	<u>Sport England Active Lives Survey</u> Winchester (Nov 17/18 survey) Inactive - 18.8% Fairly Active - 11.8% Active - 69.4%
		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	82 Referrals and 17 new cases, £520k committed to date.

	Aim	How we will deliver our outcomes	Delivery Date	Current Status	Key Issues / comments
		<p>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.</p> <p>Measure: <i>To achieve the targets as set out in the current action plan</i></p>	Mar 2020	Amber	<p>Meeting with key partners are planned to develop the approach to health and wellbeing.</p> <p>Supporting meetings of Older Person Partnership and Dementia Friendly Winchester</p>
2.	<p>Provide new leisure facilities in Winchester that meet the needs of a broad cross section of our communities for now and the future</p>	<p>Build a new Sport and Leisure Centre at Bar End</p> <p>Measure: <i>Start of construction in Spring 2019</i></p>	Jan 2021	Green	<p>Development started in March 2019. Construction of the new Sport and Leisure Centre is currently on programme due to open in Jan 2021. New operator is appointed following a procurement process.</p>
3.	<p>Encourage volunteering to support and extend local services</p>	<p>Promote and encourage adults to volunteer in community events and sporting activities</p> <p>Measure: <i>Increase to 22% the number of adults volunteering in sport</i></p>	Mar 2020	Green	<p><u>Sport England Active Lives Survey</u> Adults volunteering in sport – 24.7%</p> <p><u>Parkrun volunteers</u> Q1 – 1,074</p> <p><u>Health Walk volunteers</u> Q1 - 33</p>
4.	<p>Support the delivery of a programme of festivals and events across the District</p>	<p>Support the Winchester Festivals Group to deliver a range of high quality sustainable events and festivals that are safe, well organised and well attended</p> <p>Measure: <i>Increase participation in each year (baseline 2017/18)</i></p>	Mar 2020	Green	<p>Continue to support the promotion of over 30 festivals spanning the whole year.</p> <p>Considering ways to support new festivals including Winchester Design Festival and grow existing festivals including Heritage Open Days and</p>

	Aim	How we will deliver our outcomes	Delivery Date	Current Status	Key Issues / comments
					Winchestival.
		Develop the Winchester Criterium and Cyclefest to increase participation and spectators Measure: 13,000 spectators at the 2019 event	Jun 2019	Amber	The Criterium and Cyclefest held on 9 June 2019 was attended by 12,000 spectators with 319 amateur and elite riders taking part. The family cycle ride had 439 participants take part.
5.	Work with partners to achieve significant and sustained change for vulnerable families with multiple, complex and persistent problems	Lead the implementation of the Government's Supporting (Troubled) Families Programme in the Winchester District Measure: To support 73 families (including 12 for intensive support) in Cohort 6 (17/18) and subsequent cohorts	Mar 2020	Complete	Programme expected to close in this financial year. Service now "embedded" within Housing team and reporting to Corporate Head. Annual target already met for this year.

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: Progress with Local Plan preparation	Mar 2020	Green	Preparation of Local Plan 2036 to be carried out in accordance with approved timescales in the Local Development Scheme (agreed December 2018 - CAB3087(LP)). Work on baseline studies now being commissioned or are underway. SHELAA approved for publication in June 2019 (CAB3157 refers).
		Explore the options open to the Council to redevelop the RPLC centre, working towards a more detailed strategic business case and feasibility Measure: <i>Presentation of a strategic business case and feasibility study</i>	Mar 2020	Green	Following a successful engagement session held in March in respect of North Walls, specification for engaging consultants to undertake stakeholder engagement, develop a vision for the site and identify preferred redevelopment options is underway.
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, including fly tip hotspots</i>	Mar 2020	Green	During Q1: 33 new reports of fly tip resulted in site visits being completed. 28 of those were closed due to lack of evidence. 1 case was later closed as unable to locate the offender, 3 investigations are still ongoing and 1 case was transferred to Environmental Protection Team due to the nature of the waste. The enforcement officer also offers advice to ward members, parish councils and landowners.

	Aim	How we will deliver our outcomes	Delivery Date	Current Status	Key Issues / comments
		<p>Always evaluate prosecution as a deterrent to those who fly-tip within the District</p> <p>Measure: <i>100% success rate for all fly-tips that have been moved forward as application to the court for prosecution</i></p>	<p>Mar 2020</p>	<p>Green</p>	<p>During this period 1 initial hearing was held and a trial date is set within Q2. 2 £400 Fixed Penalty Notices were issued and paid 2 Interview under Cautions were completed as part of ongoing investigations.</p> <p>1 out of court settlement was achieved for a case investigated during 2018/19 (the clear up cost and WCC costs were paid which exceeded the £400 FPN).</p>
		<p>Investigate introducing litter fines and other incentives/ penalties (new legislation and not rolled out within the Council yet).</p> <p>Measure: <i>Fixed Penalty notices issued for low-level fly-tips</i></p>	<p>Mar 2020</p>	<p>Green</p>	<p>S34 of the Environmental Protection Act 1990 (Household Duty of Care) Fixed Penalty Notice - draft FPN being sent to WCC Legal for approval/sign off.</p> <p>The internal policy and procedure to be developed in the next quarter.</p>
		<p>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</p> <p>Measure: <i>Satisfaction levels recorded via the survey</i></p>	<p>Mar 2020</p>	<p>Green</p>	<p>ASB Survey: The survey outcome was included within the O&S Committee report.</p> <p>The ASB satisfaction survey will be delivered in the Autumn of 2019 as part of a wider consultation for the proposed extension of the current alcohol control zone (the Designated Public Protection Order became a Public Space Protection Order for two years which comes to fruition in 2020 unless the council applies for it to be renewed).</p>

	Aim	How we will deliver our outcomes	Delivery Date	Current Status	Key Issues / comments
		<p>To undertake a thorough review of taxi licensing policy so as to introduce higher standards of public safety and air quality</p> <p>Measure: <i>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</i></p>	Jun 2020	Green	<p>Phase 1 - Consultation on amendments to Taxi Licensing policy completed and revised policy to be reported to Licensing and Regulation Committee for approval and adoption to follow at Cabinet.</p> <p>Phase 2 – Policy effecting vehicle sizes, types, ages and livery scoped and consultation planned for autumn 2019.</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>During Qtr 1: 4 Community Protection Warning letters were served within the Winchester District. 3 were linked to a hot spot location, which, in collaboration with high visibility patrols has seen a reduction in reports of anti social behaviour. 1 CPW was served for allowing livestock to stray on the highway.</p> <p>During Qtr1: 244 incidents of begging were recorded which shows an increase of 83.5 % when compared with the data captured for the same period last year (133).</p> <p>As a result of this increase in activity the Anti-Social Behaviour lead is working with WCC legal services and external partner organisations to agree other legal interventions that can be used to tackle the most persistent beggars within the city centre.</p>

	Aim	How we will deliver our outcomes	Delivery Date	Current Status	Key Issues / comments
3.	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: <i>Deliver £250k annually with a range of benefits for the local communities</i>	Mar 2020	Green	Schemes for 2019/20 include: Canford Close, Shedfield (parking) - consultation complete & awaiting detailed design Pound Cottages, Meonstoke (parking) - consultation complete & awaiting detailed design Moors Close, Colden Common (parking) - planning approval obtained, progressing scheme Chiltern Court, Alresford (parking & environmental) - preparing options information for consultation Trussell Crescent, Weeke (parking) – on hold awaiting budget increase confirmation
		Analyse 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>	Mar 2020	Green	Work on the analysis of the data has started but is delayed due to resourcing issues. However, these have now been resolved and the completion date is September 2019.
		Develop a Green Infrastructure Strategy to facilitate the enhancement of our public amenities and support the management of our environmental assets Measure: <i>Identify opportunities to reinforce local assets to improve the environmental health of the Winchester District</i>	Mar 2020	Amber	Initial phase of work underway to scope the project and decide best mechanism for delivery.
4.	Work to change attitudes to waste, fly-tipping and littering	Support and encourage residents living in the District to recycle through	Mar 2020	Green	Waste Campaign letters delivered to all residents in July encouraging recycling

	Aim	How we will deliver our outcomes	Delivery Date	Current Status	Key Issues / comments
	and significantly improve recycling levels	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>			while informing them of the new glass collection service. Included with the letters was a weatherproof sticker which could be stuck to the bin to help remind what can and cant be recycled
		We will investigate options for additional income through increased recycling Measure: <i>Income collected through additional channels</i>	Mar 2020	Green	Cabinet approval given to introduce kerbside glass collection from 1 October 2019 (Report CAB3108 18 December 2018 refers)
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	Cabinet approval given to progress Phase II of the flood relief scheme at Durngate (report CAB3072 , 12 December 2018 refers) with funding approved by Council on 16 January 2019. Planning applications being considered by Hampshire County Council and South Down's National Park Authority. Subject to timely approval being given works to commence March 2020 and 3 to 4 months to complete.
		Undertake a Biodiversity Audit to ascertain areas of core concern to be tackled through a Biodiversity Action Plan. Produce a set of core priorities to be included in a refreshed Biodiversity Action Plan. Measure: <i>Revision of the action points put forward in the previous Biodiversity Action Plan, and the</i>	Mar 2020	Green	Project is underway and is currently in the early stages of planning. Two key areas of work have been identified – the production of a document/action plan to set out the current situation and priorities for action; and the production of an action plan coving both short and long term actions. As part of this HBIC have been commissioned to undertake a biodiversity

	Aim	How we will deliver our outcomes	Delivery Date	Current Status	Key Issues / comments
		<i>identification of current priority areas of concern</i>			Audit, which will include recommendations for key species and habitats to be included in the project. This is due for completion late summer 2019.
6.	Improve the environment and reduce harmful emissions through holistic transport planning	<p>Delivery and implementation of the actions included in the Winchester Air Quality Action Plan 2017 – 2023</p> <p>Measure: <i>Improved air quality in accordance with the Air Quality Action Plan</i></p>	Mar 2020	Green	Work is on-going regarding the implementation of the nine core and nine complimentary measures in the Action Plan with an update report due in the autumn. Electric Vehicle Charging Strategy supported by Cabinet 23 January 2019 (CAB3120) and options appraisal for delivery now underway.
		<p>Review the Council approach to reducing the district's carbon emissions including 12 actions for a lower carbon Council</p> <p>Measure: Total emissions from the Winchester district</p> <p><i>This measure will be updated now that Climate Emergency has been declared.</i></p>	Mar 2020	Amber	The Council has determined that the measures included in the route map are not a sufficient response to the risks now identified regarding the impact of climate change. Cabinet on 5 June 2019 declared a 'Climate Emergency' (report CAB3171 refers) and committed to making the activities of the Council carbon neutral by 2024, and the district of Winchester carbon neutral by 2030.
		<p>We will increase the use of P&R to support and encourage parking outside of the city centre</p> <p>Measure: <i>An additional 200 Park & Ride spaces created</i></p>	Mar 2019	Green	Additional P&R bus added to service (peak bus number increased from 8-9 in 2018) to cope with increasing passenger demand which continued to rise in 2018/19.this is really old news City of Winchester Movement Strategy adopted which includes park and ride expansion. Next phase of development work now progressing - see above for an up-date -

