



<b>Meeting</b>	The Scrutiny Committee
<b>Date and Time</b>	Wednesday, 13th July, 2022 at 6.30 pm.
<b>Venue</b>	Walton Suite, Winchester Guildhall

Note: This meeting is being held in person at the location specified above and the following arrangements apply.

Members of the public should note that a live audio feed of the meeting will be available from the council's website (<http://www.winchester.gov.uk>) and the video recording will be publicly available on the council's [YouTube](#) channel shortly after the meeting.

For members of the public who are unable to utilise this facility, a limited number of seats will be made available at the above named location however attendance must be notified to the council at least 3 clear working days before the meeting (**by 5pm on Thursday, 7 July 2022**). Please note that priority will be given to those wishing to attend and address the meeting over those wishing to attend and observe.

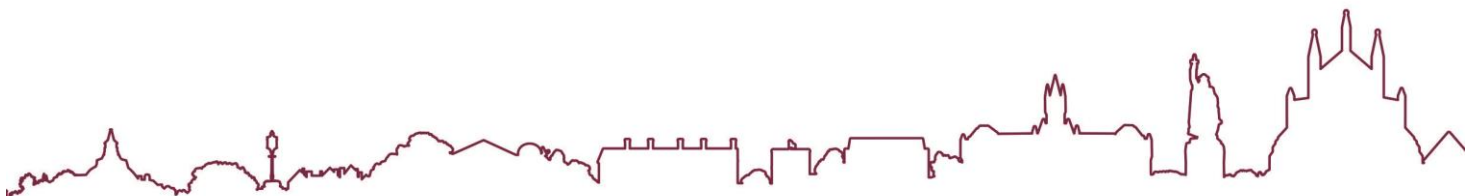
## AGENDA

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

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

If you require advice, please contact the appropriate Democratic Services Officer, prior to the meeting.

- 3. Chairperson's Announcements**



4. **Minutes of the meeting of the 14 June 2022** (Pages 5 - 10)  
That the minutes of the meeting be signed as a correct record.

5. **Public Participation**

To receive and note questions asked and statements made from members of the public on matters which fall within the remit of the committee.

Members of the public and visiting councillors may speak at Scrutiny, provided they have registered to speak three working days in advance. Please contact Democratic Services by the deadline shown at the top of this agenda via [democracy@winchester.gov.uk](mailto:democracy@winchester.gov.uk) or (01962) 848 264 to register to speak and for further details.

6. **Update on Station Approach project (ref SC072 and CAB3349)** (Pages 11 - 38)

RECOMMENDATION:

It is recommended that the committee scrutinise and comment on the proposals within the attached cabinet report, ref CAB3349 which is to be considered by cabinet at its meeting on the 19 July 2022.

7. **General Fund Outturn 21/22 (ref SC073 and CAB3352)** (Pages 39 - 74)

RECOMMENDATION:

It is recommended that the committee scrutinise and comment on the proposals within the attached cabinet report, ref CAB3352 which is to be considered by cabinet at its meeting on the 19 July 2022.

8. **Housing Revenue Account (HRA) Outturn 2021/2022 (ref SC074 and CAB3354)** (Pages 75 - 100)

RECOMMENDATION:

It is recommended that the committee scrutinise and comment on the proposals within the attached cabinet report, ref CAB3354 which is to be considered by cabinet at its meeting on the 19 July 2022.

9. **To note the latest Forward Plan of Key Decisions** (Pages 101 - 104)

RECOMMENDATION:

The committee are asked to note the August 2022 Forward Plan of Key Decisions.

10. **To note the Work Programme for 2022/23** (Pages 105 - 106)  
RECOMMENDATION:

The committee are asked to review and note the latest version of the work programme.

NB. The latest version of the committee work programme can be found here:  
<https://democracy.winchester.gov.uk/mgPlansHome.aspx?bcr=1>

**Lisa Kirkman**  
**Strategic Director and Monitoring Officer**

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5 July 2022

Agenda Contact: Matthew Watson, Democratic Services Officer  
Tel: 01962 848 317 Email: [mwatson@winchester.gov.uk](mailto:mwatson@winchester.gov.uk)

*\*With the exception of exempt items, agendas, reports and previous minutes are available on the Council's Website <https://www.winchester.gov.uk/councillors-committees>*

**THE SCRUTINY COMMITTEE – Membership**

Chairperson: Councillor: Brook  
Vice Chairperson: Councillor Horrill

**Committee Members**

Becker  
Cook  
Craske  
Cutler  
Laming  
Westwood

**Quorum** = 4 Members

**Relevant Cabinet Members:**

Having regard to the content of the agenda, the Chairperson requests that The Leader and all relevant Cabinet Members attend meetings of the committee

**Public Participation**

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

To reserve your place to speak, you are asked to **register with Democratic Services by 5pm on Thursday, 7 July 2022** – please see public participation agenda item above for further details. People will be invited to speak in the order that they have registered, subject to the maximum time period allowed for speaking not being exceeded. Public Participation is at the Chairperson's discretion.

**Filming and Broadcast Notification**

This meeting will be recorded and broadcast live on the Council's website. The meeting may also be recorded and broadcast by the press and members of the public – please see the Access to Information Procedure Rules within the Council's Constitution for further information, which is available to view on the [Council's website](#).

**Voting:**

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

**Terms Of Reference**

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

# Public Document Pack Agenda Item 4

## THE SCRUTINY COMMITTEE

Tuesday, 14 June 2022

Attendance:

Councillors  
Brook (Chairperson)

Horrill  
Cook  
Craske

Cutler  
Laming  
Westwood

Apologies for Absence:

Councillor Becker

Deputy Members:

Councillor Edwards (as deputy for Councillor Becker)

Other members in attendance:

Councillors Clear, Ferguson, Power and Thompson

[Audio and video recording of this meeting](#)

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### 1. **APOLOGIES AND DEPUTY MEMBERS**

Apologies for the meeting were noted as above.

### 2. **DECLARATIONS OF INTERESTS**

No declarations were made.

### 3. **APPOINTMENT OF VICE-CHAIRPERSON FOR MUNICIPAL YEAR 2022/23**

RESOLVED:

That Councillor Horrill be appointed Vice-Chairperson for the 2022/23 municipal year.

4. **CHAIRPERSON'S ANNOUNCEMENTS**

The Chairperson updated the committee on the previously agreed work programme request item regarding mental health support and informed members of the three workshops concerning mental health provision/support for council staff, council tenants and the wider local community. A formal update would be provided to the committee at its meeting in September.

The chairperson sought the views of the committee on the holding of an additional meeting of the committee on 13 July 2022. The agenda for this meeting was to be the draft cabinet report regarding an update on the Station Approach project and the housing revenue and general fund out-turn reports.

RESOLVED:

The committee agreed to schedule an additional meeting of the committee on 13 July 2022.

5. **MINUTES OF THE MEETING OF THE 15 FEBRUARY 2022 AND 3 MARCH 2022**

RESOLVED:

That the minutes of the previous meetings held on 15 February 2022 and 3 March 2022 be approved and adopted.

6. **PUBLIC PARTICIPATION**

None.

7. **Q4 PERFORMANCE MONITORING 2021/2022 (INCLUDING A VERBAL UPDATE FROM THE CHAIR OF THE PERFORMANCE PANEL) (REF SC071 AND CAB3347)**

The Chairperson of the Performance Panel (Councillor Horrill) introduced the report and informed that the panel had met on 6 June 2022 to scrutinise the cabinet report, ref CAB3347, [available here](#).

Councillor Horrill confirmed that all members had received the draft cabinet report, the pre-submitted questions, and the draft minutes of the panel's meeting which showed several actions. The committee was also advised that an update on any outstanding actions would be circulated to all members.

Councillor Horrill drew members' attention to the following issues:

- That at a previous meeting, the panel had suggested that as part of the council plan refresh that a review of the key performance indicators used in the quarterly performance reports would be appropriate but that it was understood that the next quarterly report would use the existing measures.
- The panel's questions from members regarding various housing matters and that officers would be discussing the need for a member briefing.
- The panel's questions regarding fly-tipping and the request for further communication to be circulated to members.

RESOLVED:

The committee:

1. Noted that the performance panel met on 6 June 2022 to scrutinise the report, CAB3347 and its associated appendices.
2. Noted the draft minutes of the panel and the verbal update provided by the Chairperson.

8. **DETERMINATION OF CALL-IN (RPLC) (REF SC069)**

The Chairperson introduced the agenda item and referred the committee to report, ref SC069 regarding the determination of the Monitoring Officer following a call-in request, which was available on the [council's website here](#). The report recommended that the scrutiny committee note the contents of the report.

Mrs Kirkman responded to a question concerning the ground for call-in relating to best value statutory guidance. Councillor Horrill agreed to supply further information on this point for Mrs Kirkman to consider.

RESOLVED:

That the report be noted.

9. **ANNUAL SCRUTINY REPORT - DRAFT ANNUAL SCRUTINY REPORT 2021/22 (REF SC066)**

The Chairperson introduced the report, ref SC066 which set out proposals for the Annual Scrutiny Report, [available here](#). The committee was recommended to consider the report and make any necessary comments on the content before its submission to full council.

The committee proceeded to ask questions and debate the report. The committee discussed:

- the scheduling of meetings to effectively scrutinise future decisions whose timescales were not yet known, whilst also allowing sufficient time for decision takers to consider the committee's comments
- the wish to avoid unnecessarily length meetings through more effective scheduling of meetings and the potential use of informal meetings to obtain points of clarification
- that it recognised that additional meetings may need to be scheduled to achieve more effective scrutiny of decisions.

The committee noted that the report represented a succinct summary of the main work it had conducted during the previous municipal year.

### **RECOMMENDED TO COUNCIL:**

**That Council note the annual scrutiny report for 2021/22**

10. **APPOINTMENTS OF EXTERNAL BODIES RELATED TO SCRUTINY 2022/23 (REF SC067)**

RESOLVED:

That the following appointments be made to the external bodies listed below:

- i. Portsmouth City Council – Health Overview and Scrutiny Panel: Councillor Read (deputy: Councillor Cutler).
- ii. Centre for Public Scrutiny (CfPS) – Scrutiny Champions Network: Councillor Brook.
- iii. Partnership for South Hampshire overview and scrutiny committee: Councillor Cutler (deputy: Councillor Horrill).

11. **ANNUAL REPORT - EXCEPTIONS TO FORWARD PLAN 2021/22 (REF SC068)**

The Chairperson introduced the report, ref SC068 which set out the annual report concerning exceptions to the forward plan, [available here](#). The committee considered the report and discussed that whilst the number of decisions for the period was lower than the average, (three versus an average of eight), the three decisions listed related to the council's housing service.

RESOLVED:

That the report be noted.



12. **WORK PROGRAMME FOR 2022/23 (REF SC070)**

The Chairperson introduced the report, ref SC070 which set out the initial timetable for the work of the committee for the year ahead, [available here](#). The committee was recommended to consider the items listed in Appendix 1 of the report and agree to the matters it wished to consider during the 2022/23 municipal year.

The committee proceeded to ask questions and debate the draft work programme, the following points were raised:

1. The future timetabling of updates to the committee concerning the following items: Central Winchester Regeneration, River Park Leisure Centre, Station Approach, Project Integra and progress against the climate emergency targets
2. The process, timetable and scrutiny relating to the future stages of the local plan
3. The addition of an item relating to the progress of the council's agile working programme and its impacts.

RESOLVED:

1. That the latest version of the work programme be noted including those items agreed at item 4.
2. That officers provide the latest Local Plan timetable including proposed dates for the meetings of the Local Plan Advisory Group.
3. That officers review the items in 1 above and advise of possible dates for updates to this committee
4. That officers assist members in the completion of the work request form concerning item 3 above.

13. **TO NOTE THE MEMBERSHIP AND CHAIRPERSON OF THE PERFORMANCE PANEL**

RESOLVED:

It was noted that councillors; Cook, Craske, Cutler, Horrill (Chairperson) and Westwood would form the performance panel for 2022/23

14. **TO NOTE THE LATEST FORWARD PLAN OF KEY DECISIONS**

The forward plan of key decisions for July 2022 was noted.

15. **TO NOTE THE DATE AND TIME OF FUTURE MEETING OF THE COMMITTEE**

**Meetings of the Scrutiny committee**

Tuesday 14/06/22 18:30  
Wednesday 13/07/22 18:30  
Wednesday 07/09/22 18:30  
Wednesday 23/11/22 18:30  
Tuesday 07/02/23 18:30  
Wednesday 08/03/23 18:30

**Meetings of the Performance Panel**

Monday 06/06/22 16:00  
Monday 22/08/22 16:00  
Monday 07/11/22 16:00  
Monday 27/02/23 16:00

The meeting commenced at 6.30 pm and concluded at 7.40 pm

Chairperson

REPORT TITLE: UPDATE ON STATION APPROACH PROJECT

13 JULY 2022

REPORT OF CABINET MEMBER FOR ASSET MANAGEMENT: Cllr Martin Tod

Contact Officer: Emma Taylor Tel No: 07980 732199

Email [etaylor@winchester.gov.uk](mailto:etaylor@winchester.gov.uk)

WARD(S): ST PAUL, ST BARTHOLOMEW

RECOMMENDATION:

It is recommended that the committee scrutinise and comment on the proposals within the attached cabinet report, ref CAB3349 which is to be considered by cabinet at its meeting on the 19 July 2022.

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REPORT TITLE: UPDATE ON STATION APPROACH PROJECT

19 JULY 2022

REPORT OF CABINET MEMBER FOR ASSET MANAGEMENT: Cllr Martin Tod

Contact Officer: Emma Taylor Tel No: 07980 732199

Email [etaylor@winchester.gov.uk](mailto:etaylor@winchester.gov.uk)

WARD(S): ST PAUL, ST BARTHOLOMEW

PURPOSE

The council has spent a number of years considering the options for the development of the area around Winchester railway station, known as Station Approach. This is an important gateway to the City and has been identified in the local plan as a site worthy of regeneration (Local Plan WIN5-7).

A project to regenerate Station Approach (SA) was paused in 2019. Since then, work undertaken in respect of the Winchester Movement Strategy has rendered some of the previous projects' assumptions around movement and sustainable transport out of date. This coupled with the impact of the pandemic on work and travel patterns means a review of opportunity at Station Approach is appropriate.

It is proposed to revise the Station Approach plan working with adjacent landowners and embarking on a comprehensive and active engagement with the community. This will determine whether a viable project can be brought forward.

This report provides details of the Station Approach project and seeks approval for the proposed public communications and engagement approach and associated timelines.

Alongside this it highlights the other elements of work including:

- A market value study commissioned to provide a highest value and best use analysis of the sites held by the Council.

- A transport and parking study to understand options to make WCC car park sites available to re-use and to understand the linkage with the development of a northern park and ride.
- A capacity study to examine the existing conditions and constraints of the site and provide indicative information on how the site could realistically be developed.

The combination of this engagement programme and the other studies will be used to prepare a Strategic Outline Case for consideration by Cabinet in January 2023.

#### RECOMMENDATIONS:

1. Note the indicative project outline and agree the overall work plan ahead of the Strategic Outline Case submission in December/January 2022/23.
2. Agree the study area for the Station Approach project set out in paragraph 11.7.
3. Agree the draft development principles that will be consulted on as part of the initial communication and engagement phase set out in paragraph 11.10
4. Agree the Communications and Engagement Strategy for the Station Approach project as set out in this report/attached in Appendix 1.
5. Agree to launch the public engagement and consultation process for the Station Approach project in July 2022. The initial phase to run to 30th September 2022.
6. Agree that the council should continue exploring opportunities with Network Rail and London & Continental Railways (LCR) to produce a joined-up plan for the area.
7. Agree to establish a cross-party reference group for the Station Approach project as set out in paragraph 6.2 and delegates the finalisation of these arrangements to the Strategic Director – Place in consultation with the Cabinet Member for Asset Management.

