

Decisions taken by the Cabinet on Wednesday, 16 December 2020

Agenda Item No	Topic	Decision	Reasons	Alternative Options
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Part A – Items considered in public

<p>A8</p>	<p>General Fund Budget Options and Medium Term Financial Strategy (less exempt appendix)</p>	<ol style="list-style-type: none"> 1. That the projections set out in Appendix A to report CAB3276 be noted and the assumption that budget projections be based on the potential reduction in income, fees and charges for services of 20% of the 2020/21 original budget be supported. 2. That the Medium Term Financial Strategy be approved as set out in sections 20-24 of report CAB3276. 3. That the proposal to reduce net operating costs by £3m in 2021/22 be approved, with 	<p>Previous reports have highlighted the uncertainty of future funding for local government. However, the impact of COVID19, ongoing restrictions and pressures on the local and national economy will place further significant pressures on Council funding in 2021/22 and beyond.</p> <p>Initial projections of a potential shortfall of nearly £5m for next year have been revised in light of the Spending Review announcements. However, the projected deficit remains at £3.7m for next year and £12m for the period to 2025.</p>	<p>The option to fund a greater percentage of potential shortfalls from reserves has been considered. However, this is not recommended. The Transitional Reserve has been established to mitigate the risk of future budget shortfalls and is proposed to be used for this purpose. However, greater reliance on reserves would severely weaken the Council's capacity to manage projects moving forward.</p> <p>The option of taking a harder line on budget savings and identifying more than the £3m included in report CAB3276 has also been considered. Scope for</p>
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Winchester City Council Council – Decisions taken by the Cabinet on Wednesday, 16 December 2020

Agenda Item No	Topic	Decision	Reasons	Alternative Options
		<p>additional shortfalls (projected at £0.6m for 2021/22) being met from the Transitional Reserve.</p> <p>4. That in the event of deficits being higher than the projected £3.7m for 2021/22, it be approved that the Transitional Reserve be used to maintain a balanced budget.</p> <p>5. That a detailed budget be prepared for consideration by Council in February 2021 based on the above assumptions and:</p> <ul style="list-style-type: none"> a. A Council tax increase of 3% b. The implementation of “cashless parking”, phased over 2 years, as set out in section 	<p>Report CAB3276 sets out the challenge of delivering on key priorities whilst achieving a balanced budget for 2021/22 in light of reduced income projections and ongoing pressure on the collection fund. Forecasting service demands and income projections will be subject to a broad confidence interval and the potential risk of under recovery is likely to remain high at least throughout next year.</p> <p>The report reviews options for reducing net costs based on an assumption of 20% less funding for services and sets out a revised medium term financial strategy (MTFS) that reflects the very limited scope for generating additional funding through investment or commercial</p>	<p>achieving this does exist but would have a direct impact on service levels and service quality. With the uncertainty that exists regarding future funding, the recommended balance between savings and use of reserves to achieve a balanced budget is considered reasonable.</p>

Winchester City Council Council – Decisions taken by the Cabinet on Wednesday, 16 December 2020

Agenda Item No	Topic	Decision	Reasons	Alternative Options
		<p>18.</p> <p>c. That fees and charges are increased by an average of 3% and that a report be brought to Cabinet in January 2021 setting out all fees for services</p> <p>d. That Building Control fees increase by 10%</p> <p>e. That the budget for “small grants” is reduced by £15,000</p> <p>f. That a one year grant agreement based on a maximum grant of £147,200 be approved for “Play to the Crowd”.</p> <p>g. That the Council no longer directly delivers a programme of sports and physical activity but remains an</p>	<p>activity in the short term.</p> <p>The financial risks can be mitigated in 2021/22 by reducing operating costs as set out in the report and by careful use of the transitional reserve, established in February 2020 specifically to make provision for unforeseen funding pressures.</p>	

Winchester City Council Council – Decisions taken by the Cabinet on Wednesday, 16 December 2020