	Aim	How we will deliver our outcomes	Delivery Date	Current Status	Key Issues / comments
					<p>park and ride feasibility will be in the first phase of work for the Movement Strategy. P&R light to be provided at Kings Barton Timing depends on the house building rate on site. It is currently envisaged that the facility will be delivered in 2023.</p>

Section 3: Programme Management – Projects Update

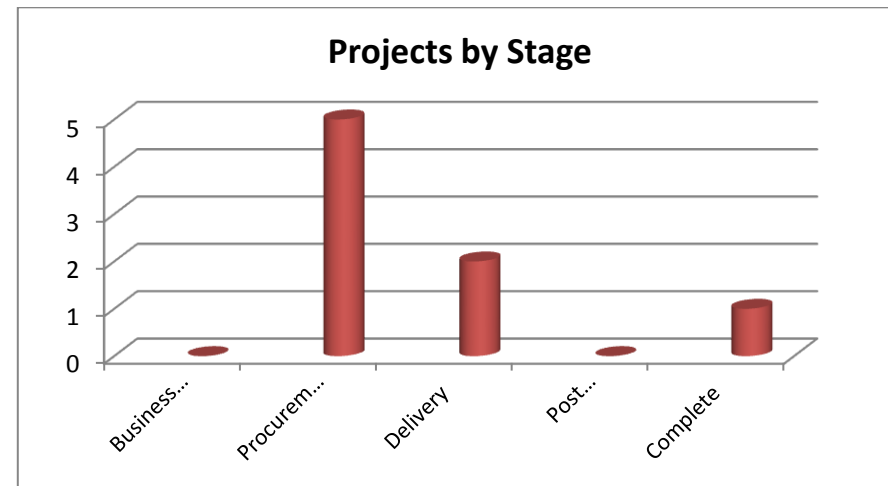
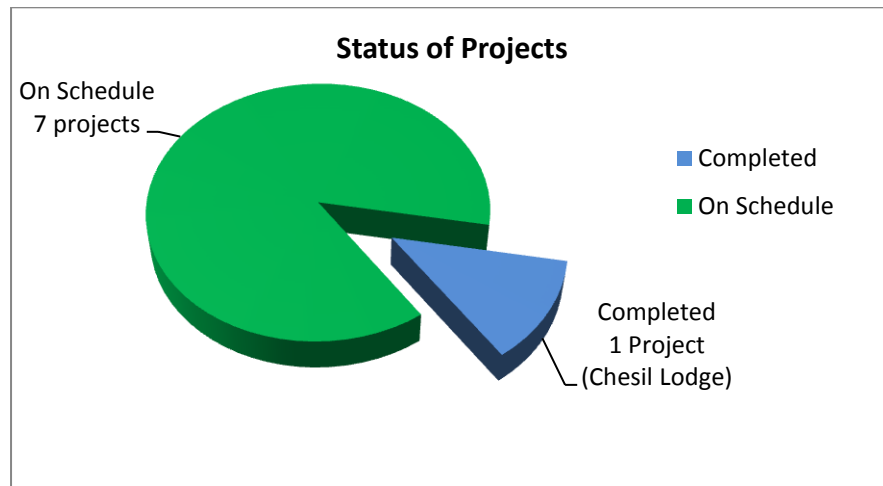
This report provides an update on the progress made against the Council’s significant programmes and projects which are being or will be undertaken during the next five years. These programmes and projects have been selected for inclusion in this report following an exercise to evaluate against a number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

The Council’s Projects include:



- Central Winchester Regeneration
- Climate Emergency response
- Environmental Services contract
- New Local Plan 2036
- 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 –Projects


Summary		Status & Progress		Project Milestones
<u>Central Winchester Regeneration</u>		Current Month	Previous Month	<ul style="list-style-type: none"> • 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, including setting up advisory panels for three work streams - Coitbury House, Lower High Street and Broadway and Meanwhile uses • 25/09/18 – Present longer term delivery strategy and advisory panel ToRs and memberships for each work stream to Cabinet (CWR) Committee • 27/11/18 – Present estimated costs and timescales for next steps of each work stream to Cabinet (CWR) Committee for approval to proceed • 11/12/18 – Archaeology event • 12/12/18 – Present strategic placemaking consultancy brief to Cabinet for approval to proceed • 18/12/18 – Friarsgate Medical Centre purchased • 22/01/19 – Present draft design brief and est. costs for lower High Street and Broadway to Cabinet (CWR) Committee for approval to proceed • 14/03/19 – Planning permission for Friarsgate Hoardings approved • 19/03/19 – Present concept designs for Coitbury House to Cabinet (CWR) Committee for approval to proceed with next stage • 19/03/19 – Present proposed next steps for archaeology to Cabinet (CWR) Committee including est. timescales and costs • w/c 26/04/19 – Appoint Strategic Placemaking Consultancy • 12/07/19 – First Project Review meeting • 28/08/19 – Cabinet approval of recommended archaeology investigations and costs • 28/08/19 – Final Project Review meeting • 24/09/19 – Open Forum update of progress on each work stream and JLL review of CWR roadmap • 23/10/19 – Cabinet approval of RIBA stage 3 Developed Design for Coitbury House and to proceed with planning submission
Project Phase: Develop strategy for the delivery and development of the area and improvements to the existing estate				
Project Start: March 2016	Project End: Ongoing			
Project Sponsor: Chas Bradfield	Project Executive: Veryan Lyons			
Project Budget: Revenue: £395,000	Spend to date: £388,060 (includes committed spend)			



Project Update & Next Steps


- Next steps for work streams implemented following approval from Cabinet (CWR) Committee – commence feasibility study for meanwhile uses on the bus station, liaise with HCC to determine next steps for lower part of the High Street and Broadway and complete feasibility and concept design stage for Coitbury House
- Next steps regarding archaeology to be considered by Cabinet on 28 August 2019
- Coitbury House RIBA stage 2 concept designs approved
- Friarsgate hoardings installed
- Strategic Placemaking Consultancy appointed and project review underway
- Meanwhile uses feasibility study completed



Next Steps

- Complete RIBA stage 3 developed design for Coitbury House
- Develop and implement stakeholder management plan
- Complete feasibility and concept design for Broadway and lower part of the High Street in liaison with HCC
- Implement next steps for archaeology
- Work with JLL to review roadmap and develop strategy for wider development
- Movement Strategy – continue to liaise with HCC on how best to incorporate emerging themes into the development proposals for the CWR area

Summary		Status & Progress		Project Milestones
Climate Emergency response		Current Quarter	Previous Quarter	<ul style="list-style-type: none"> • 05/06/2019 - Declaration Climate Emergency, report CAB3171 refers • 18/09/2019 – WCC members Carbon Neutrality workshop • 09/10/2019 - Health & Environment Policy Committee • 12/11/2019 - Leader’s Board • 11/12/2019 - Cabinet • Dec - PMG – to commence project
Project Phase: Planning & Design			n/a	
Project Start: June 2019	Project End: Dec 2024 / 2030			
Project Sponsor: Richard Botham	Project Executive: Susan Robbins			
Project Budget: To be determined	Spend to date: Nil			
Project Update & Next Steps				
Engagement and communications activities				
<p>1-4 August - Internal WCC officer services workshop</p> <p>5-8 Sept - External Stakeholder event</p> <p>10-12 Sept – Members briefing session</p> <p>29 Sept – 6 Oct - Community Green Week and Green Harvest Festival</p> <p>10-16 Sept Develop communication messages / channels and branding</p>				
Action Plan				
<ul style="list-style-type: none"> • Ratify scope and definition of Climate Emergency • Create spreadsheet of projects with evaluation model • Develop project business case 				

Summary		Status & Progress		Project Milestones
Environmental Services Contract		Current Month	Previous Month	<ul style="list-style-type: none"> • 13/12/18 – Kerbside glass collection and contract strategy report considered by Overview and Scrutiny Committee • 18/12/18 - Cabinet approval for Environmental Services, Kerbside glass collection and contract strategy • Feb/Mar 2019 - Member /Stakeholder workshops • Jun 19 - Cabinet to consider and approve procurement of <u>waste services</u> • Aug 2019 – Invitation to Tender issued • Oct 2019 – Deadline for return of completed Tenders • 01/10/19 - 1 year Waste Collection Services (including introduction of Kerbside glass collection) contract renewal start • 1/10/19 - Environmental Services contract start • Feb 2020 - Cabinet approval of Preferred bidder • Mar 2020 - Contract mobilisation • 01/10/20 - New Waste Collection Services contract start
Project Phase: Design				
Project Start: January 2018	Project End: December 2020			
Project Sponsor: Laura Taylor	Project Executive: Steve Tilbury			
Project Budget: £225,000	Spend to date: £8,300			
<div style="position: absolute; left: -100px; top: 50%; transform: translateY(-50%); font-size: 2em; line-height: 1;">Page 200</div>				
Project Update & Next Steps				
<p>Glass Collection and Date Change</p> <ul style="list-style-type: none"> • Stage 1 letter delivered to all households advertising the glass collection service and advising them of a possible day change • From June to October 19 – Various social media, press, radio and digital campaigns to raise awareness of possible date change and glass collection. • Throughout August 19 – Glass collection boxes delivered to households along with new calendar, letter detailing change in service and recycling information leaflet. • Week before 1st glass collection – Bin hanger placed on bins as a final reminder for residents to check their calendars/letter and put out their collection bin for the following week. <p>2020 Contract Renewal</p> <ul style="list-style-type: none"> • Contract documents prepared. • WC 26th June – OJEU notice published • WC 24th June to 22nd July SQ Period • WC 29th July SQ Evaluation 				

Summary		Status & Progress		Project Milestones
Local Plan 2036		Current Quarter	Previous Quarter	<ul style="list-style-type: none"> • 18/07/2018 – Local Plan launch (CAB3026(LP)) • 03/12/2018 – Local Plan Committee approval of SHELAA, SCI. LDS • 19/06/2019 - Update report to Cabinet • 19/06/2019 – Cabinet approval of Strategic Housing and Economic Land Availability Assessment (SHELAA) • Early 2020 - Production of a “prospectus” of issues arising from the technical evidence and options • Spring 2020 - Engagement and consultation on the prospectus • Summer 2020 - Draft local plan published for consultation • Autumn 2020 - Consultation responses assessed and updated • End of 2020 - Pre submission plan consultation • March 2021 - Draft plan submitted • Summer 2021 - Examination in public • Modifications • December 2021 - Local Plan 2036 adopted
Project Phase: Planning			n/a	
Project Start: 2018	Project End: 2021			
Project Sponsor: Steve Tilbury	Project Executive: Jenny Nell			
Project Budget: £600,000	Spend to date: £38,000			
Project Update & Next Steps				
<p>July/August 2019 – commissioning of technical evidence.</p> <ul style="list-style-type: none"> • Sept/Nov 19 – Completion of evidence base • Parish Council workshops held October 2018 and March 2019. • Update to WTF January 2019 • Duty to Cooperate meetings July - September 2019 <p>Next Steps:</p> <ul style="list-style-type: none"> • Cabinet report prepared for September 2019 including proposals for “Prospectus” and updating the “Vision for Winchester”. 				