IMPLICATIONS:1 COUNCIL PLAN OUTCOME

## 1.1 Tackling the Climate Emergency and Creating a Greener District

The Station Area will inevitably be at the core of any plans to decarbonise longer-distance travel to and from the city. This project provides the opportunity to realise a connected sustainable development that contributes to one of the Council's key ambitions to be carbon neutral. This project will look to ensure any development proposals upholds and strengthens our commitment to tackling the climate emergency and sustainable transport. The re-use of this brownfield site and its role as a transport interchange which provides economic, social and community benefit further supports this aim.

## 1.2 Homes for all

Housing in our district is expensive and young people and families are moving out because they are unable to find suitable accommodation they can afford. Supported by the Local Plan to ensure the right mix of homes is built for all sectors of our society, including young people, this project will consider the market and evaluate the possibility of residential uses across the sites. If residential use is appropriate, we will ensure that any development provides affordable housing and homes at fair market value.

## 1.3 Vibrant Local Economy

Work patterns and needs are changing and the way people use city centres is changing. This project will make a vital contribution to Winchester's future economy – helping to deliver the council's objective for a vibrant green economy and ensuring that Winchester's centre continues to thrive.

Winchester City is an important source for district employment and we need to ensure that we have the right places for businesses to relocate/expand and start-up that will provide employment opportunities. We will be guided by market analysis and grow the economy through building where appropriate attractive commercial buildings that will realise economic, environmental and social benefits for our residents and compliment the work being progressed by the Central Winchester regeneration project.

## 1.4 Living Well

The council is committed to enabling and promoting improved cycling and walking in line with the Winchester Movement Strategy (WMS) Local Walking and Cycling Improvement Plan. The railway station provides an important hub for local bus services, Park & Ride, taxis, pedestrians and cyclists and we will further improve facilities and integration working in conjunction with the County Council and the train operators. This project will promote greater use of sustainable transport wherever possible in line with the WMS. But it will not just be a good place to move through: the project focus on high quality design

and positive place-making will ensure that it is a good place to be with regeneration of this area providing opportunities for significant improvement to the public realm.

#### 1.5 Your Services, Your Voice

The Station Approach Project will provide the public with genuine opportunities to participate in shaping the future development of the area. The opportunity for active, positive public consultation will be included by outlining the process of consultation and all the points along the journey where public views will be captured. Feedback will be given and where views are used to shape the development of any scheme that comes forward as a result of our activities and this will be fully identified.

## 2 FINANCIAL IMPLICATIONS

2.1 A £1m budget for additional project delivery resources to support regeneration work in the district was approved by Cabinet in October 2021. £155,000 of this budget has been allocated for the 1<sup>st</sup> phase of this project.

2.2 It is anticipated that the costs of the start-up of the project will be: -

- Market analysis - £15k
- Project Management and specialist support - £75k
- Communications and Engagement consultants - £25k
- Capacity Study - £40k

2.3 Whilst this report does not identify further funding requirements at this stage, when the Strategic Outline Case is considered by Cabinet if the council wishes to progress to the next stage further funding for master planning and the development of the Outline Business Case will be required. The Outline Business Case will need to demonstrate that there is a deliverable and viable scheme. It will explore both the financial implications of losing existing income streams on the council owned parts of the site (i.e., car parking revenue from the Gladstone Street, Cattle Market, Worthy Lane and Carfax car parks; property rents received from the former Registry Office etc) – as well as options to replace them in other areas – and the costs of / income from future options for the site together with socio-economic benefits that can be delivered.

## 3 LEGAL AND PROCUREMENT IMPLICATIONS

3.1 The previous proposals for Station Approach were subject to a legal challenge which the council conceded regarding the decision to grant planning permission for the redevelopment of the Carfax site in 2019. To minimise the risk of successful legal challenges to any new proposals that come forward a clear distinction will be drawn between the decisions the council will have to make as a landowner and the decisions that will need to be made by the council as a planning authority. Appropriate ethical walls will be established to



ensure the necessary functions are separate and carried out by different parts and personnel within the council. Legal and procurement advice will be taken throughout the project.

3.2 In addition to appropriate separation of roles and responsibilities, it will be important that all relevant matters are taken into account when decisions are made, in particular to ensure that when reporting on and determining a planning application relating to the development, the planning authority properly and clearly fulfils its statutory duties to have special regard to preserving listed buildings and conservation areas.

3.3 The project requires a capacity study to be procured either by the council or third parties. Procurement undertaken by the Council will be in compliance with the city council's constitution which include the council's Financial Procedure Rules and Contract Procedure Rules. All procurement whether undertaken by the council or its partners will be undertaken in accordance with Public Procurement Regulations 2015 where this is applicable.

#### 4 WORKFORCE IMPLICATIONS

4.1 Project management will be led by the Council's interim Project Lead and Project Manager, supported by contracted consultants. Teams from across the council are engaged in this project e.g., property, legal, communications. Ongoing staffing for all services, including regeneration projects, are included in annual budgets or individual business cases.

#### 5 PROPERTY AND ASSET IMPLICATIONS

5.1 The council is a significant landowner in the Station Approach area. These landholdings consist of Gladstone Street car park and leased parking adjacent together with the former registry office, Cattlemarket and Worthy Lane car parks. Whilst there are no implications at this stage of the project there will be issues to consider as the project progresses and options are identified such as how many and when parking spaces could be released to enable development and whether the council chooses to dispose of assets for development, enters into a joint venture partnership or self develops.

#### 6 CONSULTATION AND COMMUNICATION

6.1 An external public affairs agency Meeting Place Communications (MPC) was appointed in April 2022 to support the council in developing a Communications and engagement strategy for the project. Details of the strategy are set out in supporting information.

6.2 In order to support the governance process it is proposed to establish a cross party Reference Group, similar to the successful Central Winchester Group, to provide early and regular engagement as the project develops. The Reference Group will act as a sounding board, drawing on external experts as

necessary and required to provide specialist advice and guidance to inform the decision-making process.

## 7 ENVIRONMENTAL CONSIDERATIONS

- 7.1 The regeneration of Station Approach will contribute towards the council's policy commitment to be carbon neutral and deliver an exemplar connected sustainable development that provides environmental as well as social and economic benefits.
- 7.2 Development proposals in this vital transport hub will need to promote sustainable transport to, from and around the city. Walking, cycling, public transport and other environmentally friendly urban mobility methods will be encouraged.
- 7.3 The business case will address sustainability principles outlined in relevant policies including the National Planning Policy Framework, Local Plan, City of Winchester Movement Strategy, Parking and Access Strategy, Winchester Green Economic Development Strategy and Vision for Winchester.
- 7.4 In developing the proposals for Station Approach advice will be taken from the council's sustainability officers, and other specialist consultants as required. A cross-party reference group is being established for the project that will include environmental expertise.

## 8 PUBLIC SECTOR EQUALITY DUTY

- 8.1 An equalities impact scoping on the public consultation and engagement strategy has been undertaken to ensure that our approach engages as many residents and stakeholders as possible. This has been incorporated into the communications and engagement strategy.
- 8.2 As the project progresses an equalities impact assessment will be undertaken on development proposals.

## 9 DATA PROTECTION IMPACT ASSESSMENT

- 9.1 All data collected as a result of consultation and engagement for the project will be held in accordance with the Data Protection Act 2018 and the General Data Protection Regulation (GDPR) 2018.
- 9.2 The council's Public Affairs Consultants, MPC, have provided their policy regarding Data Protection and it conforms to the Data Protection Act 2018 and the GDPR 2018. MPC will adhere to their policy in all matters relating to the protection of data gathered from engagement and communications activities. This has been set out in the contract specification.

## 10 RISK MANAGEMENT

10.1 The Project has a separate risk register which is managed by the Project Manager. This report considers matters linked to risks associated around achieving a satisfactory strategy for public consultation and engagement for the lifecycle of the project.

10.2 Key risks include:

- a) Lack of buy-in from Stakeholders. The Council has procured a Public Affairs consultancy to ensure that public and stakeholder views are actively sought and inform the development proposals and to help prepare a comprehensive communications and engagement strategy.
- b) Potential Overlap in consultation with the emerging Local plan. This is being mitigated by working closely with planning colleagues to schedule consultation events and agree messaging to avoid confusion for the public.

<b>Risk</b>	<b>Mitigation</b>	<b>Opportunities</b>
Financial Exposure - At this very early stage in the project there is an acceptable risk that we may begin the process and find that we are unable to present a viable scheme	Use of programme and project management methodology and the approval of each stage at the gateway point will ensure resources are only released one stage at a time.	There is an opportunity to understand the aspirations of stakeholders in determining how to revitalise this important gateway to the city.
Financial – risk that we do not have sufficient Funds for next stage of project	Set aside sufficient funds in earmarked reserves to undertake masterplanning and develop Outline Business Case	
Exposure to challenge - from getting the process wrong (at this stage of the project this risk is considered to be minimal)	Work with legal and procurement colleagues to ensure we adhere to the correct process.	Opportunity to present a thorough and well-planned consultation strategy for the whole potential lifecycle of the project – learning from other projects
Innovation		The engagement approach proposes the use of an interactive map on a digital platform that will assist the consultation process.

Reputation – risk that the approach does not fully engage with the public and other interested parties in developing options for the site resulting in lack of support for the project	To ensure a comprehensive engagement and clear comms/messaging plan is developed and this is achieved by working with public affairs consultants.	Opportunity to introduce new ways of working and managing regeneration projects that will enhance the Council's reputation.
Risk that the project could fail	Develop a scheme that is viable, deliverable with public support and is planning compliant	
Risk on whether the future uses proposed (e.g., Grade A offices) remain relevant/whether there is a demand post-pandemic	Undertake market analysis to ensure that future uses proposed have demand from the market. Ensure that key studies are updated as we cannot rely on pre-covid assumptions.	
Achievement of outcome – risk that benefits will not be achieved	Implementation of communications and engagement plan supported by technical data will enable us to develop a viable scheme that has public support.	The council is exploring opportunities for a viable scheme and want to keep all the options open at this stage to create an exemplar scheme within the constraints of the sites.
Property Risks	None at this stage	
Community Support – risk that the approach does not fully engage with the public and other interested parties in developing options for the site resulting in lack of support for the project	To ensure a comprehensive engagement and clear comms/messaging plan is developed and this is achieved by working with public affairs consultants	A full and comprehensive communications and engagement strategy will allow for wider public consultation and greater understanding of public aspiration for the site.
Timescales – risk of delay to project	A project plan has been developed and will be monitored by the project Board.	
Project capacity	External advisors for stage 1 have been appointed.	Opportunity for knowledge transfer into the Council.

## 11 SUPPORTING INFORMATION:

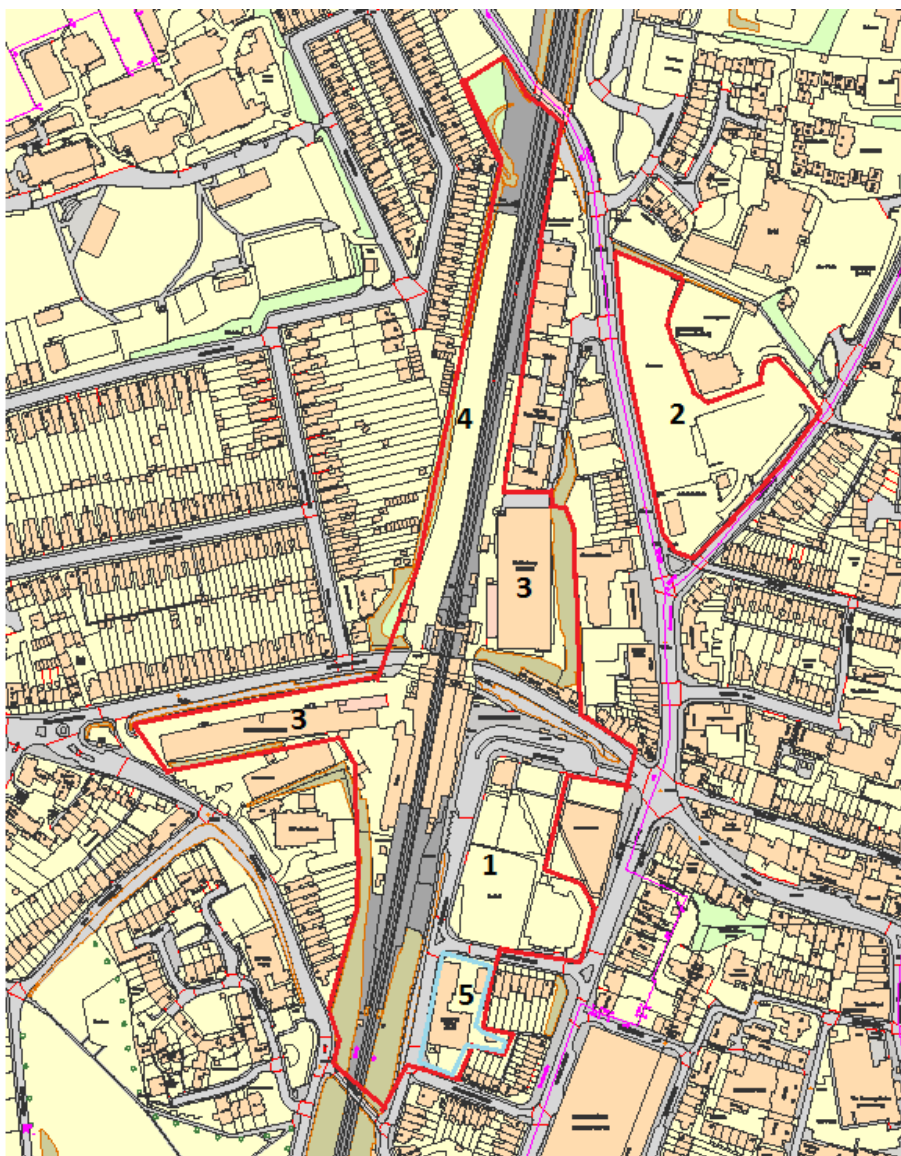
- 11.1 The council has spent a number of years considering the options for the development of the area around Winchester railway station as part of its aspirations for regenerating the Carfax and Cattlemarket sites (Station Approach). This is an important gateway to the city and has been identified in the local plan.
- 11.2 In 2021, Winchester City Council were approached by London & Continental Railway Property (LCR), who are working in conjunction with Network Rail (NR), to look at sites in the vicinity of railway stations that could benefit from regeneration. LCR are regeneration experts with notable successes in areas such as King's Cross in London.
- 11.3 This potential collaboration is seeking to understand if a viable scheme can be progressed for the Station Approach area, allowing for the best possible use of the land as it interacts with its surroundings on our respective adjacent landholdings. The Council with LCR and Network Rail want to engage and consult with the local community to explore the possibilities of the wider site.
- 11.4 The council is not obliged to work with LCR and Network Rail and therefore if after exploration we decide that it would be more advantageous to develop our landholdings alone then we can do so. However, our view is that a joined up plan for the area will produce greater regeneration benefits and therefore we are currently pursuing that route. [A decision on whether to continue to collaborate with Network Rail/LCR will be taken when the Strategic Outline Case is considered at the end of the year.](#)
- 11.5 Bringing forward development options

It is now the right time to progress the project with a new approach for the following reasons:

- The pandemic and the outputs of the Movement Strategy have made the previous plans and proposals, particularly their assumptions about parking and sustainable transport, out of date;
- Opportunity for transformational place shaping of the wider area Station Approach area through a potential collaboration with Network Rail and LCR, and the creation of a new/enhanced gateway to the City;
- Change in market conditions e.g., different working patterns and consumer habits following the pandemic;
- Station Approach remains a key area of the city with substantial potential to provide sustainable regeneration including environmental and economic benefits;
- Opportunity to ensure fundamental improvements to the transport infrastructure and the creation of a properly integrated interchange fit for the future.
- Timely due to development of a new local plan;

11.6 Being just 1 hour by direct train from London Waterloo, Winchester is also on direct routes from Southampton, Portsmouth, Bournemouth, Weymouth, Birmingham and the North of England this is an exciting opportunity to explore how we can create a new gateway to the city with enhanced public realm that boosts the vitality of the local economy. Station Approach gives the Council the opportunity to lead by example – using brownfield sites within this transport interchange to deliver a sustainable programme of regeneration that will produce lasting benefit for future generations.

