

Decisions taken by the Cabinet on Wednesday, 21 July 2021

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

A8	Central Winchester Regeneration – Delivery (less exempt appendix)	<ol style="list-style-type: none"> 1. That the Strategic Outline Business Case be approved and that officers prepare the Outline Business Case for consideration by Cabinet in autumn 2021. 2. That revenue expenditure of up to a further £525,000 be approved from the £2m CWR revenue budget to: <ol style="list-style-type: none"> a. prepare and complete the Outline Business Case for Cabinet approval in autumn 2021. b. Prepare and produce draft procurement and marketing documents for 	<p>Central Winchester Regeneration (CWR) is a once in a lifetime opportunity to transform the centre of our historic county city, bringing homes for local families, providing jobs for local people, making a visit to this heritage city one which will be remembered. The council recognises the role it plays in bringing forward sensitive development, adapting to the challenges faced by a new generation and critically to be delivered through the lens of responding to climate change.</p> <p>The CWR Development Proposals were approved at Cabinet on 10th March 2021</p>	<ol style="list-style-type: none"> 1.1 SOC option 3.4 WCC deliver Kings Walk and find a development partner (DA) across the remainder of the site; a) Kings Walk: WCC self-deliver Kings Walk through upgrading the building to a leasable standard and securing a partner to operate the building on a 15-year lease. The operator partner would be responsible for delivering the creative quarter vision. As with all options, this is an internal refurbishment to bring it in line with current occupational
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		<p>the Defined Site, for Cabinet approval in autumn 2021, subject to approval of the Outline Business Case as referred to in Rec 1 above.</p> <p>c. Research, prepare and submit funding bids to support delivery of the Defined Site.</p> <p>d. Implement the meanwhile uses strategy for Kings Walk as outlined in this report at paragraphs 13.24 to 13.26.</p> <p>3. That a supplementary revenue budget of £275,000 to carry out essential repair and maintenance requirements associated with Kings Walk be</p>	<p>(CAB3281) following public consultation and there is genuine interest in the proposals from the development community. Officers were tasked with exploring the options for delivery of the CWR site, the best way to bring forward the Creative Quarter at Kings Walk and options to provide the on street bus solution.</p> <p>Report CAB3303 provides an update on progress and sets out the Strategic Outline Case (SOC) for the proposed development site (the Defined Site), which is located within the CWR Supplementary Planning Document red line area (CWR SPD area), addressing the strategic aims, options for delivery and preferred way forward. The</p>	<p>needs and demands, and does not comprise a comprehensive redevelopment of Kings Walk.</p> <p>(i) Key advantages are around the level of control with certainty of delivery, certainty of timescales and potential to secure external funding to support delivery.</p> <p>(ii) Key disadvantages are around cost and risk, work to bring the building in to use in line with the vision explored is substantial and the cost would need to be funded by the council. The council would also bear the risk for delivery and operation of the</p>

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		<p>approved, funded from the Asset Management Reserve.</p> <p>4. That a supplementary increase of £185,000 to the Kings Walk improvements capital scheme budget be approved and its spend be authorised to undertake the additional works, to activate the Kings Walk area in accordance with the meanwhile uses strategy.</p> <p>5. That authority be delegated to the Strategic Director, in consultation with the Cabinet Member for Housing and Asset Management, to prepare, finalise and procure services to carry out</p>	<p>Defined Site is illustrated on the plan in Appendix A of report CAB3303.</p>	<p>project and there would be no comprehensive redevelopment of the Kings Walk site as part of the CWR project.</p> <p>b) Wider Defined Site Delivery: This route involves WCC procuring a partner through a competitive tendering process for the WCC ownership excluding Kings Walk. This would involve a likely 9-12 month partner selection process to secure a development partner to bring forward the site in phases, excluding Kings Walk, by way of a contractual development agreement with WCC.</p>