Summary		Status & Progress		Project Milestones
<u>New Homes Programme</u>		Current Quarter	Previous Quarter	<ul style="list-style-type: none"> • The Valley – work now started on site. • Mitford Rd – completed and new homes now occupied • Bailey Close – completed November 2018, fully let and official opening event held • Hillier Way – homes occupied. • Victoria House – rented units completed and now let. Awaiting LABC sign-off to enable Shared ownership properties to be sold • Knowle - Started on site and works progressing in line with project plan, Shared ownership properties completed and reserved, 5 rented houses due for completion in August 19. • Rowlings Rd – Planning consent secured and tenders returned under budget • Dolphin Hill, Twyford – Tenders returned, September Cabinet for approval
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: £12,717,189 to 31 March 2019			
Project Update & Next Steps				
<p>Page 202</p> <ul style="list-style-type: none"> • Mitford Rd – Flats handed over on 28th August 2018. • Bailey Close – completed November 2018 • Hillier Way – completed (November 2017) • Victoria House – Completed January 2019, rented properties let and SO pre-sold. • Knowle – on-site, progressing well. • The Valley – Building contract signed and scheme has started on site – due for completion by March 2021. Homes England has confirmed additional grant has been approved to enable rented properties to be let at Social Rent levels. • Architect appointed to provide design options for Wykeham Place, Stanmore. • Further schemes planned at Micheldever, Abbots Barton, Withybed Lane, Winnall and Stanmore. 				

Summary		Status & Progress		Project Milestones
<u>Station Approach</u>		Current Month	Previous Month	<ul style="list-style-type: none"> • 15/12/16 - Procurement of RIBA Competitions Office - Completed • 20/03/17 - Cabinet to agree start of procurement – Completed • 14/08/17 - Cabinet (SA) to approve appointment of architects - Completed • 27/02/18 – Cabinet (SA) approve content of the Public Realm Strategy and Masterplan Framework - Completed • 12/07/18 – Cabinet (SA) to approve: Procurement route for Public Realm Strategy design work – Completed • Oct 2018 – Cabinet (SA) to agree to start work required for the preparation of a planning application for submission in March 2019 and draw down capital expenditure for this work.- completed • March 2019 - Cabinet (SA) to approve RIBA Stage 2 (Concept Design) for the Carfax site, consider the outline business case and consider options for delivery ,and for Public Realm to agree Gateway approval to RIBA Stage 3 (developed design), • August 2019 – Cabinet decision on delivery option for Carfax site and Public Realm RIBA Stage 3 design works • Autumn 2019 – Decision on outline planning application • Future milestones to be added following a Cabinet decision on the delivery option for Carfax site.
Project Phase: Procurement and Design		✓	✓	
Project Start: February 2015	Project End Date: Q3 2024 (longest option - JV route)			
Project Sponsor: Chas Bradfield	Project Executive: Ian Charie			
Carfax Project Budget: Capital: £1,800,000 of which £400,000 approved for expenditure Revenue: £1,550,000	Carfax Budget Expenditure: Revenue: £1,264,701 (current project) Capital: £321,234 Planned or Committed: Revenue:£235,930			
Public Realm Budget: Capital (Projected): £5,000,000 (LEP) Revenue: £225,000	Public Realm Budget Expenditure: Revenue: £179,805 Planned or Committed: Revenue: £89,445			

Project Update & Next Steps

Update:

- Developer/Investor Information Day held 7 June 2019. Feedback received to be fed into report for cabinet August 2019. JLL providing advice on potential process.
- Planning – outline application
 - Issues regarding height considered; response proposed – removal of height flexibility and part of screen to reduce height in outline application by 2m total. Car parking reduced to max of 95 spaces.
 - LPA decision to send outline proposal to Regional Design Panel – panel held on 2 August
 - Aiming to have planning application to be determined in September









Next Steps:








- Cabinet confirmation that project review is complete 28 August
- Consideration of delivery route at August 28 Cabinet (scrutiny on 14 August 2019)
- Progress to RIBA Stage 4 for design development of Public Realm.
- Consultation with Network Rail /South West Railway
- Budget request for project to be made at Cabinet 28 August 2019. This is to proceed to a delivery phase on Carfax, and to proceed to RIBA Stage 4 for public realm.
- Cabinet recommendation to be considered on 28 August re the EM3 LEP £5m grant agreement approval


Summary		Status & Progress		Project Milestones
<u>Winchester Sport & Leisure Park</u>		Current Month	Previous Month	<ul style="list-style-type: none"> • Options appraisal – 2013 to 2015 - Completed • Feasibility assessment of preferred option – 2016 - Completed • Prepare Outline Business Case for preferred option - 2016/17 - Completed • Outline Business Case – 16 January 2018 - Completed • Prepare and seek planning permission – 2018 - Completed • Operator procurement process– January 2019 - Completed • Full Business Case – February 2019 - Completed • Sign contract with construction contractor and operator – March 2019 - Completed • Start on site – March 2019 – Completed • Construction period – March 2019 to December 2020 – current stage • Completion – Early 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: <u>Capital:</u> £42,900,000 <u>Revenue:</u> £759,402	Total Actual Spend: Total: £7,006,423.27			
Project Update & Next Steps				
<p>Project Update</p> <ul style="list-style-type: none"> • Works on site ongoing and progressing well • Utility diversion work commenced • Continuing progress on RIBA stage 5, including ongoing engagement with utilities and HCC • Continuing progress on offsite works for temporary and permanent access around the park • Site hoardings erected • Two panel review meetings held and review completed;; recommendations for improving sustainability in relation to additional roof mounted photovoltaic cells and grey water recycling at additional cost have been approved. Measures to improve access to the new centre are being developed. <p>Next Steps</p> <ul style="list-style-type: none"> • Start of the steel frame erection • Start of works to construct the access to the new Centre from Bar End Road including new pedestrian access and road crossing arrangements along Bar End Road. • Ongoing discharge of planning conditions • Continued delivery of offsite access works • First Open Forum to be held in September • Ongoing engagement with users of the centre and working meetings with operator 				

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				2019/20	Annual Target	End of Year Status
	Q4	Q1	Q2	Q3	Q4	Q1		
Average Sickness per member of staff (<i>days</i>) – rolling year	7.1	7.7	8.6	9.5	8.7	8.8	7.5	
Staff Turnover – quarterly (rolling 12 months)	19.80%	19.45%	18.20%	18.31%	21.25%	21.17%	No target set	No target set
Average processing time of new Housing Benefit claims (<i>days</i>)	11.13	14.36	14.76	16.79	17.95	11.08	14.00	
Average processing time of new Council Tax Support claims (<i>days</i>)						24.37	26.00	
Average processing time of changes circumstances for Housing Benefit claimants (<i>days</i>)	3.21	4.22	4.87	5.05	4.26	3.17	5.00	
Average processing time of changes in circumstances for Council Tax Reduction claimants (<i>days</i>)						3.48	5.00	
Number of overdue/ outstanding internal audit actions (<i>end of quarter</i>)	15	14	15	15	12	13	10	
Number of High Priority Overdue Internal Audit Management Actions	0	0	0	0	0	0	0	
Number Internal Audit Reports issued with ‘No Assurance’ opinion	0	0	0	0	0	0	0	

Performance Indicator	2017/18	2018/19				2019/20	Annual Target	End of Year Status
	Q4	Q1	Q2	Q3	Q4	Q1		
Accounts Payable – invoices paid within 30 days	94%	96%	96%	94%	95%	96%	100%	
Invoices processed with a Purchase Order	100%	100%	100%	100%	99%	99%	100%	
Number of complaints recorded on corporate complaints system	129	136	167	125	167	171	No Target Set	Not Applicable
Percentage of FOI requests responded to within 20 working days	78.53%	72.19%	76.00%	90.00%	90.00%	91.60%	90.00%	
Number of Fly-Tipping Incidents reported	249	183	194	179	214	194	No Target Set	Not Applicable
Percentage of household waste sent for reuse, recycling and composting - quarterly	32.31%	38.98%	37.03%	34.89%	30.94%	38.70%	35.87%	
Percentage of Major applications determined within 13 weeks or Agreed Extension of Time	100.00%	87.50%	100.00%	100.00%	100.00%	86.67%	60.00%	
Percentage of Non Major applications determined with 8 weeks or Agreed Extension of Time	90.96%	96.91%	93.94%	95.08%	97.51%	95.96%	65.00%	
Number of Enforcement Cases Opened	90	76	81	58	80	107	No Target Set	Not Applicable
Number of Enforcement Cases Closed	108	73	80	59	84	100	No Target Set	Not Applicable
Voids – Average re-let time (general needs and sheltered)	12.63	13.80	14.99	16.43	14.86	14.13	13	

Performance Indicator	2017/18	2018/19				2019/20	Annual Target	End of Year Status
	Q4	Q1	Q2	Q3	Q4	Q1		
Arrears - Number of tenants owing more than 4 weeks rent	205	206	222	231	232	261	No Target Set	Not Applicable
Housing repairs – average number of days to complete responsive repairs	5.16	5.96	6.88	6.34	6.39	9.43	8.00	
Homelessness – numbers presenting to Council as being at risk of homelessness	460	360	385	378	496	490	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 Variances:

Staff Sickness Absence

Staff sickness remains above the target of an average of 7.5 days per member of staff, however has levelled out when compared to figures for the previous quarter. The average sickness figure is based on a rolling twelve months period, updated at the end of each quarter, which will take time to show improvement following the introduction of a range of increased staff benefits.