11.7 The area in scope for this phase consists of:



1. The **Carfax Site** – Gladstone street car park, the leased parking adjacent and the former register office and to the south of HCCs Records Office. (owned by WCC)
2. The **Cattlemarket and Worthy Lane car parks** (owned by WCC)

3. The **multi-storey car parks to the East and West** of the Station (owned by NR, operated by South Western Railway - SWR)
  4. **Car Parking along the western** side of the railway line (owned by NR, operated by SWR)
  5. Other potential sites in the vicinity which could include working with other partners/landholdings, if they are supportive, which will assist in bringing forward a potentially broader comprehensive scheme for the whole area.
- 11.8 The council has held early discussions with partners to improve understanding of the various strategies and policies which may help shape any proposed development and how the site's regeneration can help support these objectives – for example, the Winchester Movement Strategy, The Vision for Winchester, Parking and Access Strategy and Air Quality Management Area.
- 11.9 The Council has procured specialist communications consultants, MPC, to help us engage better with the public and our stakeholders and have undertaken market research to understand how the demand has changed due to the pandemic.
- 11.10 Draft development principles have been created with Network Rail and LCR these principles will form part of the initial public engagement and consultation phase.

#### **A connected sustainable development:**

Winchester City Council has set a goal to be a carbon neutral city and district by 2030. Winchester's Station Area sits at the heart of our objectives for low carbon travel and connectivity – and any redevelopment should be an exemplar for sustainable low-carbon development and living and working.

Proposals should champion sustainable transport to from and around the city including improved station links to the city centre and other communities outside Winchester. Walking, cycling, public transport and other innovative environmentally friendly urban mobility methods should be encouraged. Proposals should align with the City of Winchester Movement Strategy, Parking and Access Strategy and Vision for Winchester. All proposals will need to support safe, economic and efficient running of the public transport operation and enhance the customer experience within this transport interchange.

All development should actively encourage good practice in: promoting vibrant and diverse communities; creating healthy places for people and planet; supporting and developing the local economy (see Winchester Green Economic Development Strategy) and considering sustainability principles outlined in the National Planning Policy Framework.

### **Development for Winchester's future:**

Work patterns and needs are changing – and the way people use city centres is changing. We need a development that understands these changes and enables Winchester to make the most of the future economic and residential opportunities that these present.

This will require any development proposals brought forward to be inclusive and aim to offer an appropriate site mix to reinforce and complement the town centre and the economic future of Winchester and consider incorporating different housing tenures to meet Winchester's housing need including affordable homes and those whose needs are not met by the market. The Winchester Housing Development Strategy 2021-2030 states a target of building '1,000 new council built homes across the district between 2021 and 2030'. Any proposals should identify opportunities where the scheme can support affordable housing needs, government housing targets and where market research and Strategic Housing and Employment Land Availability Assessment (SHELAA) provide objective justification for this to be considered the appropriate mix.

Proposals should promote an inclusive environment which recognises and accommodates differences in the way people would likely use the development. It should facilitate dignified, equal and intuitive use by everyone. Any development should support public sector equality duties, uphold and have due regard to the principles outlined in the Equality Act 2010.

Development proposals should demonstrate consideration for how the scheme can promote public value principles identified in the Green Book 2020 (financial value; economic value; social value and environmental value), balancing these opportunities with site constraints to deliver a viable scheme.

### **High quality design, positive Placemaking:**

Winchester is a special city with many high quality buildings, an attractive walkable centre and much used public spaces. Any development should promote high quality design principles by showing consideration for National Planning Policy Framework (NPPF) and relevant Local Plan and Development Plan and High Quality Places SPD 2015 policies including (but not limited to):

- a) Respecting Winchester town and surrounding landscape characteristics;
- b) Enhancing public realm ensuring attractive, safe, and accessible design;
- c) Improving pedestrian and cycling access within the area;
- d) Demonstrate a high standard of architectural design;
- e) Consider important locally significant views and
- f) aim to conserve, enhance and promote Winchester's rich heritage and its essential character by showing consideration to the legacy of the city's history, spaces, buildings and artefacts.



### **Co-creating with residents, businesses and stakeholders':**

The council believes that the most effective initiatives in Winchester are those that reflect close work alongside residents, businesses and other local stakeholders. We want to:

- Start the process not with buildings, masterplans and development proposals but with people.
- Adopt a proactive approach to listening and understanding local stakeholder views through local engagement and consultation.
- Agree a stakeholder engagement plan and clearly identify the objectives for each round of consultation.

This engagement should seek to understand public aspiration and balance opportunities against site constraints. We will engage with residents early in the process and encourage stakeholder participation from the whole community in all stages in the development.

#### 11.11 Market Research

The Council has commissioned its strategic advisors Jones Lang LaSalle (JLL) to provide a highest value and best use analysis of the sites held by the Council.

This will provide an important insight into the current demand for commercial and other uses and any gaps in the city centre market that the regeneration of Station Approach could address. It is considered important that JLL combine their extensive knowledge of the Winchester market with their understanding of the council's aspiration for the site and city (having worked with us on previous projects as well as Central Winchester Regeneration) to highlight opportunities that are not necessarily based upon purely the most financially rewarding for the council but support the council's wider priorities and desire to deliver a high quality development, with a strong sense of place, which benefits the community as well as the city's economy.

This analysis will further be used to inform the consultation with the wider public and stakeholders that is outlined below.

#### 11.12 Parking Surveys

Key to any development proposals at Station Approach will be a parking strategy that takes into account the provision of a new Park and Ride facility to the north of the city, the Winchester Movement Strategy and the Parking and Access Strategy.

In order to determine future parking requirements in line with the Winchester Movement Strategy and the Parking and Access Strategy the council will be commissioning some parking policy expertise working jointly with Hampshire County Council. This work will update the previous parking studies that were

undertaken before the pandemic and consider parking and rail use behaviours post covid, including those associated with return to work, and how this will likely shape levels of future demand for parking spaces. This work will assist in determining what parking can be released for development and when.

### 11.13 Capacity Study

A capacity study of the sites within the Station Approach area will be undertaken to inform whether a viable scheme can be developed which meets the aspirations of stakeholders and the local community. The capacity study will, as a minimum, consist of surveys to suggest height and massing appropriate on the sites for potential development mixes identified from the local market conditions and stakeholder feedback. The study will investigate the key site constraints and identify relevant risks. A multi-disciplinary team will be procured to undertake this work. The team will need a variety of expertise including heritage, transport, and cost consultancy. Note that where possible surveys and studies from previous work undertaken will be utilised.

The outcome of the capacity study will be fed back to the community for comments and this will enable the Strategic Outline Case to be prepared for consideration by Cabinet. If there is a viable scheme and Cabinet agrees for the project to continue, the next stage will be masterplanning which will provide a design framework and parameters for Station Approach which will then be used to develop detailed proposals for the land within the area which will be subject of planning applications.

## COMMUNICATION AND ENGAGEMENT STRATEGY

- 11.14 The council has appointed Meeting Place Communications (MPC) as our communications / public affairs consultancy to deliver a comprehensive strategy for engagement and consultation.
- 11.15 At the heart of this strategy is to ensure meaningful community engagement and the process will start by listening to the community and discussing development principles prior to commencing any capacity or master planning.
- 11.16 The engagement strategy for Station Approach is guided by the following core principles:
- **Delivering economic, social and environmental value** - the first stage of engagement will set out the opportunity of Station Approach to deliver the benefits for the whole city – social and environmental value as well as economic. A key message will be the council's desire to work with the community to co-create a sustainable development.
  - **Ongoing, transparent engagement** – Ongoing engagement with the local community, stakeholders and members will be crucial to the ultimate success of the project. We will be clear about what we are asking of consultees, how we will communicate throughout the project and when residents and stakeholders will be engaged and have the opportunity to

provide feedback that will be used to inform the development of plans for the area as Station Approach moves forward

- **Take it to the people** - This consultation programme must work hard to engage with residents and stakeholders as widely as possible to include people that the council has found historically hard to engage. Through innovative techniques such as an interactive online map, engagement events in high footfall areas and targeted social media advertising, and learning from the valuable experience gained when developing the Vision of Winchester, we will take the opportunity of Station Approach to the people and facilitate a city-wide discussion.

11.17 Engagement activity will include the following:

- **Members' briefings** - Prior to any engagement with the wider community, a briefing will be provided to all members of the Council.
- **Key stakeholder groups and near neighbours** of the site will be engaged on a 1-2-1 basis as they will have specific ideas and issues they would like to discuss. The focus of the initial consultation however will be on cultivating a broad, city-wide discussion.
- **Digital engagement platform** - a bespoke engagement platform, designed to explain more about the proposals and the opportunity the site presents. It will include a map-based tool, allowing for wide-ranging feedback to be given about the whole opportunity area with an interactive survey. A timeline of engagement will lay out the consultation journey of the entire proposed project, aiding transparency of the process and demonstrating all the opportunities the public will have to make their voices heard. It will also include a section on Frequently Asked Questions (FAQ's).
- **Social media advertising** – It is important that every effort is made to reach a wider audience. This will make more people aware of the chance to engage who would otherwise not know about the project. Adverts will encourage attendance at consultation and engagement events with the website/interactive map.
- **Community newsletter** - A tabloid-style newsletter providing information about the project, advertising the digital engagement platform and the pop-up consultation event, and includes a paper copy of the survey which will be prepared and sent to all residents and businesses within an agreed radius of the site.
- **Pop up consultation** – held in an area of high footfall, outside the station or elsewhere in the site designed to be an event we invite local people to attend but we also hope to speak to rail passengers and passers-by.
- **Media engagement** – an advertorial in the Hampshire Chronicle to advertise the consultation process widely.
- **Station Approach Open Forum** – will be used to take the conversation to the people, listen to views and feedback proposals.
- **Reference Group** – a group of relevant specialist advisors will be established to assist the Council and its partners to develop a scheme with the community.

## PROJECT TIMELINE

11.18 The indicative timeline for stage 1 of the project below provides an overview of proposed activities that will result in the production of a Strategic Outline Business Case and a Cabinet decision on whether there is a viable project to progress to the next stage.

Milestone	Start Date	Duration / end date	Comments
Undertake update transport studies	May 22	October 22	Agree survey work to be undertaken with HCC, obtain brief and quotes from transport consultants, procure and undertake surveys
Market Analysis	April 22	July 22	
Review of collaborative partnership	01/06/22	31/07/22	Review of progress, procurement strategy and development of the Capacity Study
Procurement period for Capacity Study and engagement of relevant expertise	June 22	August 22	Prepare brief and tender docs, procure multi-disciplinary team in agreement with NR & LCR.
Member Briefings	June 22	July 22	To provide information about the project and MPC to outline the proposed engagement plans
Seek Cabinet approval to launch Consultation	19/07/22		
External 3 <sup>rd</sup> Party Consultation	From 20/07/22	ongoing	Consult with near neighbours, stakeholders and the public to gather views
Round 1 of consultation closes	30/09/22		
Capacity Study Period	01/09/22	30/11/22	Contract in place for multi-disciplinary team to develop Capacity study
Feedback to community	Dec 22		
Scrutiny Committee	Quarter 4		
WCC approval Strategic Outline Case (SOC)	Quarter 4		Produce SOC Jan Cabinet Decision – Go/No Go
Proceed to Outline Business Case	2023		Subject to approval – masterplanning and development of Outline Business Case

## THE PROJECT JOURNEY

11.19 The timeline above only shows Stage 1 of the project where we will assess with the local community whether together with technical information there is potential to develop a viable scheme. If the project is to progress it will take many years with different phases and there will be a number of decision points along the way. At each stage of the project the community will be engaged. The diagram in appendix 2 shows the journey with the different stages and the various opportunities to engage.

## 12 OTHER OPTIONS CONSIDERED AND REJECTED

### 12.1 Option 1: Council re-visits previous scheme on Carflax site

The legacy of the pandemic has impacted the way we work, commute and go about our daily lives. The economy, property market, investor confidence and occupier demand may all be significantly different now than before COVID-19. In addition, the Movement Strategy's focus on sustainable transport mean that the plans for sustainable transport and parking were under-developed and unlikely to still be valid. The demand for office accommodation and new ways of working mean that it is appropriate to reconsider the development of any sites within the Station Approach project area. For this reason and the ones defined above in this report a fresh approach is required.

This option is not recommended

### 12.2 Option 2: Council explores opportunities on its landholdings only

Whilst developing a scheme on land which is in the council's ownership has reduced risk it would not enable the wider place shaping agenda to be explored or enable the maximum potential of the area to be considered.

At this stage the project is seeking to work with other landholders in the area to provide an overall vision for regeneration. If however, it becomes clear that the whole site approach is not viable, the council will re-visit this option.

### 12.3 Option 3: Disposing of the land

This option would not enable a scheme to deliver the necessary public realm and place making opportunity. It would not maximise the potential of the wider site to deliver benefits for the city.

This option could be revisited as a future option should the business case determine that a development scheme cannot be viably brought forward.

### 12.4 Option 4: Do nothing

The opportunity to significantly improve this transport interchange and positively contribute to the Council's aim of becoming carbon neutral as well as support and develop the local economy would be lost.

This option is not recommended

BACKGROUND DOCUMENTS:-

Previous Committee Reports:-

CAB3244 – page 46 ([Public Pack](#))[Agenda Document for Cabinet, 21/05/2020 17:00](#)  
([winchester.gov.uk](#))

Other Background Documents:-

None

APPENDICES:

- 1 – Communications and Engagement Strategy
- 2 - The Journey

## Appendix 1 – CAB3349

# Winchester City Council | Station Approach

## Engagement Strategy note for Cabinet July 2022

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### **Our approach to engagement**

The project team behind Station Approach believes that places that are shaped by local people are better places in which to live, work and play. It is essential that the community has an active and on-going role in the development of the vision and masterplan for Station Approach.

Through this strategy we are committed to listening to the community and stakeholders throughout the process. This will enable local people and groups to influence how the proposals evolve as the project moves forward. Our commitment exceeds the minimum requirements of Winchester City Council Statement of Community Involvement (2018).

The team will pro-actively listen to local people, adopting a ‘you said we did’ approach, using what they have said to shape the vision, business case, masterplan and future planning applications. We will explain how the project is evolving, presenting emerging design and technical work as the proposals develop. The team will reach out widely to a diverse audience, using different formats and offering choice in the way conversations are held. The iterative design and engagement process will help the team refine the proposals, establishing a richer and more robust context for the project.