Agenda Item No	Topic	Decision	Reasons	Alternative Options
		<p>active partner in the Winchester Sports and Physical Activity Alliance and continue to work with partners across the district to support programmes aimed at improving the health and wellbeing of residents.</p> <p>h. That financial support for the annual Criterium event is not continued in 2021.</p> <p>6. That the proposed additional revenue provision of £990,000 required to fund project work on 2021/22 and 2022/23 be noted and the proposal that this be funded from the Major Investment Reserve be supported, subject to the final budget to be agreed</p>		

Winchester City Council Council – Decisions taken by the Cabinet on Wednesday, 16 December 2020

Agenda Item No	Topic	Decision	Reasons	Alternative Options
		<p>by Council in February 2021.</p> <p>7. That charges for off street parking are not increased in April 2021, but that the impact of recent increases be assessed and a strategy developed to further encourage use of car parks outside of Winchester city centre (the air quality management area) and Park and Ride facilities.</p> <p>8. That a supplementary budget estimate and expenditure of £400,000 for the redevelopment of Bishop’s Waltham Depot, as detailed in paragraph 19.6 of report CAB3276, be approved.</p>		

Winchester City Council Council – Decisions taken by the Cabinet on Wednesday, 16 December 2020

Agenda Item No	Topic	Decision	Reasons	Alternative Options
		<p>9. That a supplementary budget estimate and expenditure of £140,000 for the works to the Guildhall Café, as detailed in paragraph 19.7 of report CAB3276, be approved.</p> <p>10. That the requirement for additional funding for staff implications associated with implementing the Movement Strategy be noted and determine whether an additional £60,000 should be included within the detailed budget for February 2021.</p> <p>11. That the proposal to write off the outstanding debt of £65,114 associated with the Barfield Depot be approved.</p>		

Winchester City Council Council – Decisions taken by the Cabinet on Wednesday, 16 December 2020

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		12. That the proposal to write off the outstanding National Non Domestic Rate debts listed in exempt Appendix D of report CAB3276 totalling £264,250 be approved.		
A9	Housing Revenue Account (HRA) Budget Business Plan and Budget Options	<p>1. That the HRA Business 30 year Plan for 2020-21 to 2049-50 be approved as summarised in the Operating Account included as Appendix 4 of report CAB3275.</p> <p>2. That an increase in the projected capital programme of £173m be supported subject to the approval of individual items below, and the proposed long term funding strategy that will see borrowing increase to £407m subject to the</p>	<p>The purpose of report CAB3275 is to update members on the current HRA 30 year Business Plan, and upon the impact of any proposed budget options. It confirms that the proposed business plan is both sustainable and viable over the 30 year period.</p> <p>It further proposes a change in future financing strategy to fully take advantage of the introduction of Prudential Borrowing as well as a change in the VFM hurdles that new investment</p>	<p>Indicative modelling has demonstrated that if the new housing delivery target is reduced by 1,112 units that the need to borrow would reduce from an extra £250m to only £26m over the life of the plan with debt at year 30 reduced to £200m. However the remaining level of new build would be insufficient to use all the expected RTB 1-4-1 receipts and c. £94m would need to be repaid to</p>

Winchester City Council Council – Decisions taken by the Cabinet on Wednesday, 16 December 2020

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		<p>final detailed HRA budget and the Capital Strategy being approved by Council in February 2021.</p> <p>3. That it be noted that the business plan is viable and sustainable and will support the council's ambitious delivery of 1,000 new affordable homes over the next ten years.</p> <p>4. That the changes proposed to refresh and simplify the current financial viability hurdles to recognise the residual value of housing within the HRA and take full advantage of historically low borrowing rates be approved.</p>	<p>proposals need to demonstrate.</p> <p>The report also provides a number of budget options for members to consider and approve.</p>	<p>central government.</p>

Winchester City Council Council – Decisions taken by the Cabinet on Wednesday, 16 December 2020