The average number of days sickness across a number of other Hampshire local authorities is 8 days per member of staff, with the highest being 10 days and the lowest 5.5 days.

The reason for the highest level of sickness is personal stress and depression, followed by infections such as colds and flu.

Housing repairs – average number of days to complete responsive repairs

The increase in the average number of days taken to complete responsive repairs is due to fewer “high priority” jobs when compared to the same time last year. In general because of their nature high priority jobs are completed much quicker than general repairs. The reduction in “High Priority” repair requests reflects the level of investment in “planned maintenance” programmes in recent years.

Voids – Average re-let time (general needs and sheltered)

There has been an improvement in the time taken to re-let general needs and sheltered accommodation properties in 1st quarter compared to the 2018/19 end of year performance. It is anticipated that this improvement will continue and the ambitious 13 day target will be achieved during this financial year.

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CAB3176
CABINET

REPORT TITLE: RISK MANAGEMENT POLICY 2019

18 SEPTEMBER 2019

REPORT OF CABINET MEMBER: CLLR CUTLER – DEPUTY LEADER AND MEMBER FOR FINANCE AND RISK

Contact Officer: Lisa Kirkman Tel No: 01962 848 501 Email lkirkman@winchester.gov.uk

WARD(S): ALL

PURPOSE

This report presents the updated Risk Management Policy 2019 which defines the Council's arrangements for managing Council risks and its integration with corporate governance and performance management.

There have been updates to the key risks that appear on the Corporate Risk Register and the report seeks consideration and approval of the Risk Appetite Statement for 2019/20.

RECOMMENDATIONS:

1. That Cabinet approve the Risk Management Policy for 2019, its Risk Appetite Statement for 2019/20 and the Corporate Risk Register.

IMPLICATIONS:1 COUNCIL STRATEGY OUTCOME

1.1 Effective use of risk management supports the Council manage threats and opportunities to achieve the aims and objectives included in the Council Strategy.

1.2 Included in this updated Policy is the Risk Appetite Statement for the Council which supports members and officers in decision making by setting out where the Council is comfortable taking different levels of risk, and which levels are unacceptable.

2 FINANCIAL IMPLICATIONS

2.1 None directly, however where there is an expected increase in risk probability, additional costs may be required to properly and adequately manage those risks which would need to be identified in the relevant business case.

3 LEGAL AND PROCUREMENT IMPLICATIONS

3.1 None identified.

4 WORKFORCE IMPLICATIONS

4.1 None

5 PROPERTY AND ASSET IMPLICATIONS

5.1 None directly.

6 CONSULTATION AND COMMUNICATION

6.1 Cabinet members have been consulted on the contents of the Risk Management Policy and Risk Appetite Statement.

7 ENVIRONMENTAL CONSIDERATIONS

7.1 None

8 EQUALITY IMPACT ASSESSEMENT

8.1 None required.

9 DATA PROTECTION IMPACT ASSESSMENT

9.1 None.

10 RISK MANAGEMENT

Risk	Mitigation	Opportunities
<i>Property</i>	None	None
<i>Community Support</i>	None	None
<i>Timescales</i>	None	None
<i>Project capacity</i>	None	None
<i>Financial / VfM</i>	None	None
<i>Legal</i>	None	None
<i>Innovation</i>	None	None
<i>Reputation – ensuring that the Council has in place robust arrangements to manage its risks</i>	This report sets out the principles and arrangements for the Council to manage its risks	A robust Risk Management Policy supports the Council to identify, assess and manage its risks in a consistent and effective way
<i>Other</i>	None	None

11 SUPPORTING INFORMATION:

- 11.1 This report is the updated Risk Management Policy for 2019 which sets out the Council's approach to risk management and in detail the arrangements for managing risk. The Policy forms part of the Governance and Performance Management arrangements at the Council.
- 11.2 The Policy sets out the framework for identifying the significant risks that are relevant to the achievement of the Council's strategic and operational objectives, evaluating their potential consequences and implementing the most effective way of managing and monitoring them.
- 11.3 The Council evaluates its risks using a four-point scale for the likelihood or probability of the risk occurring and the impact caused should the risk occur. These are rated between low and significant. A score for each risk is then calculated using the four by four matrix with the lowest score being one and the highest sixteen.
- 11.4 Included as an appendix to the Policy is the Council's Corporate Risk Register, which includes the risks that are of greatest significance to the Council in the context of the aims and objectives that are set out in the Council Strategy. These risks are regularly reviewed by the officers of the Strategic Leadership Team.
- 11.5 Corporate risks are those which affect delivery of council services as a whole and a new risk has been added to the register for 2019. This risk relates to the recent Climate Emergency declaration and the Council's response to achieve the agreed targets of becoming a carbon neutral council by 2024 and the district by 2030.

- 11.6 A review of the current public sector landscape was undertaken and the corporate risks for 2019 are currently considered to be:
- Capacity to deliver services
 - Ensuring decisions are made on customer insight and engagement
 - The need to ensure effective business continuity plans
 - The need to maintain effective strategic partnerships
 - The need to ensure financial resilience
 - A focus on strategic planning for housing
 - Protection against digital attacks through effective cyber security
 - Responding to the Climate Emergency
- 11.7 More details of the causes, consequences and impacts of the corporate risks occurring are included in the Policy and these have been reviewed and updated in the register for 2019.
- 11.8 Regular updates are reported to Audit and Governance Committee on the progress of the management actions in place to manage or mitigate the risks.
- 11.9 The Policy also includes the Council's Risk Appetite Statement, which sets out the amount of risk the Council is prepared to take but also make the most of opportunities when they arise. Further detail on the risk appetite is included in section 8 of the Risk Management Policy
- 11.10 A workshop with Cabinet and the Executive Leadership team determined the risk appetite for 2019/20 to be 'high' and that the Council will consider all potential options when decision making. This supports Members and officers to take fair, measures and targeted levels of risk when making decisions. There will opportunities for the Council to be innovative or work differently and any identified risks will need to be considered against the anticipated costs and efficiency benefits.

12 OTHER OPTIONS CONSIDERED AND REJECTED

- 12.1 None, the report provides details of the arrangements for managing risk as set out in the Risk Management Policy.

BACKGROUND DOCUMENTS:-

Previous Committee Reports:-

CAB3058 – Risk Management Policy 2018

Other Background Documents:- None

APPENDICES: Appendix 1- Risk Management Policy 2019



Winchester
City Council

Risk Management Policy

2019



1. Introduction

As part of Winchester City Council's arrangements to ensure good governance, the purpose of effective risk management is to provide assurance and that the Council is 'risk aware'. This entails being able to identify risks, evaluate their potential consequences and determine the most effective methods of controlling or responding to them.

The Council believes that risk needs to be managed rather than avoided and that consideration of risk should not stifle innovation and creativity.

This Policy outlines the approach the City Council takes with regard to its responsibility to manage risks and opportunities using a structured, focused and proportional methodology. Risk management is integral to all policy planning and operational management throughout the Council and integrates with our corporate governance and performance management.

This approach to risk management actively supports the achievement of the agreed actions, projects and programmes included as set out in the Council Strategy.

Risk can be thought of as possibility that an action or event will affect the Council's ability to achieve its objectives or outcomes.

Good risk management is about identifying what might go wrong, assessing our level of tolerance towards that and then putting in place measures to prevent the worst from happening, or to manage the situation if something does go wrong. It is also about assessing what must be done to support achievement of the Council's objectives and acting in a way that makes this more likely to happen.

2. Our corporate approach to risk management

Risk management is about providing assurance by being 'risk aware'. Risk is ever present in everything that we do and some risk taking is inevitable if the Council is to achieve its objectives. Risk management is about making the most of opportunities when they arise and achieving objectives once those decisions are made. By being 'risk aware' the Council is better placed to avoid threats and take advantage of opportunities. Proper project management processes and principles will identify potential risks early in the process and set out how these can be avoided or mitigated. Staff training in project management principles is essential to embed these good practices.

By embedding a culture of risk management into the Council, Members and officers are able to make effective decisions about services and the use of financial resources to ensure that the Council's objectives are met.

An effective corporate approach to risk management will:

- Make it more likely that the Council's objectives will be achieved
- Safeguard the organisation and provide assurance to members and officers,
- Become part of every manager's competency framework, job description and performance appraisal,
- Provide support to the overall governance of the organisation,
- Improve decision making,
- Identify issues early on,
- Provide a greater risk awareness and reduce surprises or unexpected events,
- Develop a framework for structured thinking,
- Ensure better use of finances as risks are managed and exposure to risk is reduced,
- Facilitate achievement of long-term objectives,
- Ensure a consistent understanding of and approach to risks.

3. Our risk management framework

Risk management is the process of identifying significant risks relevant to the achievement of the Council's strategic and operational objectives, evaluating their potential consequences and implementing the most effective way of managing and monitoring them.

The Framework and Process arrangements supporting risk management at the Council involve:

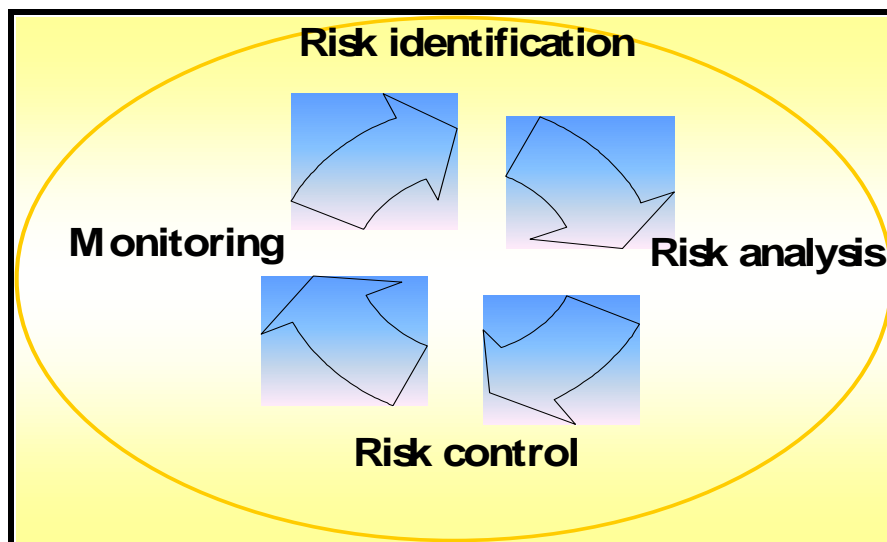
- A Risk Assessment Tool (section 4)
- Details of how risk management supports corporate planning and operational management (section 5)
- Risk appetite statement (section 8)
- Monitoring and review arrangements (section 10)
- A timetable linked to corporate programme (section 11)

4. Risk Assessment Tool

The principles

The City Council generally manages risk effectively within the course of its normal operations through its management structure and governance arrangements.