Our approach is guided by the following principles:

- Delivering economic, social and environmental value - the first stage of engagement will set out the opportunity of Station Approach and the benefits that it will deliver for the city – social and environmental as well as economic. A key message will be the Council’s desire to work with the community to co-create sustainable development in this transport hub. Key questions to ask include, what is it that local people want to see Station Approach’s legacy to be? What does this part of the city need? How can it link with existing organisations and initiatives to deliver maximum value to the people of Winchester?
- Ongoing, transparent engagement – Ongoing engagement with the local community, stakeholder and members will be crucial to the ultimate success of the project. We will be

clear about what we are asking of consultees, how we will communicate throughout and at what points residents and stakeholders can engage.

- Take it to the people - This consultation programme must work hard to engage with residents and stakeholders as widely as possible to include people that the council has found historically hard to engage. Through innovative techniques such as an interactive online map, engagement events in high footfall areas and targeted social media advertising, and learning from the valuable experience gained when developing the Vision of Winchester, we will take the opportunity of Station Approach to the people and facilitate a city-wide discussion.
- **Who we will engage with**

Audience	Rationale	Stakeholders	Indicative approach	Channels used
Key decision-makers	These groups will make decisions on the project and are critical to its future for example business case, planning	Winchester City Council and Hampshire County Council Leaders  Winchester City Council portfolio holders  Winchester City Council Planning Committee members  Winchester City Council and Hampshire County Council officers  Statutory consultees	Collaborate and carry out iterative engagement that seeks feedback, acts on it and clearly explains how the feedback has influenced the proposals  Regular, proactive communication	Regular in person or virtual group meetings  Ongoing communication via phone, Teams and email  Information shared via project website  Public events
Local elected representatives	These representatives will have an influential role at a local level and will be critical in determining local	Ward members  County Council member  Steve Brine MP	Collaborate and carry out iterative engagement that seeks feedback, acts on it, and	Regular in person or virtual group meetings  Ongoing communication



Audience	Rationale	Stakeholders	Indicative approach	Channels used
	public opinion of the scheme.	Neighbouring ward members  Neighbouring County Council member	clearly explains how the feedback has influenced the proposals  Regular, proactive communication	via phone and email  Information shared via website  Public events
Local interest groups	These groups may take an interest in the formation of the proposals and the project team will ensure they are personally invited to take part in any engagement activity	Local business groups incl. the LEP, Winchester BID, the Hampshire Chamber of Commerce  Community groups incl. City of Winchester Trust, WinACC, and Hampshire Buildings Preservation Trust	Personal invitations to engagement events  Proactive and reactive contact as and when required during the lifetime of the project	In person group meetings  Ongoing communication via phone and email  Information shared via website  Public events
People living, working and visiting the area	It is essential to ensure that people living in the area have an informed understanding of the project, feel that they have had the chance to contribute to proposals and understand potential impacts. This needs to include under-represented and	Residents living close to the site  People working in the area  Local businesses or organisations close to or who use the site including The Winchester Club, Peter Symonds College, Hampshire County Council, Territorial Army	Regular updates through public engagement events  Setting expectation as to when information will be made available  Ensuring questions are directed to the correct members of the	Regular updates to the online engagement platform  Project freephone and email  Mailouts  Public events  Door to door canvassing

Audience	Rationale	Stakeholders	Indicative approach	Channels used
	seldom heard groups who are traditionally hard to reach.	Visitors to the area	project team and answered in a timely fashion	
Wider community	These groups may have an interest in the project through its wider impacts.	Other interested parties such as Bespoke Biking, Sustrans, Winchester CTC, University of Winchester, Theatre Royal	Proactive and reactive contact as and when required during the lifetime of the project  Ensuring questions are directed to the correct members of the project team and answered in a timely fashion	Email/letter to those on the stakeholder list at early stage in the project  Regular updates to the website  Project freephone and email  Public events

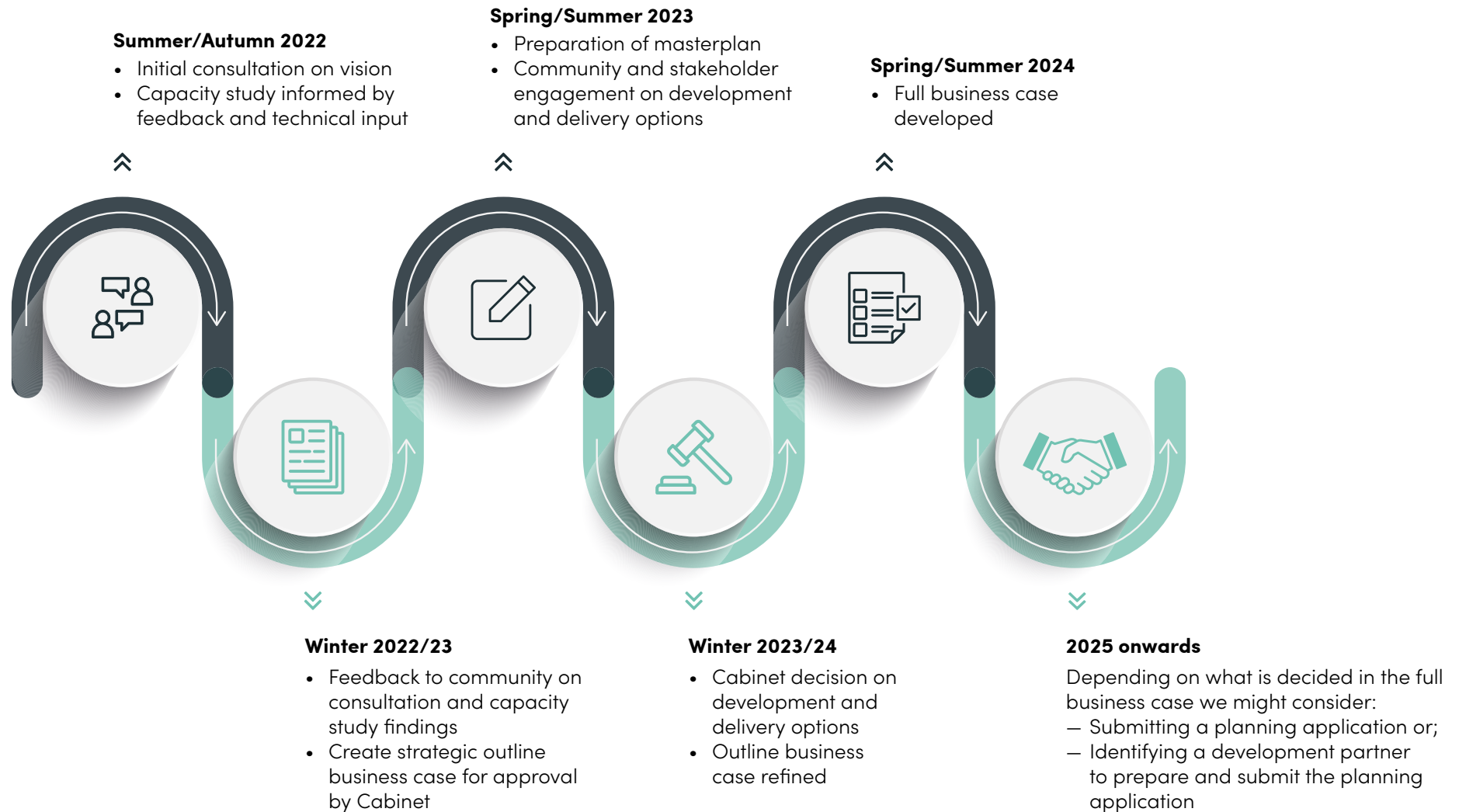
### How we will engage

Forum	Rationale	Audience	Indicative dates
Pop up public consultation event in two locations – outside the station and on the high street	Held in an area of high footfall, outside the station and in a location of prominence on the high street, we will invite local people and interested groups to attend but we also hope to speak to passers-by. This should drive up the number of people we engage and help us reach a more diverse audience. The event will include boards with information about the project and a feedback form that can be filled in on the day or posted back to a Freepost address.	Key decision makers  Local elected representatives  Local interest groups  People living or working in the area  Wider community	Sept 2022  Further events to be held at other key milestones in the project

Forum	Rationale	Audience	Indicative dates
One-to-one engagement	Initial engagement will focus on the wider public consultation and build to the public event in September. We will use the period of July and August to meet with very near neighbours of the site on a one-to-one basis. Write to local groups and interested stakeholders to invite them to visit the website and attend our consultation event in September. After the conclusion of the wider engagement piece, we will meet one-to-one with local interests groups to discuss the feedback received and understand their views.	Key decision makers Contractual Partners  Local elected representatives  Local interest groups	Near neighbours of the site July and August.  Local interest groups, after the public event.
Website	We will set up an online engagement platform which will act as a repository for all information about the proposals. It will provide details of the project, public engagement events, provide FAQs and clearly demonstrate our 'you said we did' approach. This will be an accessible platform available throughout the duration of the project.	Key decision makers  Local elected representatives  Local interest groups  People living or working in the area  Wider community	Throughout the project
Paid for advertising	Targeted social media advertising Advertorial	Local residents Local businesses WCC and HCC representatives	Upon launch of the engagement programme
Community newsletters, press notices	The team will issue community newsletters throughout the engagement programme, as appropriate and where agreed. The first newsletter will introduce the forthcoming engagement programme, advertise the website and the public event taking place. Interested parties will be encouraged to visit the website to sign up for updates and interact with the project team.  The distribution area will be agreed with the WCC in advance to take in the most affected residents and businesses nearby.	Key decision makers  Local elected representatives  Local interest groups  People living or working in the area	July 2022  Ongoing as needed throughout the project lifecycle

Forum	Rationale	Audience	Indicative dates
	<p>All newsletters will also be uploaded to the website.</p> <p>Press releases will be issued at key milestones including but not limited to the launch of the consultation programme and utilised to advertise subsequent public engagement activity during the next stages of the project.</p>	<p>Wider community</p>	
<p>Open/Town Forum</p>	<p>Will be used to take the conversation to the people, provide updates, and listen to views and feedback to the community.</p>	<p>Local interest groups</p> <p>Wider community</p>	<p>On-going</p>
<p>Reference Group</p>	<p>A reference group will be established to act as a sounding board as the project progresses.</p> <p>It will provide specialist advice and guidance to the Project team.</p>	<p>Cross party representation</p> <p>Stakeholder representation</p> <p>External Experts</p>	<p>On-going</p>

# STATION APPROACH THE JOURNEY



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REPORT TITLE: GENERAL FUND OUTTURN 21/22

13 JULY 2022

REPORT OF CABINET MEMBER: Councillor Margot Power – Cabinet Member for Finance and Value

Contact Officer: Liz Keys Tel No: 01962 848226 Email lkeys@winchester.gov.uk

WARD(S): ALL

RECOMMENDATION:

It is recommended that the committee scrutinise and comment on the proposals within the attached cabinet report, ref CAB3352 which is to be considered by cabinet at its meeting on the 19 July 2022.

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REPORT TITLE: GENERAL FUND OUTTURN 2021/22

19 JULY 2022

REPORT OF CABINET MEMBER: Councillor Margot Power – Cabinet Member for Finance and Value

Contact Officer: Liz Keys Tel No: 01962 848226 Email lkeys@winchester.gov.uk

WARD(S): ALL

## PURPOSE

This report provides an overview of the General Fund Revenue outturn and Capital Programme outturn for 2021/22.

The 2021/22 General Fund budget approved by Council in February 2021 (CAB3289 refers) included significant savings proposals, government grants and a covid loss of income contingency budget in order to achieve a balanced position.

The most recent revised forecast (February 2022 – CAB3335 refers) highlighted the positive recovery of parking income, higher than budgeted garden waste income, a number of additional grants received to support expenditure and a projected a year end surplus of £1.265m and proposed that this be transferred to the Major Investment Reserve. The final outturn position as set out in Appendix 1 to this report, has resulted in an additional £1.633m surplus, mainly due business rates collected being higher than forecast.

Whilst regular revised forecasts have been presented over the last year, this report details all significant variances compared to the original approved budget.

Whilst the 2021/22 outturn is subject to an increased surplus, it should be noted that the 2022/23 budget had assumed contract inflation of 4% and employee inflation at 2%. With current CPI inflation at 9.1% and fuel costs likely to more than double this year, significant additional pressure on the 2022/23 budget is anticipated and revised forecasts will be brought forward later in the year. It is recommended that £2m of the overall surplus for the year be retained in an “exceptional inflation pressures” reserve, at least until October 2022, when a revised forecast for the year will be brought to Cabinet.

RECOMMENDATIONS:That Cabinet:

1. Note the General Fund Revenue Outturn and Capital Programme Outturn as set out in the report.
2. Approve the proposal to establish an “Exceptional Inflation Pressures” risk reserve and that £2m be transferred to that reserve pending the preparation of a revised forecast for the 2022/23 budget in October 2022 to assess the impact of current inflation and energy price pressures on the original budget.
3. Approve the transfers to and from the Major Investment reserve as detailed in Appendix 1 and note the reserves and closing balances at 31 March 2022 (as set out in Appendix 2);
4. Approve the revised 2022/23 capital programme as set out in appendix 5;
5. Note the revised 2022-2032 capital programme as set out in appendix 6.

## IMPLICATIONS:

### 1 COUNCIL PLAN OUTCOME

- 1.1 The budget approved in February 2021 (CAB3289 refers) directly supported the delivery of all outcomes set out in the Council Plan.

### 2 FINANCIAL IMPLICATIONS

- 2.1 As set out in the report.

### 3 LEGAL AND PROCUREMENT IMPLICATIONS

- 3.1 Local authorities are required by law to have a balanced budget. However, what is meant by 'balanced' is not defined in law and chief finance officers are to use their professional judgement to ensure that the local authority's budget is balanced, robust and sustainable.

- 3.2 The Local Government Act 1972 (Section 151) makes the Chief Financial Officer responsible for the proper administration of the Council's financial affairs. The responsibilities of the Chief Finance Officer, in particular in relation to section 114 notices, are set out primarily in section 151 of the Local Government Act 1972.

- 3.3 All Members and officers have a general responsibility which is a fiduciary duty to residents to take reasonable action to provide for the security of the assets under their control and for ensuring that the use of these resources is legal, is properly authorised and achieves value for money. In doing so proper consideration must be given at all times to matters of probity and propriety in managing the assets, income and expenditure of the Council.

### 4 WORKFORCE IMPLICATIONS

- 4.1 The outturn position set out in this report reflects reductions in the staffing establishment in relation to the Guildhall operation and the removal of 20 posts as part of the savings required to set the 2021/22 budget in February 2021 (CAB3289 refers).

### 5 PROPERTY AND ASSET IMPLICATIONS

- 5.1 The spend in 2021/22 included significant investment in capital works and property maintenance as well as to support the Central Winchester Regeneration work. CAB3335 dated February 2022 also included proposals to reintroduce revenue contributions to both the asset and parking reserves. The earmarked reserves position set out in Appendix 2 reflects this decision.

### 6 CONSULTATION AND COMMUNICATION

- 6.1 The 2021/22 budget was set in February 2021 (CAB3289) and this followed consultation with stakeholders, including with parish councils through the

parish liaison meetings, with local businesses through discussions with the Bid Business forum and with the public through an on line survey.

## 7 ENVIRONMENTAL CONSIDERATIONS

- 7.1 Whilst the 2021/22 budget approved in February 2021 (CAB3289 refers) included significant budget savings from service efficiencies and reductions, the commitment to carbon neutrality remained and investment in the Carbon Neutrality programme was maintained in full. The capital programme also included provision specifically aimed at reducing carbon emissions. This investment has been further supplemented in the 2022/23 budget approved in February 2022 (CAB3335 refers)

## 8 EQUALITY IMPACT ASSESSEMENT

- 8.1 The recommendations in this report do not amend budget proposals that have been subject to previous assessment. Officers have regard to the considerations as set out in the Equalities Act 2010 and whether an equality impact assessment will be required to be undertaken at the time of implementation on any specific recommendations for changes to future budgets.