Agenda Item No	Topic	Decision	Reasons	Alternative Options
		<p>5. That it be noted that the calculation of the minimum HRA reserves will in future take account of both the scale of new build as well as the net operating expenditure within the HRA.</p> <p>6. That the creation of an Energy Officer post to facilitate the council's carbon reduction agenda and embed it within the current and future housing stock be approved, subject to the final detailed HRA budget being approved by Council in February 2021.</p> <p>7. That the proposed increase in capital funding of £2.5m in retro fitting capital funding</p>		

Winchester City Council Council – Decisions taken by the Cabinet on Wednesday, 16 December 2020

Agenda Item No	Topic	Decision	Reasons	Alternative Options
		<p>which will increase the funding from £10.7m to £13.2m be supported, subject to the final detailed HRA budget and the Capital Strategy being approved by Council in February 2021.</p> <p>8. That the proposal for a £10m investment in the purchase of a potential site for new housing development be supported, as well as £0.5m for nitrate mitigation offset measures subject to the final detailed HRA budget and the Capital Strategy being approved by Council in February 2021.</p> <p>9. That the allocation of an</p>		

Winchester City Council Council – Decisions taken by the Cabinet on Wednesday, 16 December 2020

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		<p>additional £0.2m of investment as described at paragraph 17.2 of report CAB3275 for sewage treatment works be supported, subject to the final detailed HRA budget and the Capital Strategy being approved by Council in February 2021.</p> <p>10. That the increase in budgetary provision of £0.064m to support the increase in costs of the current 1 year Orchard contract and enable officers to procure a longer term 3 year contract be approved, subject to the final detailed HRA budget and the Capital Strategy being approved by Council in February</p>		

Winchester City Council Council – Decisions taken by the Cabinet on Wednesday, 16 December 2020

Agenda Item No	Topic	Decision	Reasons	Alternative Options
		2021.		
A10	Quarter 2 Finance and Performance Monitoring	That the progress achieved during Q2 of 2020/21 be noted and the contents of the report CAB3273 be endorsed.	<p>Report CAB3273 and Appendix 1 provides a summary of the council’s progress during the period July to September (Q2) 2020 against the five priorities in the Council Plan 2020-25.</p> <p>Appendix 2 provides a financial update as of 30 September 2020.</p> <p>Appendix 3 provides the data where available for Q2 against each of the Strategic Key Performance Indicators (KPIs) and a brief narrative covering the impact that the COVID-19 pandemic has had or will have on performance.</p> <p>Appendix 4 includes highlight reports for each of the council’s significant ‘Tier 1’</p>	None.

Winchester City Council Council – Decisions taken by the Cabinet on Wednesday, 16 December 2020

Agenda Item No	Topic	Decision	Reasons	Alternative Options
			<p>programmes and projects.</p> <p>Appendix 5 provides an update to the COVID-19 council services demand data from April to September 2020.</p> <p>Appendix 6 are the action notes of the Performance Panel meeting that took place on 9 November 2020.</p>	
A11	The Council Tax Reduction Scheme – Consultation Results & Scheme Amendments	That the new income banded Council Tax Reduction scheme for working age applicants with effect from 1 st April 2021 be recommended for agreement at Council as set out in report CAB3255.	Approval to consult on proposed changes to the Council Tax Reduction (CTR) scheme was given by Cabinet on 16 September 2020 (see CAB3253). This report is to confirm the outcome of that consultation which closed on 1 November and to detail a new income banded CTR scheme and request that Cabinet recommend approval of this scheme to Council from 1	The alternative to introducing a new scheme for Council Tax Reduction from 2021/22 is to leave the existing scheme in place. This would be a short-term option; lead to increasing costs of administration; and in the longer term, significantly affect the collection of Council Tax and the effectiveness of the scheme to support households within

Winchester City Council Council – Decisions taken by the Cabinet on Wednesday, 16 December 2020