Risk Assessment Tool



When identifying risks, it can be helpful to use the following sources of risk as prompts to ensure that all areas of risk are considered:

Sources of Risk	Risk Examples
Infrastructure	Functioning of transport, communications and utilities infrastructure. The impact of storms, floods and pollution.
Politics & Law	Effects of change of government policy, UK or EC legislation, national or local political or control, meeting the administration's manifesto commitments. Issues of timing. Following the organisation's stated/agreed policy. Legality of operations
Social Factors	Effects of changes in demographic, residential and social trends on ability to deliver objectives.
Technology	Capacity to deal with obsolescence and innovation, product reliability, development and adaptability or ability to use technology to address changing demands.
Competition & markets	Affecting the competitiveness (cost and quality) of the service and/or ability to deliver value for money and general market effectiveness
Customer & Stakeholder – related	Satisfaction of: citizens, users, central and regional government and other stakeholders. Managing expectations – consulting & communication on difficult issues
Sustainability / Environmental	Environmental consequences arising from option (e.g. in terms of energy efficiency, pollution, recycling emissions etc.)
Finance	Costs, long term financial sustainability/ reliance on finite or vulnerable funding streams. Financial control, fraud and corruption.

Sources of Risk	Risk Examples
People management & human resources	Managing changes to services that may affect staff and/or ways of working. Resourcing the implementation of the option. Employment issues (TUPE etc.), Maintaining effective health & safety of staff and users
Contracts & partnerships	Dependency on or failure of contractors to deliver services or products to the agreed cost and specification. Procurement contract and relationship management. Overall partnership arrangements, e.g. for pooled budgets or community safety. PFI, LSVT and regeneration.
Tangible assets	Security of land and buildings, safety of plant and equipment, control of IT hardware
Reputation	Affecting the public standing of the Council, partnerships, or individuals in it (affecting you). Management of issues that may be contentious with the public or the media.
Professional judgement & activities	Risks inherent in professional work such as assessing clients' welfare or planning or response to the Human Rights Act.

It is important to maintain a sense of proportionality with day to day risk and the following principles will be applied:

- Managers have a good understanding of their services and service developments, and are able adequately to identify the risks involved.
- Managers understand the limits that the organisation places on the action that can be taken by any individual officer. There is a general awareness of what management action is appropriate and where further consultation and approval are required with colleagues and more senior managers. The organisation therefore recognises its risk appetite in relation to the decisions it takes.
- There is a good level of understanding of what risk it is acceptable to take during the normal course of work and the organisation recognises its risk appetite in relation to its ongoing activities.
- Unnecessary bureaucracy should be avoided, in particular by preparing documentation solely to demonstrate (rather than support or enhance) effective management. The cost (in terms of the time involved) relative to the benefit gained by defining every possible risk in detail and assigning impact and likelihood scores to each risk associated with every planned or current activity is deemed too great to be generally worthwhile. However where there are known concentrations of risk, such as in new service developments or

relating to our programme of major projects, managers understand that they should document, monitor and manage these risks using the council's scoring framework. Similarly, the corporate management team (or whoever is appropriate) should seek to identify, assess and manage those risks that seem likely to cause problems or bring benefits at a corporate level.

- The internal audit team at the Southern Internal Audit Partnership work with the Strategic Director: Resources and Executive Leadership Board to consider the council's assurance needs, and makes its own assessment of the internal audit work required to provide this assurance.
- Managers are encouraged and supported to consider the potential threats and opportunities involved in any new service developments and improvements, and to monitor ongoing performance. Documentation of risks, related controls and mitigating action plans should be considered where this is helpful and appropriate and, where this is the case, risk registers should be prepared. This is likely to be appropriate for specific service development projects, when project risk registers should be monitored closely by the lead project manager and sponsor. Individual teams should also consider risk specifically when updating annual service plans.

It is the responsibility of all staff to assess risks associated with their work and projects and to escalate any potential risks which they feel cannot be managed within sensible parameters to the Strategic Leadership Team. The Programme Management Group reviews the Programme Risk Register and will also seek to identify risks associated with major projects and the capital programme and to refer significant matters to the Strategic Leadership Team.

Identification of risks

Strategic Leadership Team (SLT) regularly reviews the Corporate Risk Register and escalates any key issues to Executive Leadership Board (ELB) who also reviews the Corporate Risk Register on an annual basis to assess any emerging risks or risks that should be removed. Risk owners for corporate risks are generally a member of ELB. This risk register is formally agreed by Cabinet and the most significant risks on this list are reported regularly to Audit and Governance Committee.

Service or operational risks are reviewed on an ongoing basis and significant risks added to the relevant Statement of Assurance during the spring of each year.

The Council's Project Team uses the PRINCE2 and Association of Project Management (APM) methodology for managing projects. Incorporated within this methodology is a robust process for the management of project risks. Project risk registers are created for each new project and reviewed as part of the project life cycle and documented on the Project Risk Register. Overarching project risks (for

example, failure to deliver on a specific project) may be included in the corporate risk register if they are of sufficient importance at this level and/or the risks are being poorly managed for whatever reason.

The Annual Governance Statement is also a key part of risk management and plays an important role in the identification and escalation of risks. The Statement is produced following a review of the Council's governance arrangements and explains how the City Council delivers good governance. Underpinning the Statement are the individual Statements of Assurance which are completed by each Corporate Head and includes details of significant risks for their service area. Risks which have additional corporate significance are escalated into the Annual Governance Statement which reads across into the Corporate Risk Register.

It is important for Corporate Heads to refer to this Policy when completing their Statement of Assurance and providing details of risks affecting the pursuit of the objectives of the team (although this is not the only time risks will be considered).

5. How risk management feeds into corporate planning and operational management

By embedding risk management into existing policy and service planning processes, members and officers are able to make informed decisions about the appropriateness of adopting a policy or service delivery option.

The information resulting from the risk management approach acts as one of the key pieces of information incorporated into the development of corporate, business and service plans. Risk management is an essential element in establishing policy, developing plans and enhancing operational management.

In order to formalise and structure risk management at the Council, it is recognised that there are obvious and clear links between risk management and strategic objectives; financial planning; policy making & review and performance management. The linkages are as follows:

a) The Council Strategy reflects the desired outcomes for the District, informed by consultation with the public and stakeholders.

The Council Strategy 2018-2020 outlines how the Council will deliver its vision up until 31 March 2020. The Strategy is focussed on the key outcomes in a way that is consistent across our aims with regard to both local and national priorities. During the lifetime of the Strategy there will be direct and indirect threats to the achievement of the outcomes and these are risks that must be properly managed.

b) As part of the annual planning process each team considers the key actions to be taken and targets for performance. An assessment of the risks forms part of this planning which is an identification and prioritisation of the most significant risks faced in delivering the key priorities for the year, with actions identified to mitigate and manage these. These actions are then managed as part of the normal business of the team.

c) Each member of staff has an annual appraisal which monitors progress being made and sets objectives for the coming year required to deliver service plan actions and achieve. As part of this, risk management is cascaded down to staff as an objective which aims to gain their support and awareness to ensure effective management of risk within the Council.

d) Measurement of performance against the Council Strategy outcomes, performance indicators and key tasks is achieved in a number of ways:

- In addition to day to day management, teams carry out a regular review of progress in their area, which includes assessment of progress against Council Strategy actions, performance trends and risks. Where appropriate, exceptions are reported to the Strategic Leadership Team for consideration and agreement of corrective action, if required.
- The Strategic Leadership Team keeps an overview of financial plans, with service performance and emerging risks with corporate risks being reviewed quarterly.
- The Scrutiny Committee receives quarterly reports that provide an update on the progress achieved against the actions included in the Council Strategy and any significant issues are raised with Cabinet.

6. How do we evaluate risks?

The Council evaluates its identified risks on a four-point scale on the likelihood or probability of the risk occurring and the impact caused should the risk occur being rated between low and significant.

The Council has chosen to divide the rating into bands as shown on the example risk matrix below.

		I M P A C T			
		Low	Moderate	Major	Significant
L I K E L I H O O D	Highly Likely				
	Likely				
	Unlikely				
	Highly Unlikely				

Impact Rating

The following table provides the definitions which should be used when determining whether a risk would have a Low, Moderate, Major or Significant impact

	Low (1)	Moderate (2)	Major (3)	Significant (4)
Financial	Less than £20K	£20k or over and less than £200K	£200K or over and less than-£2MK	£2M plus
Service Provision	No effect	Slightly Reduced	Service Suspended Short Term / reduced	Service Suspended Long Term Statutory duties not delivered
Health & Safety	Sticking Plaster / first aider	Broken bones/illness Lost time, accident or occupational ill health	Loss of Life/Major illness – Major injury incl broken limbs/hospital admittance. Major ill health	Major loss of life/Large scale major illness
Morale		Some hostile relationship and minor non cooperation	Industrial action	Mass staff leaving/Unable to attract staff
Reputation	No media attention / minor letters	Adverse Local media Leader	Adverse National publicity	Remembered for years
Govt relations	One off single complaint	Poor Assessment(s)	Service taken over temporarily	Service taken over permanently

Likelihood Rating

It is unlikely that in many cases the probability of a risk occurring can be calculated in a statistically robust fashion as we do not have the data to do so. However, as an indicator, the likelihood is defined by the following probability of a risk occurring:

Likelihood	Probability
Highly Unlikely	1% to 25% chance in 5 years
Unlikely	26% to 50% chance in 5 years
Likely	51% to 75% chance in 5 years
Highly Likely	76% to 100% chance in 5 years

7 How we respond to risks

Once a risk has been identified, the Council need to decide and agree what it is going to do about it. The recognised approaches to controlling risks are described as the five key elements or 5 T's; tolerate, treat, transfer, terminate and take the opportunity. These are described in more detail below. It is generally accepted that where a risk can be reduced through some form of treatment or mitigation in a cost-effective fashion then it is good to do so.