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		<p>improvement works and deliver the meanwhile uses strategy at Kings Walk.</p> <p>6. That authority be delegated to the Service Lead – Legal to enter into contractual arrangements to carry out improvement works and deliver the meanwhile uses strategy at Kings Walk and any necessary ancillary agreements.</p> <p>7. That the Strategic Director, in consultation with the Cabinet Member for Housing and Asset Management, be instructed to agree and implement governance arrangements for the next stage of the project.</p>		<p>(i) Key advantages around cost, risk and expertise. Both cost and risk of delivery are transferred to the developer and in addition, the developer will also bring resource and expertise to the project. The council can maintain a level of control through the terms of the DA.</p> <p>(ii) Key disadvantages are around level of control with the council and developer working together to agree delivery and timescales. An additional consideration is that a key gateway to the site may remain undeveloped for 15 years and some parties view Kings Walk as</p>

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				<p>unattractive and dated therefore there would be no comprehensive redevelopment across the site.</p> <p>1.2 Through analysis carried out for the SOC, this option did not score as highly as the preferred option in meeting the Critical Success Factors identified in the SOC and has therefore been rejected.</p> <p>1.3 Not to progress the CWR project to the OBC stage and either;</p> <p>a) Revisit justification and objectives for the project</p> <p>b) Do nothing and continue with the</p>

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				<p>current arrangements</p> <p>1.4 Considerable public engagement and consultation has taken place through the adoption of the CWR SPD and the subsequent CWR Development proposals and there is a clear need and desire to progress with the CWR project. If the council decided to either revisit the justification for the project and potentially start again or continue with current arrangements, regeneration of the area would be delayed which would jeopardise the future resilience and prosperity of the city. The objectives of the</p>

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				CWR SPD and Council Plan would not be met and the opportunity to address the gaps identified in the Competitive Positioning report would be missed. This option has therefore been rejected.
A9	Revised Local Development Scheme	<ol style="list-style-type: none"> 1. That the revised Local Development Scheme July 2021 be approved, as set out in Appendix 1 to report CAB3302; and 2. That authority be delegated to the Strategic Planning Manager, in consultation with the Portfolio Holder for Built Environment & Well Being, to undertake minor updating and drafting of any amendments required 	<p>To up-date the current Local Development Scheme which was brought into effect in March 2020.</p> <p>The council is legally required to produce and keep up to date a Local Development Scheme (LDS) that provides a programme for the production of the new Local Plan which will cover the period 2018 – 2038.</p>	It is a legal requirement to have an up to date LDS and for it to be publically accessible. The LDS is a project management tool and is able to be updated as required to ensure that provides certainty to the local community and other stakeholders about the preparation and subsequent adoption process of the Local Plan documents. Alternative timetables for the production of the LDS have been

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		prior to publication.		considered but the timetable set out is considered the best option to achieve adoption of a new plan in the most timely fashion.
A10	Nutrient (Nitrate) neutrality update	<p>1) That the s151 Officer be authorised to:</p> <p>a) Purchase credits if required to meet immediate demand from smaller developers, subject to being able to agree suitable acquisition terms and prevailing market conditions making the purchase by the Council necessary; and subject to a maximum financial exposure of £250,000 at any time.</p> <p>b) Price and sell credits to suitable purchasers</p>	<p>Cabinet received a report in January 2020 about 'Nutrient Neutrality' (CAB3219) and the issues this was causing in terms of permitting housing developments throughout the district and across the wider south/mid Hampshire area. A position statement was agreed which has enabled the council to continue to grant permission subject to conditions but, before schemes can be occupied, the mitigation needed must be secured.</p> <p>In July last year an up-date report was considered by Cabinet (CAB3250) where it</p>	<p>1.1 Do not purchase credits.</p> <p>1.2 The council is under no obligation to provide mitigation to help developers achieve nutrient neutrality whether by buying and selling credits or signposting schemes. However, taking no action will make it hard for some developers to proceed with their schemes as outlined above. Consequently, the council has already agreed to take contributions from developers to provide</p>