## 9 DATA PROTECTION IMPACT ASSESSMENT

- 9.1 None required

## 10 RISK MANAGEMENT

<b>Risk</b>	<b>Mitigation</b>	<b>Opportunities</b>
<p><i>Financial</i> Budget deficit or unforeseen under or overspends.</p> <p>Financial pressure caused by high rates of inflation and increases in energy costs.</p>	<p>Regular monitoring of budgets and financial position including forecasting to year end to avoid unplanned over/underspends.</p> <p>Regular monitoring of macroeconomic situation and recommended establishment of an Exceptional Pressures reserve.</p>	<p>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.</p>
<p><i>Legal</i> Risk that external factors, such as high inflation, have an impact on budgets that is so severe that the Council cannot balance the</p>	<p>Enhanced monitoring of key at-risk areas (including parking and commercial rent income) and the establishment of an additional risk reserve to</p>	

Risk	Mitigation	Opportunities
budget and is at risk of needing to issue a s114 notice.	cover exceptional inflation pressures.	
<i>Team capacity</i> Availability of staff to effectively monitor budgets and produce / report on outturn.	Resources to deliver projects are discussed at the project planning stage and agreed by the project board and monitored by the Programme and Capital Strategy Board. If, at critical budgeting times, resource shortages are identified, funding has been set aside in the budget to fund external support.	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>Achievement of outcome</i> Risk that the balanced budget and stable finances required by the Your services, your voice Council Plan priority is not achieved or is not perceived to be open and transparent.	Through the quarterly monitoring reports, officers and members can monitor the ongoing financial position.	

## 11 SUPPORTING INFORMATION:

### General Fund Revenue

- 11.1 When setting the 2021/22 original budget, it was always made clear that forecasting income over the year would be very difficult and a significant contingency was included to ensure a balanced budget. In addition, there has been frequent changes and new announcements regarding additional government funding. Forecasts were regularly updated throughout the year (CAB3312, CAB3318 and CAB3335 all included revised forecasts as new grants were announced and as income recovered faster than originally predicted).
- 11.2 The final outturn position set out in this report was broadly in line with the most recent forecast (CAB3335 dated February 2022) with the exception of business rate collection. Whilst regular updated forecasts have been reported throughout the year, the budget was never formally revised and so this report highlights all significant variations compared to the original budget (most of which have been reported previously).

- 11.3 The final revenue outturn shown in Appendix 1 shows a reduction in the required use of reserves compared to the February 2022 forecast of £1.63m. The most significant variance within this additional underspend of £1.63m is a favourable retained business rates variance of £1.29m, explained in 12.3.
- 11.4 The original budget for 2021/22 was approved at Council in February 2021. Within this budget a 'covid contingency', allowing for reduced income, of £3.651m (20% of total income) was set. Regular in-year monitoring showed that income was higher than expected and therefore a revised forecast of £2.151m was reflected in the February 2022 budget paper (CAB3335). This reflected a better than expected recovery of car parking income, general fund rents, and other income such as planning fees.
- 11.5 In February 2022, Cabinet approved that the all budget surpluses for the year be transferred to the Major Investment Reserve (CAB3335 refers). However, it is now proposed that £2m of the variance to the original budget be retained in a separate reserve to mitigate against the significant increase in inflation and energy costs since the 2022/23 budget was approved. Work on assessing the full impact of the increasing inflation on council budgets is currently being undertaken and a revised forecast will be prepared for consideration in October 2022.

## 12 Impact on the collection fund

- 12.1 The Council acts as billing authority for the Winchester district and is therefore responsible for the collection of business rates and council tax on behalf of Hampshire County Council, Police and Fire authorities, parish councils and Central Government.
- 12.2 **Council Tax** - In January, the Council forecast a collection rate of 99% based on previous experience of collection rates across the district. This was reflected in the outturn with a minor surplus variance of £25k.
- 12.3 **Business Rates** – The total collectable business rates for 2020/21 were over £60m and within the year, significant ongoing and new reliefs were announced, often at short notice. Final details on the total and treatment of section 31 grants (the mechanism Government uses to reimburse billing authorities for reliefs grants) were only received in March 2022. As a result, attempts to forecast year end net income in February 2022 proved to be overly cautious. Final net income collected was £0.588m more than the original budget for the year.

## 13 Revenue Baseline Budget Variances

- 13.1 Total general fund baseline net service expenditure was originally budgeted at £17.7m for 2021/22. This included a covid income contingency budget of £3.65m. An outturn of £14.9m is in line with the updated forecasts reported during the year (final forecast of £14.5m in February 2022).

13.2 The most significant variances to the original budget are summarised in the table below, with further explanation in 13.3 and 13.4 below.

	<b>Favourable / (Adverse) Variance £000</b>
<u>Income variances</u>	
a) Car Parking covid contingency	1,300
b) Markets revenue	(100)
c) Development control fees	230
d) Winchester Sport & Leisure Park	250
e) Park & Ride covid support	800
f) Guildhall rent	300
g) Garden waste income	170
h) Materials recycling income	160
i) Building control income	(110)
<b>Total income variances</b>	<b>3,500</b>
<u>Expenditure variances</u>	
a) Support service recharges	500
b) Winchester Sport & Leisure Park	500
c) Community Grants	120
d) Corporate property repairs	(110)
e) Elections	(150)
f) River Park Leisure Centre	(160)
g) Recycling & refuse collection	(160)
h) Grounds maintenance & cleansing	(300)
Other variances	(429)
<b>Total expenditure variances</b>	<b>(689)</b>
<b>TOTAL VARIANCE</b>	<b>2,811</b>

13.3 The reasons for the “income” variances in the above table can be summarised as:

- a) Car Parking – As a result of the strong recovery from the pandemic, particularly in city centre car parks, the budget shortfall of £2.3m was lower than forecast in the original budget and meant that £1.3m of the 2021/22 covid contingency budget was not required.
- b) Markets – an outturn shortfall of £0.1m due to capacity reductions earlier in the year.
- c) Development Control – additional planning fee and pre-app income of £0.23m was generated in the year with volumes of applications being higher than predicted.
- d) Winchester Sport and Leisure Park – an “open book” approach was agreed at the start of the contract for 2020/21 and this resulted in

additional income to the Council of £0.25m compared to the original budget.

- e) Park and Ride bus grants passed over from HCC amounted to £0.8m which was all additional funding and helped to further offset the reduced parking income as detailed in 13.2 a) above.
- f) Guildhall rent of just over £0.4m was £0.3m above the original budget which had not forecast a full year of income from the Courts.
- g) Garden Waste Income – strong sign ups led to additional income of £0.17m. This strong early demand has also been realised with sign-ups for 2022/23, which continue to increase the overall number of subscriptions.
- h) Materials Recycling Income – rates received for recycling materials has significantly increased over the last year leading to additional income of £0.16m. Whilst this is a highly volatile source of income, higher rates are expected into 2022/23.
- i) Building Control Income – lower than budgeted income of £0.11m reflected a reduction in demand for the service, particularly in the early part of the year.

13.4 Explanations for the “expenditure” variances in the above table are provided below:

- a) Support Service Recharges – higher recharges to the Housing Revenue Account for services provided by General Fund teams, such as special maintenance, led to a reduction in the net cost of services of £0.5m.
- b) Winchester Sports and Leisure Park – the original budget assumed a first year deficit of £0.5m. However, strong first year performance has meant that a net surplus was achieved by year end.
- c) Community Grants – an underspend on town account and district discretionary grants totalling £0.12m. Demand for some programmes was lower than anticipated in the last year and the overall programme for 2022/23 has been amended to reflect this (CAB3323 refers). Cabinet also approved a £0.2m contribution to the Grants reserve in February 2022 to mitigate against previous reductions to the grant budget.
- d) Corporate Property Repairs – an overspend of £0.11m relating mainly to River Park Leisure Centre legal and professional fees.
- e) Elections – the correction of an accrual for income relating to the reimbursement of costs for the 2019 general election has led to an adverse variance of £0.15m.
- f) River Park Leisure Centre Site – The original budget had assumed that the vacant building would be de-listed for business rates. The application remains with the Valuation Office but as yet there is no indication as to



how soon they will determine the outcome, resulting in additional costs of £0.16m relating to business rate payments.

- g) Recycling and Refuse Collection £0.16m – Contract costs are higher than the original budget (insufficient provision was made for additional unscheduled works) and this will need to be reflected in future forecasts. The key variances relate to higher than forecast inflation, weekly glass collection at an annual cost of c£0.05m, and additional variable contract costs.
- h) Grounds Maintenance and Street Cleaning £0.3m – Contract costs are higher than the original budget (insufficient provision was made for additional unscheduled works) and this will need to be reflected in future forecasts. In addition, spend on fly tipping clearance has increased as a result of increased incidents in the last year.

13.5 An overall underspend of £0.845m within ‘Investment Activity’ relates almost entirely to Net Interest Receivable which was £0.7m higher than the budgeted net payable position. The reasons for this are much higher than budgeted cash balances due to government covid support grants, re-profiling of the capital programme leading to higher than expected cash balances, and higher than budgeted investment returns.

#### 14 “One Off” Budgets

14.1 In addition to the baseline budget to fund core services, a number of “one off” provisions were approved and included in the 2021/22 budget to fund key projects across 2021/22 and 2022/23. This included:

- a) £2m to support the delivery of the Central Winchester Project through to appointing a preferred partner (CAB3289 refers)
- b) £250k to fund interim works at the Friarsgate site (CAB3289 refers)
- c) £1m to fund additional project capacity to support other major projects (CAB3318 refers)
- d) £200k to fund additional demands on core services (CAB3318 refers)
- e) £300k to fund additional IT investment to upgrade the Council’s IT desktop infrastructure to support “agile/flexible working” proposals (CAB3318 refers)
- f) Other “one off” budgets include the provision to support the preparation of the Local Plan and the delivery of the carbon neutrality programme and Homelessness prevention.

14.2 Work on all of these provisions is continuing and it is anticipated that all monies will be fully committed in 2022/23. Budget profiles have been

amended to reflect this and will require transfers from the Major Investment Reserve.

## 15 Outturn by Council Plan outcome

15.1 In addition to the variances to the baseline ('ongoing') budgets shown above, there were variances to one-off revenue budgets. The overall outturn position and variances on the combined baseline and one-off budgets by Council Plan outcome are shown in the following table. The net underspend of £5.0m compared to original budget is broken down into a £2.8m underspend on baseline budgets and a £2.2m underspend on one-off budgets.

<u>General Fund Budget Forecast</u> <u>2021/22 (£000)</u>	<u>Original</u> <u>Budget</u>	<u>Forecast</u> <u>(CAB3335)</u>	<u>Outturn</u>	<u>Variance to</u> <u>Budget</u>
Environment	(6,296)	(5,731)	(5,207)	(1,088)
Living Well	(5,157)	(4,657)	(4,846)	(311)
Homes for All	(2,131)	(2,131)	(1,432)	(698)
Vibrant Local Economy	(2,954)	(3,554)	(2,051)	(904)
Your Services, Your Voice	(5,572)	(5,396)	(3,536)	(2,036)
<b>TOTAL before funding *</b>	<b>(22,111)</b>	<b>(21,470)</b>	<b>(17,072)</b>	<b>(5,038)</b>
TOTAL Funding and Other Activity	22,111	24,088	18,705	6,671
<b>BUDGET UNDERSPEND</b>	<b>-</b>	<b>2,618</b>	<b>1,633</b>	<b>1,633</b>
<b>CUMULATIVE UNDERSPEND</b>			<b>4,251</b>	
* Baseline	-17,701	-14,456	-14,926	2,775
One-off	-4,410	-7,014	-2,146	2,264
<b>TOTAL</b>	<b>-22,111</b>	<b>-21,470</b>	<b>-17,072</b>	<b>5,039</b>

### 15.2 Service outturn variance analysis:

- Environment – The net underspend of £1,088k is caused by better than forecast income such as car parking, planning fees and recycling income.
- Homes for All – The net underspend of £698k relates to the re-profiling of one-off expenditure budgets within Homelessness and Strategic Planning.
- Vibrant Local Economy – The net underspend of £904k relates to the re-profiling of one-off major project expenditure such as Central Winchester Regeneration.
- Your Services, Your Voice – The net underspend of £2,037k relates to the re-profiling of one-off project expenditure such as project delivery support and hybrid working equipment.

## 16 Government financial support

16.1 The Government distributed a number of specific support packages including grants for local councils to meet additional "Covid 19 related" costs. The city council has received/claimed during 2020/21:

	£000
a) P&R Bus Subsidy received through HCC	797
b) Sales, Fees and Charges compensation claims	530
c) General non-specific grants towards expenditure	494
d) Local Council Tax Support	169
e) Rough Sleeping Grant	170
f) Contain Outbreak Management Fund	141
g) Local Government Restart Grant	100
h) Test and Trace Grants	42
i) Clinically Extremely Vulnerable Funding	86
j) High Street Fund	58
k) Domestic Abuse Grant	34
Total:	<u>2,621</u>

## 17 Earmarked Reserves

17.1 General Fund earmarked reserve balances have increased from £33.9m at April 2021 to £38.0m at the end of March 2022. This temporary increase of £4.1m is largely due to:

- a) Community Infrastructure Levy - £1.6m has been transferred to the town and district reserves and is ringfenced for future spend on CIL appropriate projects.
- b) A favourable outturn compared to the February budget forecast of £1.6m which is proposed to be transferred to the Major Investment Reserve for prioritisation against projects.

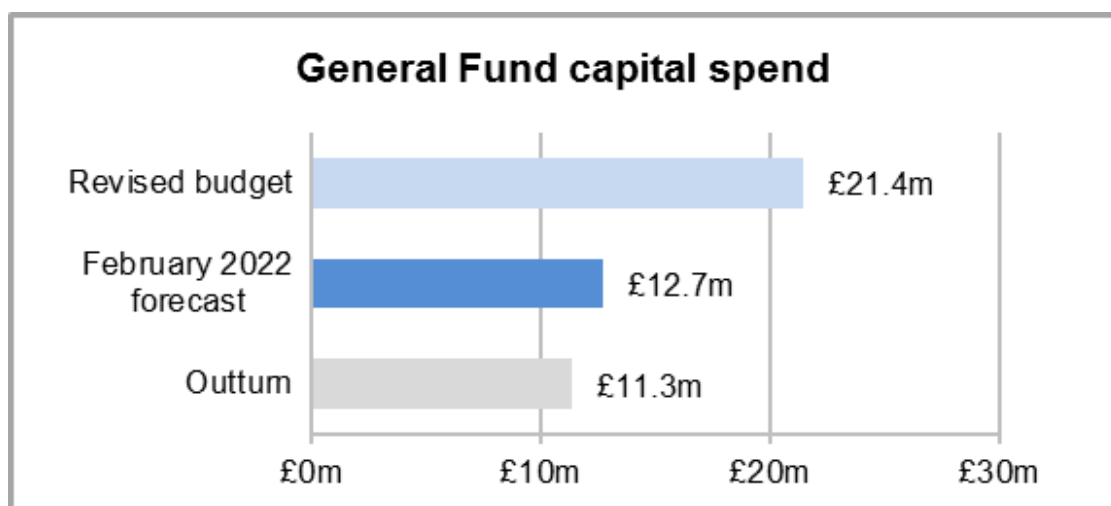
17.2 Earmarked reserve balances are set out in appendix 2. The 'operational reserves' balance totals £10.8m at the end of 2021/22.