As a general principal once a risk has been identified, consideration needs to be given to the five T's and that the chosen approach is seen as being cost-effective so that the control of the risk is not disproportionate to the expected benefits.

The five T's are:

- Treatment** By far the greatest number of risks will be addressed in this way by using appropriate control countermeasures to constrain the risk or reduce the impact or likelihood to acceptable levels.
- Transfer** For some risks the best response may be to transfer them and might be done by transferring the risk to another party to bear or share the risk; e.g. through insurance or partnership. Reputation risk can never be transferred.
- Tolerate** Where it is not possible to transfer or treat the risk, consideration needs to be given to how the consequences are managed should they occur. This may require having contingency plans in place, for example, Business Continuity Plan which creates capacity to tolerate risk to a certain degree.
- Terminate** Some risks will only be treatable, or containable to acceptable levels by terminating the activity that created them. It should be noted that the option of termination of activities may be severely limited in government when compared to the private sector; a number of

activities are conducted in the government sector because the associated risks are so great that there is no other way in which the output or outcome, which is required for the public benefit, can be achieved. This option can be particularly important in project management if it becomes clear that the projected cost / benefit relationship is in jeopardy.

Take the opportunity

This option is not an alternative to those above; rather it is an option which should be considered whenever tolerating, transferring or treating a risk. There are two aspects to this. The first is whether or not at the same time as mitigating threats; an opportunity arises to exploit positive impact. For example, if a large sum of capital funding is to be put at risk in a major project, are the relevant controls judged to be good enough to justify increasing the sum of money at stake to gain even greater advantages? The second is whether or not circumstances arise which, whilst not generating threats, offer positive opportunities. For example, a drop in the cost of goods or services frees up resources which can be re-deployed.

8. Risk Appetite

The HM Treasury defines risk appetite as “*The amount of risk that an organisation is prepared to accept, tolerate or be exposed to at any point in time*” (Source: British Standard on Risk Management BS31100 2008).

A clearly understood and articulated risk appetite statement assists with the risk awareness for the Council and supports decision making in pursuit of its priority outcomes and objectives.

The Council’s Risk Appetite Statement is an integral part of the Council’s Risk Management Policy and ensures that the opportunities the Council is willing to take to achieve its strategic outcomes and objectives are measured, consistent and compatible with the Council’s capacity to accept and manage risk and do not expose the Council to unknown, unmanaged or unacceptable risks.

This statement will be reviewed annually and approved by Cabinet at the start of each municipal year. The approved statement will be included as an appendix to the Risk Policy. The Council may decide to move the line up or down based on a number of influencing factors including financial and capacity, and the Council may have a higher ‘aspirational’ risk appetite once sufficient assurance is gained and processes put in place to manage the higher levels of risk.

Risk management is about being ‘risk aware’. Risk is ever present in everything that we do and some risk taking is inevitable if the Council is to achieve its objectives.

Risk Management is about making the most of opportunities when they arise and achieving objectives once those decisions are made. By being 'risk aware' the Council is better placed to avoid unforeseen problems and take advantage of opportunities that arise.

The Council's Risk Appetite 2019

The Council during the course of year will take fair, measured and targeted levels of risk to achieve the priority objectives included in the Council Strategy. There will be opportunities for the Council to be innovative or work differently and any identified risks will need to be considered against the anticipated cost and efficiency benefits.

The Risk Appetite Statement supports Members and officers in decision making by setting out where the Council is comfortable taking different levels of risk, and which levels of risk are unacceptable. The Council's Risk Appetite should be considered in conjunction with the risk section of all committee reports when decisions are made.

Risks that fall under the risk appetite 'line' may still happen and should still be managed effectively and transparently.

The Council's appetite for its significant risks included in the Corporate Risk Register is shown in the diagram below and highlighted in bold with the relevant cell shaded.

Risk levels and description Key elements	Minimal As little risk as reasonably possible	Cautious Prefer limited delivery options	Open Consider all potential options	Seek Eager to be innovative
Financial/VfM	Very limited financial loss if essential (up to £100,000) VfM (focusing on economy) is primary concern	Some limited financial loss (from £100,000 to £500,000) Consider benefits and constraints beyond price	Will invest and risk losing (from £500,000 up to £2m or 10% of value – which ever is the lower of the two) for larger potential financial return Value and benefits considered, not just cheapest price	Invest and risk losing (from £2m up to £5m) for best possible return Resources allocated without firm guarantee of return
Exposure to Challenge	Be very sure we would win challenges	Limited tolerance for sticking neck out Reasonably sure we would win challenges	Challenge is problematic, but takes the necessary steps to manage and win this. Gain outweighs adverse consequences	Chances of losing challenge are real with significant consequences
Innovation, Quality, Outcomes	Innovations avoided unless essential or commonplace Essential systems or technology development only	Prefer status quo and avoid innovation Limited systems or technology development	Innovation supported New ways of working or using technology explored.	Innovation pursued Actively seek new ways of working or using new technology
Reputation	No chance for significant repercussions Avoid exposure to attention	Little chance of significant repercussions Mitigation in place for undue interest	Will expose to scrutiny and interest Management of reputation through actively listening and talking	New ideas experimented at the risk of damage to reputation
Appetite	Low	Moderate	High	Significant

9. Risk Registers

The risk registers are a reference document that summarise the different risks that might occur and impact the Council. Just because a risk is included on the risk register does not mean that the Council thinks it will happen, but it does mean that the Council thinks it is worth seeking to manage. The risk score is, therefore, based on a 'reasonable worst case scenario'. The methodology for the scoring of risks is included in section 6 above.

The Council maintains several risk registers and these are:

- Corporate Risk Register – this register records the most significant risks for the Council or those risks which may prevent the Council from achieving its strategic objectives as set out in the Council Strategy.
- Operational Risk Register – includes risks that might affect the delivery of individual services, but would not in isolation threaten the Council's overall objectives. Operational risks are managed by Heads of Team or service managers.
- Programme Risk Register - includes the risks across the Council's programme of Major Projects
- Project Risk Register – provides a register of the risks that if occur have a positive or negative effect on the achievement of the project's objectives.

10. How we monitor and report risk

Risk management must be embedded into decision making, business planning and performance management arrangements so that it is central to the way the Council works. It contributes to the concept of 'No Surprises', 'Getting it right first time' and 'Having a Plan' which will useful should the unexpected happen.

The framework of monitoring and reporting has been developed using the Council's performance management software; Covalent, which is able to record the risks onto the system with the relevant risk owner having access so that monitoring and updating can take place.

This requires:

- Teams to monitor progress of their plans, as part of the review of performance and spend. Results of this review where a significant change is identified will be included in the exception report submitted for The Scrutiny Committee. Any issues that may require escalation will be reported initially to the Performance Management Team.
- The Strategic Leadership Team to monitor and review progress against Corporate Risks as part of its quarterly monitoring meeting, making a judgement on any risks referred for escalation and identifying any risks that can be moved to operational risk registers. Results of these reviews will form part of the regular monitoring report submitted to the Audit and Governance

Committee and reported to Cabinet if decisions on any procedure or policy changes are needed.

- The Audit and Governance Committee receives regular monitoring reports that provide assurance that the risks identified on the Corporate Risk Register are being adequately managed. The Audit and Governance Committee may decide to receive in-depth reports for the most significant risks on the register or risks that are causing concern.

If at any time a risk other than those on the Corporate Risk Register (for example an operational risk) is scored above the risk tolerance line as set out in the Risk Appetite Statement, full details should be presented to the next Strategic Leadership Team meeting for further consideration and approval of appropriate action if required. This may include escalation to the Corporate Risk Register.

All Council committee reports include a paragraph titled “Risk Management Issues”. The purpose of this paragraph is for the author to demonstrate and provide evidence that the risks associated with the content of the report have been properly identified, assessed and evaluated. The paragraph should provide for the most significant risks as much detail as possible, especially in relation to the underlying causes of the risk and its subsequent consequences. Reference should also be made to the Council’s Impact Score Matrix (diagram 2) to support decision making.

When taking decisions, the identified risks should be considered against the Council’s Risk Appetite which sets out the amount and type of risk that the Council is prepared to seek, accept or tolerate.

11. Timetable

Risk management is an integral part of corporate governance, and is in particular closely linked with performance management. Therefore the timetable for risk management follows that of the performance management framework.