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		<p>in accordance with market conditions at the time of sale subject to being able to agree suitable terms; and set an administration fee to recover reasonable costs.</p> <p>2) That the Service Lead Legal be authorised to enter into suitable legal arrangements for the council to undertake the monitoring and enforcement of mitigation sites (or delegate the function to the mitigation land authority) to ensure the land is managed so that mitigation is delivered in perpetuity; subject to the Corporate Head of Regulatory agreeing suitable terms with</p>	<p>was agreed that the council could start to collect financial payments from developers up to a maximum of £3,500 per Kg/TN/yr, towards nitrate mitigation solutions off-site which would be delivered either by the council or in partnership with another agency. However, the council can only collect contributions when it is clear how they will be used to mitigate the impacts of development.</p> <p>Report CAB3301 therefore recommends that the council purchases a limited number of credits from landowners providing mitigation schemes to support housing delivery by small developers to meet the short-term needs of the housing market in certain parts of the district (recommendation 1) and</p>	<p>nitrate mitigation for residential development (CAB3250 refers) and so it is considered appropriate for a limited number of credits to be purchased where market supply is limited and market conditions support such an approach.</p> <p>1.3 Identifying sites where developers can purchase credits will make it more straight forward for builders of any scale to achieve nutrient neutrality and easier for the council, when determining planning applications and discharging Grampian conditions relating to nitrate mitigation, as these schemes have</p>

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		<p>mitigation landowners for application sites located within the council’s area as local planning authority, including a commuted sum to cover the resourcing of this activity,</p> <p>3) That the Corporate Head of Regulatory be approved to pursue the option of a joint purchase of Test/Itchen catchment nitrate credits with neighbouring local planning authorities through Partnership for South Hampshire, subject to suitable terms being agreed with mitigation landowners and prevailing market conditions making the purchase of such credits appropriate and</p>	<p>where prevailing market conditions make this an appropriate and necessary option. It is further recommended that the council explores the option of a joint purchase of credits with neighbouring local planning authorities through Partnership for South Hampshire (recommendation 3).</p> <p>A second approach has also been identified which involves developers acquiring nitrate credits directly from landowners providing mitigation schemes. A list of recognised mitigation schemes located in all three catchments of the district will be maintained by the council and is covered in recommendation 4.</p>	<p>already been recognised as delivering suitable mitigation in perpetuity so would not require further investigation to ensure they are acceptable.</p> <p>1.4 The council purchases land to be used for nitrate mitigation.</p> <p>1.5 The council, like other neighbouring authorities including Eastleigh Borough Council, could itself acquire land to provide nitrate credits to sell to developers and to support its own residential schemes. This remains an option for the longer term. However, it is not an easy or quick solution and work by PfSH also</p>

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		<p>necessary.</p> <p>4) That the schemes listed in table A of report CAB3301 be approved as being able to provide suitable mitigation for residential development schemes in the three catchment areas of the district, subject to consultation with Natural England as required and satisfactory monitoring and enforcement arrangements being in place to ensure mitigation is delivered in perpetuity, and authority be delegated to the Corporate Head of Regulatory to amend the list by removing or adding schemes to the list as appropriate.</p>		<p>suggests there are significant risks as private landowners, using their own land to bring forward mitigation schemes like wetlands, could reduce the market rate for credits thereby under-cutting the council. Whilst the benefit of purchasing land for this purpose would be that the council retains an asset, even if the demand/value of nitrate credits changes over time, there is a real risk that private schemes have more flexibility and can offer credits for less than the council. Consequently a land purchase option is not being recommended at this point in time.</p>

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				<p>1.6 The council is also considering the viability of using land and assets it already owns, such as the Littleton triangle and sewage treatment plants associated with our current housing stock, to produce nitrate credits which can support our own new homes building programme, and major projects, as well as the wider market potentially. However, these options are being addressed separately and are not therefore covered by this report. In addition, they are unlikely to produce large numbers of credits thereby limiting the scope to sell to private developers, at least in the short term.</p>

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A11	General Fund outturn 20/21	<ol style="list-style-type: none"> 1. That the General Fund Revenue Outturn and Capital Programme Outturn as set out in the report CAB3309 be noted. 2. That the transfers to/from the Major Investment Reserve and other earmarked reserves be agreed and the reserves and closing balances at 31 March 2021 be noted (as set out in appendix 2 of report CAB3309). 3. That the detailed budget allocations of the 2021/22 Homelessness Prevention Grant be agreed, shown in section Error! Reference source not found. of report CAB3309. 	<p>Report CAB3309 provides an overview of the General Fund Revenue outturn and Capital Programme outturn for 2020/21.</p> <p>The Council faced an urgent need to agree a revised budget in September 2020 as a result of the impact of Covid 19 and to address a potential shortfall of up to £10.7m. This challenging position for the Council's finances was addressed by achieving significant "in year" savings; timing and funding changes to the capital programme; and through Government grant (with additional grant announced after the revised budget had been agreed). The final budget outturn set out in this report includes a net revenue surplus of £1.2m compared</p>	None.