## 18 **General Fund Capital**

18.1 Total capital expenditure in year was £22.2m - of which £10.9m relates to the Housing Revenue Account (HRA). The detailed HRA outturn is reported separately to Cabinet (CAB3354).

18.2 General Fund capital expenditure amounted to £11.3m. Excluding the SAPS scheme (see below), this compares to an original budget of £20.4m, set in February 2021 (CAB3283) and a revised budget of £21.4m (including 'brought forwards') set in July 2021 (CAB3309). Following subsequent approvals and reprogramming, the forecast expenditure was amended to £12.7m in February 2022. Further details by project are provided in Appendix 4.

- 18.3 In addition, a budget of £20.4m in respect of the Strategic Asset Purchase Scheme (SAPS) was allocated. When the scheme was approved by Council a SAPS Board was created which includes members and officers; the board receives recommendations of potential purchases and the s151 officer has delegated authority to make acquisitions up to £4m following discussions with the board, subject to due diligence, or recommend to Cabinet and Council to approve for acquisitions above £4m. During the course of the financial year, the challenging economic conditions and uncertainty resulted in no suitable purchases being identified and this budget has therefore been carried forward into the 2022/23 financial year.



## 19 Key projects

- 19.1 The following are some of the key projects undertaken in 2021/22:

i. **Winchester Sport & Leisure Park** *Total Budget: £43.24m*

*Exp: Prior years £41.7m      2021/22 £1.187m      Total £42.887m*

Work commenced on site in 2019 and, despite the significant challenges presented by Covid 19, the new park officially opened on 29<sup>th</sup> May 2021. Final contract closure negotiations are anticipated to be completed in 2022/23.

ii. **Disabled Facilities Grants** *Total Budget: £1.23m*

*Exp: recurring      2021/22 £0.96m*

The Private Sector Housing (PSH) Team is responsible for the administration of Disabled Facilities Grants (DFGs). Such grants enable residents of private and / or social housing who are disabled or have a mobility or other limiting condition to apply for adaptations to be undertaken in their home. Such adaptations can include the installation of stair lifts, level access showers, kitchen adaptations or ramping etc. and enable residents to remain in their homes rather than having to move, go into hospital or residential care. In

2021/22 the PSH Team approved in excess of 70 DFG applications enabling families to be kept together.

iii. **Durngate flood alleviation scheme** *Total Budget: £1.6m*

*Exp: Prior years £1.36m                      2021/22 £0.11m                      Total £1.47m*

The Durngate scheme is the second phase of the North Winchester Flood Alleviation Scheme focusing on the area around the Durngate Bridge, the Trinity Centre and Durngate Terrace, and was jointly funded by the City Council and the Environment Agency. The completed scheme provides various flood defences along the River Itchen and supports the council to control and maximise the flow of water safely through the city, helping multiple residential and commercial properties throughout the city centre.

The flood defences are now operational and the remaining budget has been carried forward to 2022/23 for supplementary ecological works and repairs to a sluice. Once the final expenditure is confirmed any remaining budget funded by CIL can be released back for use on other projects.

iv. **Garden waste bins** *Total Budget: £0.5m*

*Exp: Prior years £0.44m                      2021/22 £0.08m                      Total £0.52m*

The garden waste service was launched in February 2021 with garden waste bins of 140l and 240l available for residents to purchase either online or via the Customer Service Centre, with Biffa delivering them to households. The launch has been a great success with well over 20,000 subscriptions to the garden waste service. In 2021/22 an additional £83,000 was spent which brought overall capital expenditure just over the approved budget; however, this is offset by the additional income generated due to the scheme's success.

v. **Coventry House (formerly Vaultex)** *Total Budget: £6.45m*

*Exp: Prior years £0.74m                      2021/22 £5.66m                      Total £6.4m*

The council has been awarded a £5.65m grant from the Enterprise M3 Local Enterprise Partnership (LEP) toward creating additional Park & Ride spaces to the east of the city centre. The former Vaultex site at Barfield Close will provide just under 300 spaces to reduce traffic in the city – linking in with the aims of the City of Winchester Movement Strategy and supporting the city council's pledge to become a carbon neutral council by 2024, with the whole district becoming carbon neutral by 2030. Photovoltaic panels and electric vehicle charging points also feature at the site as well as a green "living wall" which helps improve air quality and minimises the visual impact of the site. The project completed in spring 2022 with final contract payments to be made in 2022/23.

vi. **Bishop's Waltham Depot** *Total Budget: £1.775m*



scheme. Works were also carried on several other schemes – detail of expenditure on all capital projects is provided at Appendix 4.

## 20 Reforecast of capital programme

- 20.1 The 2022/23 capital programme has been reforecast to include adjustments made for brought forward budgets from 2021/22 and other adjustments such as budget reductions following tender or reforecasting to the subsequent period.
- 20.2 With the exception of budgets funded by external grant or unfinanced (prudential borrowing), reduced budgets result in funding being released back to earmarked reserves or to the capital receipts reserve where it becomes available to fund future projects.
- 20.3 Full details of all changes to the 2022/23 capital programme are provided in Appendix 5 and the impact on the overall 10 year capital programme is provided at Appendix 6.

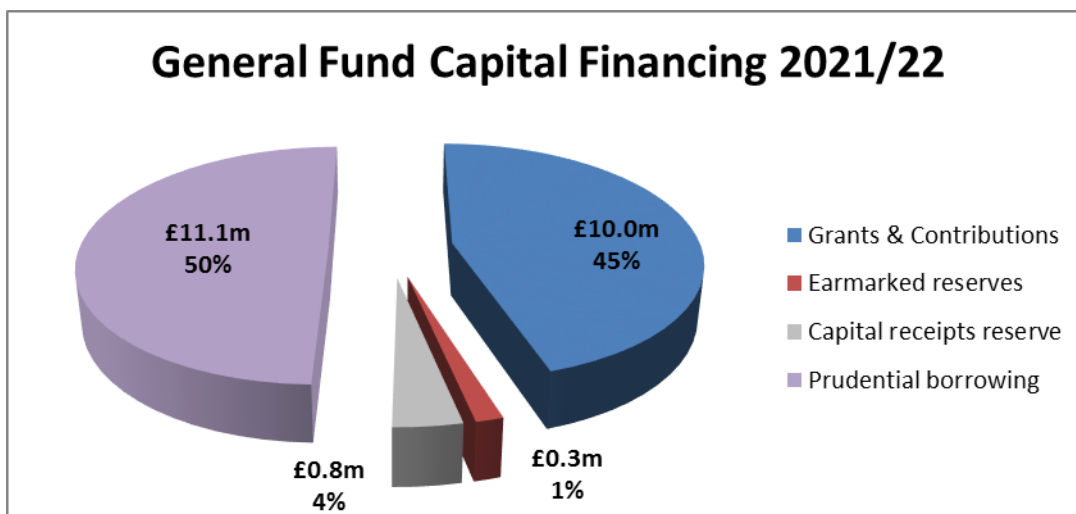
## 21 Flexible use of capital receipts

- 21.1 Ordinarily, capital resources such as capital receipts can only be used on capital expenditure (i.e. the creation or enhancement of a capital asset). However, the MHCLG Secretary of State issued a direction to local authorities in order to give them the freedom to use capital receipts from the sale of their own assets (excluding Right to Buy receipts) to help fund the revenue costs of transformation projects and release savings, including through redundancy, for the financial years 2016/17 to 2021/22. The government has recently extended this to 2024/25 but councils are no longer able to make use of the flexibility fund discretionary redundancy costs following the extension. By using capital receipts, the council is able to avoid the negative impact of on its annual revenue budget of one-off costs but this will reduce the available resources for future capital projects.
- 21.2 In the Capital Investment Strategy approved in February 2021 (CAB3283), £194,000 of eligible capital receipts were set aside for this purpose which were applied to partially fund £266,000 in severance costs in 2020/21. This resulted in ongoing annual savings of circa £700,000 per annum. No further use was made in 2021/22 and the council has no current plans to apply further capital receipts to transformation plans though its flexible use of capital receipts strategy (most recently approved in the Capital Investment Strategy in February 2022 (CAB3332)). However, the approved strategy allows it do so should there be qualifying spend in the future and if sufficient eligible capital receipts are available.

## 22 Capital financing

- 22.1 The sources of finance available for capital projects include capital receipts, grants and contributions, reserves, revenue contributions, and prudential borrowing or “Capital Financing Requirement” (unfinanced capital expenditure

met by future revenue provision). Under the Prudential Code, the council can invest in a capital programme so long as its capital spending plans are “affordable, prudent and sustainable”. The financing of the 2021/22 General Fund capital expenditure was as follows:



22.2 Where capital expenditure is to be financed in future years by charges to revenue, the expenditure results in an increase in the council’s borrowing need known as “Capital Financing Requirement” (CFR), a measure of the capital expenditure incurred historically by the council that has yet to be financed. While the council has sufficient cash and investment balances, it is able to internally borrow but as CFR increases, and cash and investment balances decrease, it will need to increase its external borrowing in addition to the £166.7m the council has already borrowed to finance HRA projects including the HRA self-financing settlement. In the General Fund an annual charge called Minimum Revenue Provision (MRP) is required to finance prior year unfinanced expenditure; this reduces the CFR over the lives of the related assets. In 2021/22 additional provision for financing capital was made in both the General Fund and HRA; in both cases this related to grant funding received in year that was applied to fund prior year unfinanced expenditure.

Capital Financing Requirement	General Fund £000	Housing Revenue Account £000	Total £000
<b>Capital Financing Requirement at 1 April 2021</b>	<b>71,628</b>	<b>178,177</b>	<b>249,805</b>
Unfinanced capital expenditure - in year	2,437	8,615	11,052
Minimum revenue provision (MRP)	(876)	0	(876)
Voluntary provision for the financing of capital	(377)	(787)	(1,164)
<b>Capital Financing Requirement at 31 March 2022</b>	<b>72,812</b>	<b>186,005</b>	<b>258,817</b>
<b>Made up of:</b>			
External borrowing	0	166,722	166,722
Internal borrowing	72,812	19,283	92,095



## 23 Commercial activities: property

- 23.1 The council owns an investment property portfolio (assets held solely for rental income or capital appreciation) which was valued at £69.8m as at 31 March 2022 (£66.8m as at 31 March 2021) and generated gross income of £3.85m and net income after costs, including minimum revenue provision, of £2.95m in 2021/22. This income helps contribute to the Council Plan outcomes. This represents an average net yield of 4.3%.
- 23.2 In 2021/22, the council transferred the Guildhall café from operational assets to its investment property portfolio following its letting to a private commercial tenant. It also spent £111,000 in year on works to enhance that property prior to letting.

*Property held for investment purposes in £000s*

<b>1 April 2021</b>	<b>66,810</b>
Acquisitions	0
Enhancements	111
Gains/(losses) in fair value	2,250
Transfer from PPE (operational assets)*	669
<b>31 March 2022</b>	<b>69,840</b>

\*An investment property is held for rental income and/or capital appreciation; when the continued purpose of holding the asset changes to meeting a service objective it is transferred to Property Plant & Equipment or vice versa

## 24 Proportion of financing costs to net revenue stream

- 24.1 Although capital expenditure is not charged directly to the revenue budget, interest payable on loans, MRP, and any revenue funded reductions in the borrowing need are charged to the General Fund (GF) or Housing Revenue Account (HRA) income and expenditure statements as appropriate. The net annual charge is known as financing costs - this is compared to the net revenue stream: Council Tax, Business Rates, and general government grants in the case of the GF; and rents and other charges in the case of the HRA.
- 24.2 The Council's General Fund capital programme includes a number of unfinanced projects (i.e. funded by prudential borrowing). MRP (equivalent to the repayment of loan principal) is applied in the financial year following an asset becoming operational and increases the financing costs. Financing costs are expected to increase in 2022/23 as MRP charges will commence for projects that completed in 2021/22 and are either partially or wholly funded by prudential borrowing, such as Winchester Sport & Leisure Park. Similarly, HRA financing costs are forecast to increase in future years as it increases its external borrowing position to finance its capital programme.

- 24.3 The General Fund financing costs are higher than forecast due to an embedded lease in the council's waste contract. An embedded lease is where a contract contains a requirement to acquire specific assets via a lease for the majority of their useful life. This is an alternative form of borrowing and the council must therefore account for the implicit interest and MRP in relation to the lease in its financing costs.

*Prudential Indicator: Proportion of financing costs to net revenue stream*

	<b>2020/21 actual</b>	<b>2021/22 forecast</b>	<b>2021/22 actual</b>	<b>2022/23 budget</b>
GF financing costs (£m)	0.7	0.5	0.9	1.2
GF proportion of net revenue stream	3.4%	2.8%	5.0%	7.1%
HRA financing costs (£m)	5.2	5.4	5.4	5.9
HRA proportion of net revenue stream	17.8%	18.7%	18.0%	19.9%

## 25 Commentary on emerging financial pressures

- 25.1 When the 2022/23 budget was approved in February 2022, a number of assumptions regarding inflation were made based on inflation pressures and indicators at that time. However, with the Consumer Price Index for May 2022 reported as 9.1% and forecast to increase above 10% later this year, it will be necessary to revise forecasts in relation to staff costs, contract inflation and fuel costs.
- 25.2 Provision was made for Contract inflation of 4%. However, with large contracts such as waste collection and street cleansing subject to an annual CPI uplift, the full year effect of this could result in an additional cost in excess of £500k per annum.
- 25.3 Provision for staff costs inflation was included at 2%. National advice is currently indicating that provision should be 4% and this could result in an additional cost of approximately £250k. per annum.
- 25.4 The impact of inflation on fuel costs is currently being assessed, but is likely to result in an additional cost of approximately £600k per annum.
- 25.5 It is not proposed to revise forecasts at this stage but with an estimated increase in annual budgets of between £1m and £1.5m, it should be noted that future forecast deficits are more than likely to increase when revised forecasts are brought forward later in the year. To mitigate against this risk,

the establishment of an “exceptional inflation pressures” risk reserve is recommended as set out earlier in the report.

## 26 OTHER OPTIONS CONSIDERED AND REJECTED

- 26.1 Consideration has been given to revising forecasts for 2022/23 in light of the pressures highlighted in section 25 above. However, these pressures are still subject to a high degree of uncertainty and so it is proposed to retain surpluses in reserves at this stage whilst further assessment of the pressures is undertaken.
- 26.2 The potential to use the additional surplus for specific investment has also been considered. However, in light of the emerging pressures, this is not recommended at this stage.