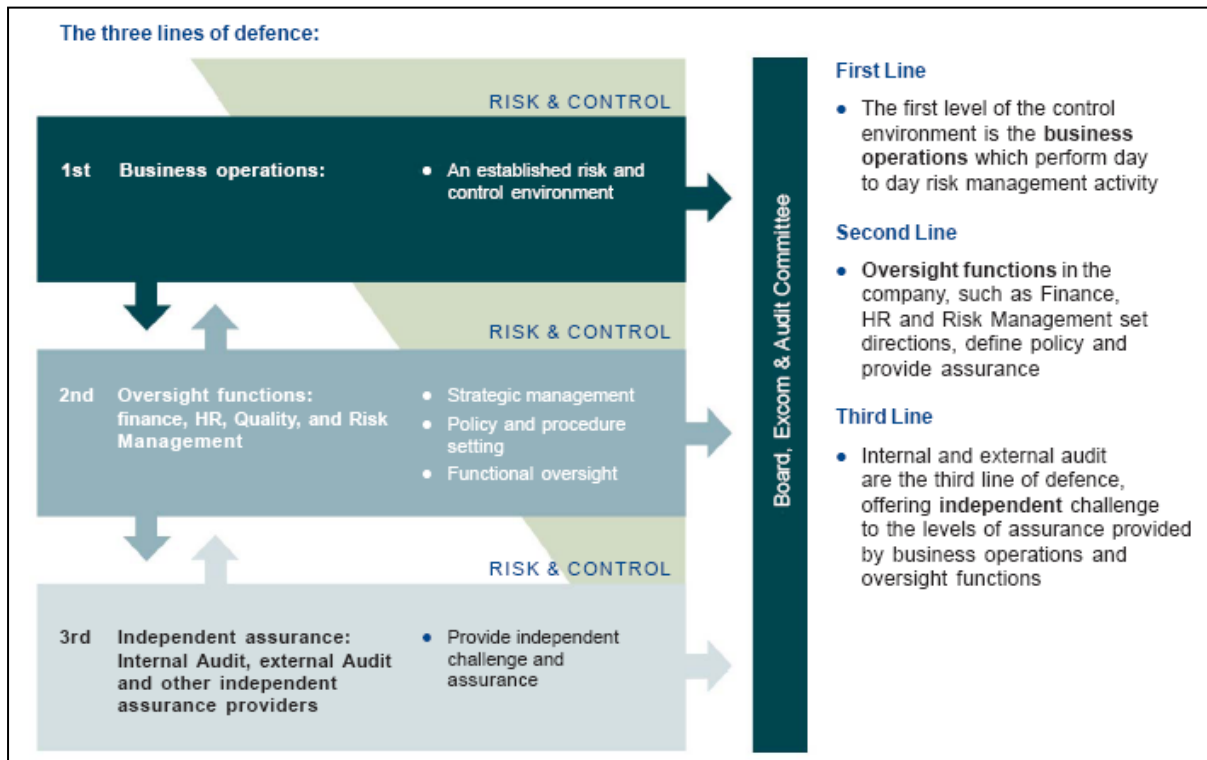
When	Who?	What?
Summer	Cabinet	<ul style="list-style-type: none"> Approval of updated Risk Policy for the forthcoming year. Approval of Risk Appetite for forthcoming year. Approval of Corporate Risk Register.
	The Scrutiny Committee	<ul style="list-style-type: none"> Note the Risk Policy and the role that the Committee has in monitoring and managing risks.
	Audit and Governance Committee	<ul style="list-style-type: none"> Review the Corporate Risk Register and agree the risks for future in-depth reporting and assurance.
	Strategic Leadership Team	<ul style="list-style-type: none"> Quarterly review of Corporate Risk Register.
Autumn	Audit and Governance Committee	<ul style="list-style-type: none"> Review the risks included in the Corporate Risk Register and receive monitoring report giving details of the progress made against the actions to treat the risks. In-depth update for significant corporate risks.
	Strategic Leadership Team	<ul style="list-style-type: none"> Quarterly review of Corporate Risk Register.
Throughout the year	Audit and Governance Committee	<ul style="list-style-type: none"> Receives update report for Corporate Risk Register. Review risks included on Corporate Risk Register for the coming year Review and update Risk Policy
Winter	Strategic Leadership Team	<ul style="list-style-type: none"> Quarterly review of Corporate Risk Register. Budget and Service Plan risks considered
	Audit and Governance Committee	<ul style="list-style-type: none"> Receive update report for Corporate Risk Register.

12. Risk Management roles and responsibilities

The three lines of defence concept is widely known among the insurance, audit and banking sectors as a risk governance framework. The concept can be used as the primary means to demonstrate and structure roles, responsibilities and accountabilities for decision making, risk and control to achieve effective risk management, governance and assurance.

The following table is an example of the three lines of defence concept.

Example: Three line of defence model



First line of defence:

As the first line of defence, Heads of Team or service managers own and manage risks within their service area. They are also responsible for implementing appropriate corrective action to address, process and control weaknesses. Heads of Team are also responsible for maintaining effective internal controls and managing risk on a day to day basis. They identify, assess, control and manage risks ensuring that their services are delivered in accordance with the Council's aims and objectives.

Second line of defence:

The second line of defence relates to the Strategic direction, policies and procedures provided by the Council's oversight functions (e.g. Finance, Legal Services and HR). These teams are responsible for designing policies, setting direction, ensuring compliance and providing assurance.

Included within the Anti-Fraud and Corruption Policy is the Council's Whistleblowing Policy which encourages staff to report concerns which may expose the Council to risk.

Third line of defence:

Internal Audit is an independent, objective assurance and consulting activity designed to add value and improve the organisations operations. It helps the organisation accomplish its objectives by bringing a systematic, disciplined approach

to evaluate and improve the effectiveness of risk management, control and governance processes.

The aim of internal audit's work programme is to provide assurance to management, in relation to the business activities, systems or processes under review that the framework of internal control, risk management and governance is appropriate and operating effectively; and risks to the achievement of the Council's objectives are identified, assessed and managed to a defined acceptable level.

Such risks are identified through senior management liaison and internal audits own assessment of risk. External audit, inspectors and regulators also provide assurance on the management of risk and delivery of objectives.

Specific Responsibilities

Who	What
Members	Elected members are responsible for governing the delivery of services to the local community. Members have a responsibility to understand the strategic objectives and risks that the Council faces, and will be made aware of how these risks are being managed.
Cabinet	<ul style="list-style-type: none"> • To ensure that effective arrangements are in place throughout the Council and these are kept up to date, • Approving the Council's Risk Management Statement, • Monitoring the Council's risk management and internal control arrangements via an exception reporting process, • Ensuring the effectiveness of the risk management and internal control framework.
The Scrutiny Committee	To have an overview of performance and use of resources in respect of the identification of risks and monitoring action taken to mitigate those risks.
Audit and Governance Committee	The Audit and Governance Committee's role is to provide to those charged with governance independent assurance on the adequacy of the risk management framework, the internal control environment and the integrity of the financial reporting and annual governance, and to monitor the effective development and operation of risk management and corporate governance in the Council.
Executive Leadership Board (ELB)	<p>The Corporate Management Team (CMT) is pivotal in promoting effective risk management and ensuring that it is embedded in the culture of the Council.</p> <p>The key responsibilities for the Chief Executive and CMT are:</p> <ul style="list-style-type: none"> • Promoting the implementation of the Council's risk

Who	What
	<p>management arrangements on a corporate basis.</p> <ul style="list-style-type: none"> • Supporting and promoting the benefits of effective risk management throughout the Council. • Supporting the identification and assessment of risk on an ongoing basis.
Strategic Leadership Team (SLT)	<p>Annually review the Corporate Risks to be presented to Cabinet.</p> <p>Monitor the corporate risk register on a quarterly basis, and consider any operational risks which are escalated to the group by a member of SLT.</p>
Corporate Governance Group	<p>Ensure Council compliance and efficacy of risk management arrangements, underpinning the Council's performance and management framework, particularly in respect of the Annual Governance Statement.</p> <p>The Group will ensure that risk management processes and procedures are in place that underpin the Council's performance and management framework and will monitor their compliance, including assisting Performance Management Team in populating the Risk Register.</p>
Programme Management Group	<p>Regularly reviews the Council's Programme Risk Register, escalating any issues to Performance Management Team</p>
Senior Managers	<p>Senior managers have responsibility for minimising risk within their teams. They will demonstrate their commitment to risk management through:</p> <ul style="list-style-type: none"> • Being actively involved in the identification and assessment of risks, • Developing relevant action plans for the key risks and establishing relevant performance indicators to measure their performance through the performance management framework, • Incorporating the risk management process into business/service planning processes, • Monitoring the Teams' risks regularly and on no less than a quarterly basis, • Encouraging staff to be open and honest in identifying risks or potential opportunities,

Who	What
	<ul style="list-style-type: none"> • Ensuring that the risk management process is part of all major projects and change management initiatives, • Monitoring and reviewing action plans regularly to effectively treat risks.
Risk and Insurance Support	<ul style="list-style-type: none"> • Facilitate and support the procurement of the Council's insurance programme and the management of claims.
Policy and Transformation Manager	<ul style="list-style-type: none"> • Provide risk management support across the Council, • Provide assistance with and prepare management reports, • Support the Performance Management Team and Corporate Business Manager on risk related issues.
All staff	<p>All staff have the responsibility for Council risks and must understand their role in the Council's risk management arrangements. Training and support is provided at the staff induction and ongoing training throughout the year. All staff are expected to know how to recognise, assess and evaluate risk, when to accept risk and to recognise that risks can create opportunities for the Council.</p>
Southern Internal Audit Partnership	<p>The role of the Southern Internal Audit Partnership who act as the Council's Internal Auditors is that of an independent, objective assurance and consulting activity designed to add value and improve the organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. It will be responsible for undertaking an assessment of the Council's risk management and internal control mechanisms as part of the review of corporate governance arrangements.</p>

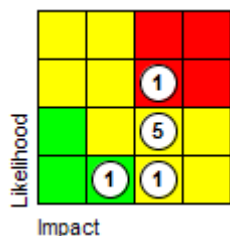
Everyone involved in risk management has a responsibility to identify learning from risks and their management.

Corporate Risk Register

Significant risks have been reviewed by the Strategic Leadership Team and the following table provides details of the risks that are included on the Corporate Risk Register for 2019/20.

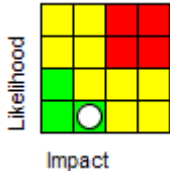
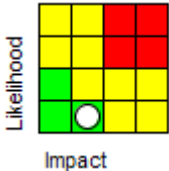
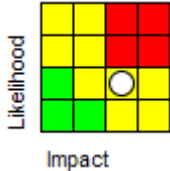
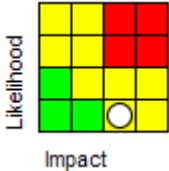
Corporate Risk Register 2019/20

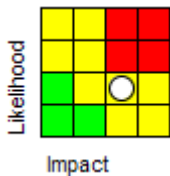
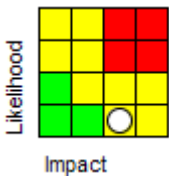
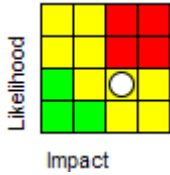
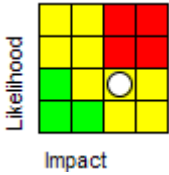
Summary Heat Map of all Corporate Risks

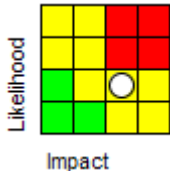
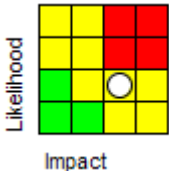
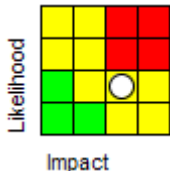
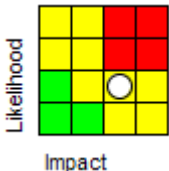