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		<p>4. That the revised 2021/22 capital programme detailed in appendix 5 of report CAB3309 be approved, including the removal of the Digital Signage Pilot budget as set out in paragraph 21.3 and subject to the outcome of report CAB3303 regarding Central Winchester Regeneration, elsewhere on the agenda.</p> <p>5. That the revised 2021-2031 capital programme as set out in appendix 6 of report CAB3309 be noted.</p>	<p>to the revised budget, which has resulted in a lower than budgeted transfer from reserves to maintain a balanced position.</p> <p>The report details the transfers required to and from earmarked reserves and also proposes a spending plan for the Homelessness Prevention Grant (recently confirmed at £330,095 for 2021/22).</p>	
A12	Housing Revenue Account (HRA) outturn 20/21	1. That the provisional HRA Outturn figures for 2020/21 be noted, these are provisional subject to audit as detailed in	Report CAB3308 provides an update to members on the financial performance of the Housing Revenue Account (HRA) in 2020-21 and the	In connection with the proposed Welfare support package discussions took place to offer a reduction in rent to all tenants in the form

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		<p>Appendices 1 and 2 of the report CAB3308;</p> <p>2. That the carry forward of £0.044m of HRA revenue funding from 2020/21 be approved as detailed in Paragraph 11.4 of report CAB3308;</p> <p>3. That the Housing capital programme outturn for Major Works and New Build developments be approved as detailed in Paragraphs 11.5 to 11.8 and Appendices 3 & 4 of report CAB3308;</p> <p>4. That the funding of the 2020/21 HRA capital programme be approved as detailed in Paragraph 11.9 & 11.10 and Appendix 5 of report CAB3308;</p>	<p>associated HRA capital programme. It also requests approval for revised budget forecasts to the 2021/22 HRA revenue budget and capital programme to reflect updated costs and take account of capital programme slippage. In addition, it seeks approval to draw down approved set aside funding for the welfare support measures identified within the report.</p>	<p>of a rent free week during 2021/22. But this would not have benefited the most in need tenants as those tenants in receipt of welfare benefits including Housing Benefit and Universal Credit would not receive any financial gain from a rent free week. To keep the money in reserve is not recommended as support for tenants is needed now to enable and assist the council's recovery work.</p>

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		<p>5. That the re-forecast capital programme budget of £28.402m for 2021/22 be approved as detailed in Paragraphs 11.12 & 11.13 and Appendix 6 & 7 of report CAB3308 that takes account of potential programme slippage;</p> <p>6. That the drawdown of £0.412m of the agreed £0.500m HRA reserve balances set aside to fund the specific welfare support initiatives be approved as identified in paragraph 12 of report CAB3308 over the next two years. Which was agreed by full Council to provide additional targeted support for tenants during this</p>		

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		<p>difficult period. This includes the appointment of two temporary full time tenancy sustainment officers and one temporary admin support for a period of up to 24 months to provide the needed additional capacity to deliver these support measures.</p>		
A13	Q4 Performance Monitoring	<p>That the progress achieved during Q4 of 2019/20 be noted and the contents of the report be endorsed.</p>	<p>Report CAB3297 and Appendix 1 provides a summary of the council’s progress during the period January to March (Q4) 2021 against the five priorities in the refreshed Council Plan 2020-25, adopted by council on 24 February.</p> <p>Appendix 2 provides the data, where available, for Q4 against each of the Strategic Key Performance Indicators</p>	None.

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			<p>(KPIs) and a brief narrative covering the impact that the COVID-19 pandemic has had or will have on performance.</p> <p>Appendix 3 includes highlight reports for each of the council’s significant ‘Tier 1’ programmes and projects.</p> <p>Appendix 4 provides an update to the COVID-19 council services demand data from April 2020 to 31 March 2021.</p> <p>Appendix 5 are the action notes of the Performance Panel meeting that took place on 14 June 2021.</p>	