## BACKGROUND DOCUMENTS:-

### Previous Committee Reports:-

CAB3289 - General Fund Budget 2021/22 dated 11 February 2021

CAB3283 – Capital Investment Strategy 2021-2031 dated 11 February 2021

CAB3312 – Quarter 1 Finance & Performance Monitoring dated 15 September 2021

CAB3318 - General Fund Budget Options and Medium Term Financial Strategy dated 20 October 2021

CAB3335 - General Fund Budget 2022/23 dated 17 February 2022

### Other Background Documents:-

None

## APPENDICES:

Appendix 1 – General Fund Summary Outturn

Appendix 2 – General Fund Earmarked Reserves

Appendix 3 – Winchester Town Account Outturn

Appendix 4 – General Fund Capital Expenditure 2021/22 outturn

Appendix 5 – Revised 2022/23 General Fund Capital Programme

Appendix 6 – Revised 2022-2032 General Fund Capital Programme

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General Fund Revenue (£m)	Original Budget	Forecast (CAB3352)	Outturn	Variance to Original Budget
<b>Funding</b>				
Council Tax (excluding Parish Precepts)	8.517	8.517	8.544	0.027
Retained Business Rates	4.918	4.218	5.506	0.588
New Homes Bonus	1.963	1.963	1.963	0.000
<b>COVID Tranche 5</b>	0.494	0.494	0.494	0.000
<b>Lower Tier Services Grant</b>	0.461	0.461	0.461	0.000
<b>Local Council Tax Support</b>	0.169	0.169	0.169	0.000
Other Grants	0.349	0.349	1.693	1.344
	<b>16.871</b>	<b>16.171</b>	<b>18.830</b>	<b>1.959</b>
<b>Investment Activity</b>	1.876	2.579	2.721	0.845
<b>Resources available</b>	<b>18.747</b>	<b>18.750</b>	<b>21.551</b>	<b>2.804</b>
<b>Baseline resource requirements</b>	<b>-17.701</b>	<b>-14.456</b>	<b>-14.926</b>	<b>2.775</b>
<b>One-off net expenditure</b>	<b>-4.410</b>	<b>-7.014</b>	<b>-2.146</b>	<b>2.263</b>
<b>Reserve Related Movements</b>	3.363	2.723	-2.846	-6.209
<b>Total net resource requirements</b>	<b>-18.747</b>	<b>-18.750</b>	<b>-19.918</b>	
<b>Budget Surplus / (Shortfall)</b>	<b>0.000</b>	<b>0.000</b>	<b>1.633</b>	

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**GENERAL FUND EARMARKED RESERVES (£000)**

**OPERATIONAL RESERVES**

	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
	Op Bal.	Cl. Bal.	Forecast Closing Balances								
Major Investment Reserve	(6,920)	(9,031)	(4,324)	(3,702)	(3,551)	(3,551)	(3,551)	(3,551)	(3,551)	(3,551)	(3,551)
Transformation	(236)										
Council Plan Support	(138)										
Community Grants & Commissions	(364)	(558)	(491)	(484)	(424)	(424)	(424)	(424)	(424)	(424)	(424)
Flood Support Schemes	(66)	(66)									
Landscape Mitigation	(14)	(12)	(10)	(8)	(6)	(4)	(2)				
Local Development Framework (LDF)	(290)	(290)									
New Burdens	(636)	(837)	(169)	(169)	(169)	(169)	(169)	(169)	(169)	(169)	(169)
	<b>(8,663)</b>	<b>(10,794)</b>	<b>(4,994)</b>	<b>(4,363)</b>	<b>(4,150)</b>	<b>(4,148)</b>	<b>(4,146)</b>	<b>(4,144)</b>	<b>(4,144)</b>	<b>(4,144)</b>	<b>(4,144)</b>

**ASSET RESERVES**

Property - Asset Management Reserve	(3,511)	(3,761)	(3,340)	(1,923)	(1,753)	(1,703)	(1,653)	(1,603)	(1,553)	(1,503)	(1,203)	(1,153)
Car Parks Property	(1,549)	(1,899)	(1,804)	(2,034)	(2,184)	(2,334)	(2,484)	(2,634)	(2,784)	(2,934)	(3,084)	(3,234)
Information Management and Technology	(63)	(208)	(243)	(209)	(171)	(214)	(131)	(145)	(206)	(163)	(226)	(141)
	<b>(5,123)</b>	<b>(5,868)</b>	<b>(5,387)</b>	<b>(4,166)</b>	<b>(4,109)</b>	<b>(4,252)</b>	<b>(4,269)</b>	<b>(4,383)</b>	<b>(4,543)</b>	<b>(4,601)</b>	<b>(4,513)</b>	<b>(4,528)</b>

**RESTRICTED RESERVES**

S106 (Interest)	(236)	(290)	(290)	(290)	(290)	(290)	(290)	(290)	(290)	(290)	(290)	(290)
Community Infrastructure Levy - General Fund	(10,903)	(12,245)	(9,343)	(8,593)	(8,593)	(8,593)	(8,593)	(8,593)	(8,593)	(8,593)	(8,593)	(8,593)
Community Infrastructure Levy - Winchester Town	(1,078)	(1,209)	(751)	(614)	(614)	(614)	(614)	(614)	(614)	(614)	(614)	(614)
COVID - Discretionary Grants	(2,021)											
Winchester Town Reserve	(403)	(456)	(227)	(250)	(166)	(174)	(167)	(167)	(167)	(167)	(167)	(167)
	<b>(14,641)</b>	<b>(14,199)</b>	<b>(10,610)</b>	<b>(9,746)</b>	<b>(9,662)</b>	<b>(9,671)</b>	<b>(9,664)</b>	<b>(9,664)</b>	<b>(9,664)</b>	<b>(9,664)</b>	<b>(9,664)</b>	<b>(9,664)</b>

**RISK RESERVES**

Municipal Mutual Insurance	(139)	(139)	(139)	(139)	(139)	(139)	(139)	(139)	(139)	(139)	(139)	(139)
Transitional Reserve	(3,434)	(3,090)	(3,321)	(3,221)	(3,421)	(3,421)	(3,421)	(3,421)	(3,421)	(3,421)	(3,421)	(3,421)
Exceptional Inflation Pressures		(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)
Business Rates Retention	(1,900)	(1,900)	(1,900)	(1,900)	(1,900)	(1,900)	(1,900)	(1,900)	(1,900)	(1,900)	(1,900)	(1,900)
	<b>(5,473)</b>	<b>(7,129)</b>	<b>(7,360)</b>	<b>(7,260)</b>	<b>(7,460)</b>	<b>(7,460)</b>	<b>(7,460)</b>	<b>(7,460)</b>	<b>(7,460)</b>	<b>(7,460)</b>	<b>(7,460)</b>	<b>(7,460)</b>

**Total General Fund Earmarked Reserves**

	<b>(33,900)</b>	<b>(37,990)</b>	<b>(28,351)</b>	<b>(25,535)</b>	<b>(25,381)</b>	<b>(25,531)</b>	<b>(25,539)</b>	<b>(25,650)</b>	<b>(25,811)</b>	<b>(25,868)</b>	<b>(25,781)</b>	<b>(25,796)</b>
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General Fund Balance

	(2,789)	(2,789)	(2,789)	(2,789)	(2,789)	(2,789)	(2,789)	(2,789)	(2,789)	(2,789)	(2,789)	(2,789)
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Usable Capital Receipts Reserve - General Fund

	(3,944)	(3,681)	(1,747)	(1,299)	(1,449)	(1,787)	(2,129)	(2,474)	(2,823)	(3,175)	(3,531)	(3,890)
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**WINCHESTER TOWN ACCOUNT - 2021/22 Outturn**

	2020/21 Outturn	2021/2022 Forecast	2021/22 Outturn	2021/22 Variance	Budget C/F
<b>Assumptions:</b>					
Contract inflation					
Utilities					
Percentage increase in tax					
Tax Base		14,461			
<b>Cost of Services</b>					
<b>Recurring Budgets:</b>					
Allotments	(3,940)	(1,864)	(3,879)	2,015	
Bus Shelter Cleaning / Maintenance / New Provision	9,596	10,000	7,516	2,484	
Cemeteries	49,891	38,339	81,252	(42,913)	
Christmas Lights	7,500	9,287	7,500	1,787	
Neighbourhood Service Officers (Contribution)	45,000	45,000	45,000	0	
Footway Lighting	16,402	21,226	19,078	2,148	
Citizens Advice Grant	20,000	20,000	20,000	0	
Other Grants	7,000	7,000	7,000	0	
Grants Bidding Process and Vision Delivery	0	33,000		33,000	
- Theatre Royal (Contribution)	20,000	20,000	20,000	0	
Support Costs for Grant Scheme	2,000	2,000	2,000	0	
Maintenance Work to Council Owned Bridges	0	5,500	4,637	863	
Night Bus Contribution	7,827	10,220	5,360	4,860	
Public Conveniences (Contribution)	50,000	50,000	50,000	0	
Recreation Grounds & Open Spaces	641,857	647,324	663,120	(15,796)	20,000
Town Forum Support	5,000	5,000	5,000	0	
<b>Total Recurring Budgets</b>	<b>878,134</b>	<b>922,032</b>	<b>933,584</b>	<b>(11,552)</b>	<b>20,000</b>
<b>One-off Budgets:</b>					
St Maurice's Covert	5,787				
Community Infrastructure		200,000	0	200,000	100,000
Local Plan	25,000				
Tree Survey Works		61,639	61,639	0	
<b>Total One-off Budgets</b>	<b>30,787</b>	<b>261,639</b>	<b>61,639</b>	<b>200,000</b>	<b>100,000</b>
<b>Total Cost of Services</b>	<b>908,921</b>	<b>1,183,671</b>	<b>995,223</b>	<b>188,448</b>	<b>120,000</b>
<b>Taxation and Non-specific grant income</b>					
Council Tax Income	(1,006,776)	(1,061,591)	(1,061,591)	0	
Interest on Balances	(3,272)	(1,701)	(2,018)	318	
<b>Total Taxation and Non-specific grant income</b>	<b>(1,010,048)</b>	<b>(1,063,292)</b>	<b>(1,063,609)</b>	<b>318</b>	
<b>Transfers to/(from) Earmarked reserves</b>					
(Surplus added to Reserves) / Deficit taken from Reserves	(101,127)	120,379	(68,386)	188,765	
Capital Expenditure funded by Town Reserve	84,000	120,000	16,340	103,660	
Release from Town Community Infrastructure Levy Reserve		(200,000)	0	(200,000)	
<b>Opening Reserve Balance (at 1st April)</b>	<b>(386,526)</b>	<b>(403,653)</b>	<b>(403,653)</b>	<b>103,660</b>	
<b>Closing Reserve Balance (carried forward)</b>	<b>(403,653)</b>	<b>(363,274)</b>	<b>(455,699)</b>	<b>196,085</b>	
Closing Reserves forecast as % of net expenditure (Target = 10%)	<b>44%</b>	<b>39%</b>	<b>49%</b>		

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## General Fund capital expenditure outturn 2021/22

This appendix details the revised budget approved in July 2021 (CAB3309) and approved changes since then. Further adjustments were made to the forecast in February 2022 which are included for reference below

	Priority	2021/22					Reforecast (Feb 22)	Variance to reforecast	Comments
		Revised budget (CAB3309)	Approved changes and adjs.	Approved budget	Actuals	Under / (over) spend			
		£000	£000	£000	£000	£000			
<b>General Fund</b>									
<b>Approved*</b>									
Disabled Facility Grants	Homes for all	1,230	-	1,230	963	267	1,230	267	Unused grant is held by the council and can be applied in future years
Decked car park at former Vaultex site	Vibrant local economy	5,458	-	5,458	5,663	(205)	5,458	(205)	Some expenditure earlier than originally forecast and so 22/23 budget partially used in 21/22
IMT Assets	Your services, your voice	544	-	544	-	544	330	330	Reforecast to 2022/23
Car Parks	Vibrant local economy	207	-	207	4	203	22	18	Small amount of spend on Parkmap
Bishop's Waltham Depot	Vibrant local economy	1,573	-	1,573	1,577	(4)	1,573	(4)	Project complete
North Walls Pavilion replacement	Living well	732	-	732	5	727	40	35	Scheme parameters currently under consideration
CIL funded community projects	Living well	591	3	594	130	464	202	72	Remaining budget reforecast to 2022/23
The Walls - essential repairs	Vibrant local economy	428	-	428	391	37	242	(149)	Final phase works to be completed in 2022/23
Riverbank Leisure Centre site - decommissioning	Living well	405	-	405	68	337	105	37	Reforecast to 2022/23
West Wing refurbishment	Your services, your voice	397	-	397	-	397	-	-	Reforecast to 2023/24 in February 2022 budget
Chesil Multi Storey car park	Vibrant local economy	299	-	299	-	299	-	-	Resurfacing works now expected in summer 2023
Durngate flood prevention works	Climate Emergency	244	-	244	111	133	244	133	Project complete - residual works (e.g. sluice repair) to be completed in 2022/23
Guildhall café	Vibrant local economy	93	-	93	111	(18)	93	(18)	Project complete - small overspend due to out of works to accommodate let of Guildhall to HMCS
Garden waste bins	Your services, your voice	56	-	56	83	(27)	56	(27)	Complete - overspend due to higher demand than forecast - cost offset by increased subscriptions
Garrison Ground drainage improvements	Living well	60	-	60	60	0	60	0	Project complete
Guildhall - committee audio equipment	Your services, your voice	40	-	40	-	40	40	40	Reforecast to 2022/23
Winchester Sport & Leisure Park	Living well	1,538	6	1,544	1,187	357	1,544	357	WSLP opened in May 2021 - final contract negotiations to be complete in 2022/23
Friarsgate Medical Centre	Vibrant local economy	500	-	500	50	450	50	(0)	Preliminary works in 2021/22 - demolition expected to commence in 2022/23
City Offices decarbonisation	Climate Emergency	465	75	540	331	209	335	4	Purchase of materials and asbestos works in 2021/22. Main works to complete Q1 2022/23
Kings Walk improvements	Vibrant local economy	200	185	385	19	366	5	(14)	Main works reforecast to 2022/23
Meadowside Leisure centre - new equipment	Living well	177	23	200	197	3	200	3	Project complete
Former registry office refurbishment	Vibrant local economy	52	-	52	60	(8)	52	(8)	Project complete - in advanced negotiations with potential new tenant
King George V Pavilion replacement	Living well	1,398	-	1,398	81	1,317	108	27	Main works out to tender Q1 2022/23
Open Spaces & Recreational Facilities - KGV play and skate park	Living well	240	-	240	16	224	120	104	Reforecast to 2022/23
Open Spaces & Recreational Facilities - Abbey Gardens	Living well	120	110	230	-	230	-	-	Reforecast to 2022/23
Solar PV Marwell Zoo	Climate Emergency	150	-	150	75	75	150	75	Project complete
Solar PV Biffa Depot Barfield Close	Climate Emergency	68	-	68	43	25	68	25	Project complete
EV charging points (EVCP)	Climate Emergency	18	-	18	16	2	18	2	One new EVCP installed at St Peter's and additional EVCP to be installed at Mid Hants railway in 2022/23
Hampshire Community Bank - share purchase	Vibrant local economy	62	-	62	-	62	62	62	Final 25% tranche expected now expected in 2022/23

General Fund capital expenditure outturn 2021/22

	Priority	2021/22						Reforecast (Feb 22)	Variance to reforecast	Comments
		Revised budget (CAB3309)	Approved changes and adjs.	Approved budget	Actuals	Under / (over) spend				
		£000	£000	£000	£000	£000				
Coitbury House - conversion to temporary accommodation	Homes for all	10	-	10	2	8	10	8	Project is now complete - total expenditure of £42,000; £8,000 under budget	
Winchester Hospice grant	Living well	25	-	25	25	-	25	-	Project complete	
Broadway bus shelters	Your services, your voice	23	-	23	12	11	23	11	Remaining budget reforecast to 2022/23	
Guildhall Yard - EV charging points (EVCP)	Climate Emergency	15	-	15	15	0	15	0	Project complete	
Goods Shed, Barfield Close	Vibrant local economy	-	35	35	2	33	35	33	Preliminary works - main scheme subject to full business case	
Cipher House - EVCP	Climate Emergency	-	13	13	-	13	13	13	Installation now forecast to 2022/23	
Winchester Football Club all weather 3G pitch	Living well	-	11	11	-	11	11	11	Ongoing discussions with football club	
WTF - North Walls floodlight and fencing upgrade	Living well	-	99	99	27	72	99	72	Floodlights complete in 2021/22 - remaining works expected to complete in 2022/23	
Theatre Royal Grant	Living well	-	68	68	-	68	-	-	Reforecast to 2022/23	
Hookpit Farm layby and footpath link	Living well	-	61	61	-	61	6	6	Reforecast to 2022/23	
Stockbridge Road steps access to railway	Living well	-	50	50	-	50	-	-	Reforecast to 2022/23	
<b>Total Approved*</b>		<b>17,418</b>	<b>739</b>	<b>18,157</b>	<b>11,327</b>	<b>6,830</b>	<b>12,644</b>	<b>1,317</b>		