Agenda Item No	Topic	Decision	Reasons	Alternative Options
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			April 2021.	the City Council's area.
A12	Local Plan Action Plan	<ol style="list-style-type: none"> 1. That the Local Plan Action Plan be approved and that officers undertake the work programme as set out at Appendix A of report CAB3274 of the Local Plan Action Plan which will be published on the council's website as soon as practicable. 2. That officers continue work on the Local Plan and that a further report be brought to cabinet in early 2021 for approval to undertake consultation on Strategic Issues & Priorities in spring of 2021. 3. That it be noted that central government have yet to confirm the housing 	<p>The Government has recently consulted on a number of proposed changes to the planning system. Whilst it is not known at this stage whether these proposed changes will be taken forward into primary and secondary legislation or when any such reforms will come into effect, as the preparation of the Local Plan is a corporate priority, the purpose of this report is to agree a Local Plan Action Plan (LPAP). The LPAP identifies what work can be undertaken on the Local Plan to enable work to be able to pivot between a new style Local Plan or for a Local Plan to be prepared under the existing regulations.</p>	<p>The key question is whether the City Council progresses forward under the current regulations or the new style local plan. The LPAP has identified a range of actions that City Council can undertake in order to be able to pivot between the new style Local Plan or if it becomes clear that the Government is not making progress with implementing the new system, to be able to continue with preparing a Local Plan under the current regulations. It enables therefore the Council to progress its Local Plan notwithstanding the form it ultimately has to take.</p> <p>Officers consider that there is</p>

Winchester City Council Council – Decisions taken by the Cabinet on Wednesday, 16 December 2020

Agenda Item No	Topic	Decision	Reasons	Alternative Options
		<p>supply numbers relevant to the council.</p> <p>4. That it be noted that additional funding will be required to implement the Local Plan Action Plan and that such implementation is a council priority.</p>	<p>Importantly it will demonstrate that progress can still be made on preparing the Local Plan.</p> <p>Report CAB3274 also recommends that Member's agree to the principle of undertaking a high level Strategic Issues and Priorities consultation on the Local Plan in early in 2021.</p>	<p>considerable merit in consulting on a Strategic Issues & Priorities document in spring 2021. The information that would be gathered from this consultation could be helpful for either preparing a new style Local Plan or for preparing a Local Plan under the current system. An alternative option would be for the Council to wait until there is more clarity from the Government on the proposed changes to the planning and the quantum of housing development that the City Council would need to plan for. This option is not recommended as there is considerable merit in engaging early with the local community and demonstrating that progress can be made to shape and</p>

Winchester City Council Council – Decisions taken by the Cabinet on Wednesday, 16 December 2020

Agenda Item No	Topic	Decision	Reasons	Alternative Options
				develop the scope of new Local Plan especially as it unclear when there will be a response to the Government consultation documents. Furthermore the Government's Chief Planning Officer has advised that plan making should continue.
A13	Upper Brook Street car park site sale for development of new doctor's surgery (less exempt appendices)	<ol style="list-style-type: none"> 1. That the 150 year long leasehold disposal of the Upper Brook Street car park to the preferred purchaser be approved. 2. That authority be delegated to the Strategic Director – Place, in consultation with the Cabinet Member for Housing and Asset Management, final negotiation and sale 	<p>Report CAB3277 follows the approved recommendations of report CAB3247 24th June 2020 where the process of shortlisting purchasers to develop the new surgery was approved.</p> <p>A bidding and selection process has been concluded and Cabinet approval is now sought in accordance with Recommendation 6 of CAB3247, to progress the development of the new doctor's surgery by disposal</p>	Direct Development by the Council remains an option but is considered to have an unacceptable high risk due to the potential for increases in construction costs and further delays in agreeing documentation with multiple parties. The risks have been highlighted above and distil to financial risk and the Council not having the necessary experience in primary healthcare development.

Winchester City Council Council – Decisions taken by the Cabinet on Wednesday, 16 December 2020

Agenda Item No	Topic	Decision	Reasons	Alternative Options
		<p>based on the draft heads of terms in exempt appendix 3 of report CAB3277 and for the Service Lead Legal to prepare, agree and enter in to all the relevant and necessary agreements.</p>	<p>of the site to the preferred purchaser.</p>	