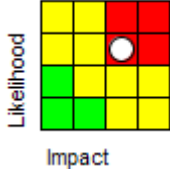
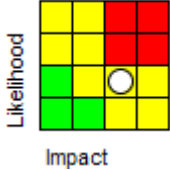
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Code	Risk Description	Risk Owner	What might go wrong?	What will happen?	Residual Risk Score	Current Controls	Target Risk Score
CR001	Given competing demands and multiple complex priorities, the risk is that the council does not maintain capacity to deliver services	Chief Executive	<ul style="list-style-type: none"> • Ambitious corporate plan with multiple strands of activity • Cultural desire to 'go the extra mile' • Competition from the private sector for key staff roles eg planning, project management • Officers not sensitive to the political reality and perhaps focus on 'old' priorities • Decision making can be slow, • Middle management too rule driven and need to be more responsive • Reluctance to "just do it" • Tension between day-to-day and strategic 	<ul style="list-style-type: none"> • If decision making is slow, delays occur and potentially available resources are redeployed or become unavailable if they are externally sourced. • If staff lack political awareness, middle managers will be slow to redeploy resource to current priorities • If staff are diverted then can't deliver on other lower-level priorities or day-to-day things • Reputation is damaged as the council is not seen to be able to complete projects • Local members are not 		<ul style="list-style-type: none"> • Introduction of Winchester 'fitty' council initiative to reduce staff sickness and improve productivity • Corporate plan is distilled into key priorities by service. If capacity becomes an issue, prioritisation of activity is in place • Proactive approach to communications internal and external • Political skills awareness sessions for all middle managers • Positive use of fixed term contracts to aid flexible resourcing • Targeted use of external resource • Reallocation of human and 	

Code	Risk Description	Risk Owner	What might go wrong?	What will happen?	Residual Risk Score	Current Controls	Target Risk Score
			<p>priorities</p> <ul style="list-style-type: none"> Skills not in the right place 	<p>always kept informed of activity in their area</p>		<p>financial resources across and within the organisation as required</p>	
CR003	Decisions made by the council are challenged due to a lack of a strong evidence base, customer insight and engagement with change	Strategic Director (Resources)	<ul style="list-style-type: none"> Inconsistent and traditional approach to customer engagement across the council Lack of awareness of the questions to ask Lack of awareness of the 'right time' to engage Lack of public awareness that opportunity to engage Council is not aware of the full range of interested stakeholders Council may only hear the loudest voices and not the silent majority or those that do not readily engage Lack of skill to identify evidence over 	<ul style="list-style-type: none"> Lack of a robust and evidence based approach to customer engagement can lead to: <ul style="list-style-type: none"> Reputational damage Views that the council is too Winchester-centric That decisions made are inequitable There is a perception that peoples views are ignored Without a robust and evidence based engagement process the council is exposed to risk of challenge on decisions That there is a lack of public 		<ul style="list-style-type: none"> Residents' survey completed early 2019 A we asked ... you said ... we did feedback approach A council wide data capture exercise completed Comms approach reset to simplify language and remove data jargon Move to proactive openness and transparency A more inclusive approach to engagement 	
CR004	Business Continuity – failure to recover services after a major incident that has had a significant impact on the ability of the Council to provide its	Strategic Director (Services)	<ul style="list-style-type: none"> Not maintaining an effective corporate wide Business Continuity Plan Not regularly testing of plan and follow-up Key staff unavailable Communication systems 	<ul style="list-style-type: none"> Unacceptable delay and uncertainty in returning to normal working after an emergency Adverse publicity and criticism 		<ul style="list-style-type: none"> Business Continuity Plans in place Annual testing of IT Disaster Recovery Plan Critical services identified with individual business continuity plans 	

Code	Risk Description	Risk Owner	What might go wrong?	What will happen?	Residual Risk Score	Current Controls	Target Risk Score
	services		<ul style="list-style-type: none"> ineffective Lack of awareness 	<ul style="list-style-type: none"> Reputation damage Adverse social impact 		<ul style="list-style-type: none"> Back up temporary office accommodation at Hyde Lodge 	
CR006	Effective partnership working	Strategic Director (Place)	<ul style="list-style-type: none"> Partnerships can falter due to lack of shared vision within partnerships Strategic partnerships may falter due to conflicting demands within individual partners Failure within procurement process Partnerships may be unsuccessfully commissioned due to lack of procurement skills and poor scoping. Significant local, regional or national partners may close down, affecting council 	<ul style="list-style-type: none"> Significant project delivery such as the major projects and the new home building programme may fail due to failed of strategic partnerships Local delivery may fail if local strategic partners are not aligned Reputational damage to all partners 		<ul style="list-style-type: none"> Annual review of all partnerships undertaken to identify key strategic partners Introduction of annual performance reporting for significant partnerships (Autumn 2019) 	
CR007	Lack of sufficient funding and/or escalating costs over the medium term reduce financial viability	Strategic Director (Resources)	<ul style="list-style-type: none"> Reduced Government funding Reliance on strategic partners to deliver services and projects Macro economy, including Brexit, reduces locally generated Business Rates and parking income Failure to achieve income targets 	<ul style="list-style-type: none"> Unable to balance the budget Increased Council Tax Public's ability to pay for services Reduce services provided Demand/ cost of services Increased construction costs and impact on delivery and viability of 		<ul style="list-style-type: none"> 1 year funding settlement in place Outcome Based Budgeting (OBB) approach setting out longer term options Quarterly finance reporting and monitoring of key income sources Regular policy review and monitoring Scenario planning and sensitivity analysis of key risks 	

Code	Risk Description	Risk Owner	What might go wrong?	What will happen?	Residual Risk Score	Current Controls	Target Risk Score
			<ul style="list-style-type: none"> Inflation rises Penalties are imposed on the Council due to falling standards in services 	<ul style="list-style-type: none"> key projects Over borrowing and avoidable cost 		<ul style="list-style-type: none"> Maintain General fund reserve of at least £2m Regular review of reserves 	
CR008	Strategic planning for housing	Strategic Director (Services)	<ul style="list-style-type: none"> Increasing demand for new houses High cost of housing, including private rented sector Slow completion for building of new homes Unable to identify new sites for new houses 	<ul style="list-style-type: none"> Increased housing waiting list numbers Difficulty accessing housing markets Outward migration of younger residents Adverse publicity Government intervention 		<ul style="list-style-type: none"> Plans in place to deliver significant new homes Regular monitoring of projects Regular review of Housing Strategy 	
CR009	Cyber Security	Strategic Director (Resources)	<ul style="list-style-type: none"> Malicious attack by hackers for financial gain (Ransomware); Malicious attack by hackers to disrupt business and ability to deliver services; Viral code attack in order to data mine information and identities 	<ul style="list-style-type: none"> Possible complete shutdown of Council IT systems and infrastructure; Business\service delivery disruption; Significant Financial loss; Credibility and confidence lost in engaging with digital services and e-payments 		<ul style="list-style-type: none"> Mandatory Cyber Security awareness training held for all staff IT Systems and processes administered to PSN (Public Services Network) standards and protocols; ITILv3 Methodology adoption for ITSM; Comprehensive and regular reviews of ISP (Information Security Policies) and IT Network Access Policies; Operational daily checks and proactive monitoring of Firewalls and pattern updates; Staff qualified in Cyber Scheme Professional standards and within GOV 	

Code	Risk Description	Risk Owner	What might go wrong?	What will happen?	Residual Risk Score	Current Controls	Target Risk Score
						UK CESH guidelines; • Regular system health checks and vulnerability scans; • System and software maintained to supported levels. Email security managed by accredited 3rd party	
CR010	Responding to the Climate Emergency	Strategic Director (Services)	<ul style="list-style-type: none"> • Failure to take steps to achieve target for the Council to be carbon neutral by 2024 • Resistance to behavioural change to reduce energy use • Not take advantage of new technologies to reduce energy usage • Funding not made available • Insufficient project capacity in house 	<ul style="list-style-type: none"> • Failure to meet agreed targets • Adverse publicity • Reputational damage • Increased risk of flooding • Reduction in house prices • Carbon emissions increase • Protests by lobby groups • House price volatility e.g. increases in value for houses in areas less likely to flood 		<ul style="list-style-type: none"> • Cross council officer group established • Partner group to be established • Climate Emergency declared • Asset Management Strategy being updated 	

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Forward Plan of Key Decisions

October 2019

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 Members 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 October 2019** 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 £250,000 or which will have a significant effect on people or organisations in two or more wards.

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

The Plan has been set out in the following sections:

Section A – Cabinet

Section B - Individual Cabinet Members

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 Lucille Thompson

Leader of the Council
30th August 2019

Cabinet Members:	Title
• Cllr Lucille Thompson	Leader & Cabinet Member for Communications & Transformation
• Cllr Neil Cutler	Deputy Leader & Cabinet Member for Finance & Risk
• Cllr Lynda Murphy	Environment
• Cllr Jackie Porter	Built Environment & Wellbeing
• Cllr Kelsie Learney	Housing & Asset Management
• Cllr Malcolm Prince	Sport, Leisure & Communities
• Cllr Anne Weir	Local Economy

	Item	Cabinet Member	Key Decision	Wards Affected	Lead Officer	Documents submitted to decision taker	Decision taker (Cabinet, Cabinet Member 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
Section A Decisions made by Cabinet										
1	Outcome Based Budget Challenge	Deputy Leader and Cabinet Member for Finance and Risk	Expenditure > £250,000	All Wards	Darren Kennedy	Committee Report	Cabinet	Oct-19	23-Oct-19	Open
page 243	Community Infrastructure Levy (CIL) Spending Programme	Cabinet Member for Built Environment and Wellbeing	Expenditure > £250,000	All Wards	Simon Finch	Committee Report	Cabinet	Oct-19	23-Oct-19	Open
3	River Park Leisure Centre - Future Use of Site	Cabinet Member for Sport, Leisure and Communities	Significantly effects 2 or more wards	Town Wards	Steve Lincoln	Committee Report	Cabinet	Oct-19	23-Oct-19	Open
4	Environmental Services Contract - Procurement Process	Cabinet Member for Environment	Significantly effects 2 or more wards	All Wards	Steve Tilbury	Committee Report	Cabinet	Oct-19	23-Oct-19	Part exempt 3

	Item	Cabinet Member	Key Decision	Wards Affected	Lead Officer	Documents submitted to decision taker	Decision taker (Cabinet, Cabinet Member 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
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Section C										
Decisions made by Officers										

9	Treasury Management - decisions in accordance with the Council's approved strategy and policy	Deputy Leader and Cabinet Member for Finance and Risk	Expenditure > £250,000	All Wards	Hampshire County Council (HCC) Finance Department on behalf of WCC	Designated working papers	Designated HCC Finance staff, daily	Oct-19	Oct-19	Open
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