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General Fund capital expenditure outturn 2021/22

	Priority	2021/22					Reforecast (Feb 22)	Variance to reforecast	Comments
		Revised budget (CAB3309)	Approved changes and adjs.	Approved budget	Actuals	Under / (over) spend			
		£000	£000	£000	£000	£000			
<b>Subject to Appraisal*</b>									
Goods Shed, Barfield Close	Vibrant local economy	500	-	500	-	500	-	-	Reforecast in February 2022 to 2023/24 - subject to full business case
Housing Company	Homes for all	2,000	-	2,000	-	2,000	-	-	Budget reduced and reforecast in February 2022 - requirement reduced as delivery method now leasing
Asset Management Plan	Your services, your voice	148	(98)	50	-	50	50	50	Reactive capital maintenance budget
Energy Management Projects	Climate Emergency	500	-	500	-	500	-	-	No schemes in 2021/22
Open Spaces & Recreational Facilities - North Walls refurbishment	Living well	150	-	150	-	150	-	-	Reforecast to 2022/23
Public Realm - Station Approach CIL funded	Vibrant local economy	500	-	500	-	500	-	-	Reforecast in February 2022 to 2023/24
59 Colebrook Street refurbishment	Vibrant local economy	200	-	200	-	200	-	-	Reforecast to 2023/24
Winchester Football Club all weather 3G pitch	Living well	-	189	189	-	189	-	-	Ongoing discussions with football club
<b>Subject to Appraisal*</b>		<b>3,998</b>	<b>91</b>	<b>4,089</b>	<b>-</b>	<b>4,089</b>	<b>50</b>	<b>50</b>	
<b>Total General Fund</b>		<b>21,416</b>	<b>830</b>	<b>22,246</b>	<b>11,327</b>	<b>10,919</b>	<b>12,694</b>	<b>1,367</b>	

\* Under the Council's Financial Procedure Rule 7.4, the inclusion of a scheme in the capital programme does not constitute authority to incur the expenditure. Such authority is obtained subject to the various conditions and limits as set out in the Constitution.

The Strategic Asset Purchase Scheme (SAPS) is subject to separate governance procedures as outlined in the Capital Investment Strategy

SAPS - unallocated	Vibrant local economy	20,453	-	20,453	-	20,453	-	-	No suitable schemes identified; reforecast to 2022/23 as part of February 2022 budget
<b>Total SAPS - unallocated</b>		<b>20,453</b>	<b>-</b>	<b>20,453</b>	<b>-</b>	<b>20,453</b>	<b>-</b>	<b>-</b>	

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## Revised 2022/23 General Fund capital programme

This appendix details the original budget approved in February 2022 (CAB3332), approved changes since then, adjustments for brought forward balances from 2021/22 and other changes

	Priority	2022/23					Comments
		Original budget (CAB3332)	Approved changes	Brought forward from 2021/22	Other changes incl. reforecast	Revised budget	
		£000	£000	£000	£000	£000	
<b>General Fund</b>							
<b>Approved*</b>							
Disabled Facility Grants	Homes for all	1,230	-	-	-	1,230	£1.1m of unspent grant from prior years is held in the capital grants unapplied account
IMT Assets	Your services, your voice	343	-	250	-	593	
CIL funded community projects	Living well	992	-	72	(599)	465	£0.6m reforecast to 2023/24
North Walls Pavilion replacement	Living well	350	-	35	-	385	
Friarsgate Medical Centre - demolition & interim open space	Vibrant local economy	450	-	-	(50)	400	Demolition to be complete in 2022/23
Kings Walk improvements	Vibrant local economy	380	-	(14)	-	366	
Car Parks	Vibrant local economy	325	-	3	-	328	
River Park Leisure Centre site - decommissioning	Living well	300	-	37	-	337	
Chesil Multi Storey car park	Vibrant local economy	299	-	-	(299)	-	Resurfacing works now expected to be completed in summer 2023
Decked car park at former Vaultex site	Vibrant local economy	250	-	(205)	-	45	Spend in 2021/22 was higher than forecast
Open Spaces & Recreational Facilities - Abbey Gardens	Living well	230	-	-	-	230	Groundworks commencing summer 2022
City Offices decarbonisation	Climate Emergency	205	-	4	-	209	
North Walls - new fencing & floodlights, tennis court resurfacing	Living well	150	-	72	-	222	
Open Spaces & Recreational Facilities - KGV play and skate park	Living well	120	20	104	-	244	Additional budget approved following external contribution
The Weirs - essential repairs	Vibrant local economy	186	100	(149)	-	137	Final phase to be completed in summer 2022
Theatre Royal grant	Living well	68	-	-	-	68	
Hook Farm lay-by and footpath link	Living well	55	-	6	-	61	
Stockbridge Rd steps to railway station	Living well	50	-	-	-	50	
Goods Shed, Barfield Close	Vibrant local economy	60	-	33	-	93	
Bishop's Waltham footpath & cycle link	Living well	50	-	-	-	50	
Winchester Sport & Leisure Park	Living well	-	-	357	-	357	
Durngate flood prevention works	Climate Emergency	-	-	100	-	100	Remaining budget for supplementary ecological work and repairs to sluice
Guildhall microphones	Your services, your voice	-	-	40	-	40	
King George V Pavilion replacement	Living well	2,190	-	27	(817)	1,400	Forecast updated to reflect estimated spend profile including spend in 2023/24
EV charging points	Climate Emergency	-	-	2	-	2	
Hampshire Community Bank - share purchase	Vibrant local economy	-	-	62	-	62	Final 25% tranche now expected to be purchased in 2022/23
Broadway bus shelters	Your services, your voice	-	-	11	-	11	
Cipher House - EV charging point	Climate Emergency	-	-	13	-	13	
WCFC all weather 3G pitch	Living well	-	-	11	-	11	
<b>Total Approved*</b>		<b>8,283</b>	<b>120</b>	<b>871</b>	<b>(1,765)</b>	<b>7,509</b>	

Revised 2022/23 General Fund capital programme

	Priority	2022/23					Comments
		Original budget (CAB3332)	Approved changes	Brought forward from 2021/22	Other changes incl. reforecast	Revised budget	
		£000	£000	£000	£000	£000	
<b>Subject to Appraisal*</b>							
Asset Management Plan	Your services, your voice	200	-	-	-	200	
Housing Company	Homes for all	500	-	-	-	500	
Energy Management Projects	Climate Emergency	250	-	-	-	250	
59 Colebrook Street refurbishment	Vibrant local economy	550	-	-	(550)	-	Project currently at Stage 0 concept design
Open Spaces & Recreational Facilities - various sites	Living well	40	-	-	-	40	
CIL funded community projects - unallocated	Living well	-	250	-	-	250	Additional budget for fourth round of bids (CAB3292)
WCFC all weather 3G pitch	Living well	189	-	-	-	189	
Open Spaces & Recreational Facilities - North Walls	Living well	150	-	-	-	150	
Meadowside Leisure Centre - 3G pitch drainage improvements	Living well	40	-	-	(40)	-	Actual costs were below £10,000 and therefore recognised as revenue expenditure
<b>Subject to Appraisal*</b>		<b>1,919</b>	<b>250</b>	<b>-</b>	<b>(590)</b>	<b>1,579</b>	
<b>Total General Fund</b>		<b>10,202</b>	<b>370</b>	<b>871</b>	<b>(2,355)</b>	<b>9,088</b>	

\* Under the Council's Financial Procedure Rule 7.4, the inclusion of a scheme in the capital programme does not constitute authority to incur the expenditure. Such authority is obtained subject to the various conditions and limits as set out in the Constitution.

The Strategic Asset Purchase Scheme (SAPS) is subject to separate governance procedures as outlined in the Capital Investment Strategy

SAPS - unallocated	Vibrant local economy	20,453	-	-	-	20,453	
<b>Total SAPS - unallocated</b>		<b>20,453</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20,453</b>	



Revised 2022-32 General Fund capital programme

	Priority	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	TOTAL
		Revised budget	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	2022-2032 Forecast
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>General Fund</b>												
<b>Approved*</b>												
Disabled Facility Grants	Homes for all	1,230	1,230	1,230	1,230	1,230	1,230	1,230	1,230	1,230	1,230	12,300
IMT Assets	Your services, your voice	593	325	185	117	265	140	90	190	85	85	2,075
SAPS - Car Park at the Dean, Alresford	Vibrant local economy	-	1,005	-	-	-	-	-	-	-	-	1,005
CIL funded community projects	Living well	465	599	-	-	-	-	-	-	-	-	1,064
North Walls Pavilion replacement	Living well	385	342	-	-	-	-	-	-	-	-	727
Friarsgate Medical Centre - demolition & interim open space	Vibrant local economy	400	50	-	-	-	-	-	-	-	-	450
Kings Walk improvements	Vibrant local economy	366	-	-	-	-	-	-	-	-	-	366
Car Parks	Vibrant local economy	328	-	-	-	-	-	-	-	-	-	328
River Park Leisure Centre site - decommissioning	Living well	337	-	-	-	-	-	-	-	-	-	337
Chesil Multi Storey car park	Vibrant local economy	-	299	-	-	-	-	-	-	-	-	299
Decked car park at former Vaultex site	Vibrant local economy	45	-	-	-	-	-	-	-	-	-	45
Open Spaces & Recreational Facilities - Abbey Gardens	Living well	230	-	-	-	-	-	-	-	-	-	230
City Offices decarbonisation	Climate Emergency	209	-	-	-	-	-	-	-	-	-	209
North Walls - new fencing & floodlights, tennis court resurfacing	Living well	222	-	-	-	-	-	-	-	-	-	222
Meadowside Leisure centre - new equipment	Living well	-	-	22	-	-	-	101	-	-	-	123
Open Spaces & Recreational Facilities - KGV play and skate park	Living well	244	-	-	-	-	-	-	-	-	-	244
The Weirs - essential repairs	Vibrant local economy	137	-	-	-	-	-	-	-	-	-	137
Theatre Royal grant	Living well	68	-	-	-	-	-	-	-	-	-	68
Hookpit Farm lay-by and footpath link	Living well	61	-	-	-	-	-	-	-	-	-	61
Stockbridge Rd steps to railway station	Living well	50	-	-	-	-	-	-	-	-	-	50
Goods Shed, Barfield Close	Vibrant local economy	93	-	-	-	-	-	-	-	-	-	93
Bishop's Waltham footpath & cycle link	Living well	50	-	-	-	-	-	-	-	-	-	50
Winchester Sport & Leisure Park	Living well	357	-	-	-	-	-	-	-	-	-	357
Durngate flood prevention works	Climate Emergency	100	-	-	-	-	-	-	-	-	-	100
Guildhall microphones	Your services, your voice	40	-	-	-	-	-	-	-	-	-	40
King George V Pavilion replacement	Living well	1,400	817	-	-	-	-	-	-	-	-	2,217
EV charging points	Climate Emergency	2	-	-	-	-	-	-	-	-	-	2
Hampshire Community Bank - share purchase	Vibrant local economy	62	-	-	-	-	-	-	-	-	-	62
Broadway bus shelters	Your services, your voice	11	-	-	-	-	-	-	-	-	-	11
Cipher House - EV charging point	Climate Emergency	13	-	-	-	-	-	-	-	-	-	13
WCFC all weather 3G pitch	Living well	11	-	-	-	-	-	-	-	-	-	11
<b>Total Approved*</b>		<b>7,509</b>	<b>4,667</b>	<b>1,437</b>	<b>1,347</b>	<b>1,495</b>	<b>1,370</b>	<b>1,421</b>	<b>1,420</b>	<b>1,315</b>	<b>1,315</b>	<b>23,296</b>



REPORT TITLE: HOUSING REVENUE ACCOUNT (HRA) OUTTURN 2021/2022

13 JULY 2022

REPORT OF CABINET MEMBER: CLLR PAULA FERGUSON DEPUTY LEADER  
AND CABINET MEMBER FOR COMMUNITY AND HOUSING

Contact Officer: Dick Johnson Tel No: 01962 848136 Email  
djohnson@winchester.gov.uk

WARD(S): ALL

RECOMMENDATION:

It is recommended that the committee scrutinise and comment on the proposals within the attached cabinet report, ref CAB3354 which is to be considered by cabinet at its meeting on the 19 July 2022.

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REPORT TITLE: HOUSING REVENUE ACCOUNT (HRA) OUTTURN 2021/22

19 JULY 2022

REPORT OF CABINET MEMBER: CLLR PAULA FERGUSON DEPUTY LEADER  
AND CABINET MEMBER FOR COMMUNITY AND HOUSING

Contact Officer: Dick Johnson Tel No: 01962 848136 Email  
[Djohnson@Winchester.gov.uk](mailto:Djohnson@Winchester.gov.uk)

WARD(S): ALL

PURPOSE

This report provides an update to members on the financial performance of the Housing Revenue Account (HRA) in 2021-22 and the associated HRA capital programme. It requests approval for revised budget forecasts to the 2022-23 HRA revenue budget and capital programme to reflect updated costs and take account of delays to some schemes in the capital programme. It also requests approval to drawdown the final tranche of unallocated welfare support funding and to carry forward any underspends in 2021/22 on this to 2023/24.

Whilst this report presents the 2021/22 outturn position, it should be noted that there are a number of factors/pressures affecting/having an impact on the HRA account – primarily upward inflationary pressures affecting operational and build costs (both manpower and materials) – and environmental factors such as nitrate and recently phosphate run-off from new developments. These inflationary and environmental factors will have an impact on HRA programmes.

The year end surplus to the HRA (£1.064m for 2021/22) and the current working balance (£15,573m as at 31 March 2022) as set out in this paper will provide mitigation against the risk that these pressures present. However, a full assessment of the impact on the HRA is currently being assessed and will be reported to Cabinet later in the year.

RECOMMENDATIONS:That Cabinet

1. Notes the HRA Outturn figures for 2021/22as detailed in Appendices 1 and 2;
2. Approves the carry forward of £0.038m of HRA revenue funding from 2021/22 as detailed in Paragraph 11.4;
3. Approves the extension of the current tenancy support programme into a third year 2023/24. Funded by the drawdown of the remaining unallocated funding for welfare support of £88,000, together with the underspend of £144,006 from 2021/22 as detailed in Paragraph 2.3;4. Notes the Housing capital programme outturn for Major Works and New Build as detailed in Paragraphs 11.5 to 11.8 and Appendices 3 & 4;
5. Approves the funding of the 2021/22 HRA capital programme as detailed in Paragraph 11.10 & 11.11 and Appendix 5;
6. Approves the re-forecast capital programme budget of £38.369m for 2022/23 as detailed in Paragraphs 11.12 & 11.13 and Appendix 6 & 7 that takes account of potential programme slippage;

## IMPLICATIONS:

### 1 COUNCIL PLAN OUTCOME

- 1.1 Providing good quality housing and new affordable homes is a strategic priority for the Council. Effective management of the resources available to the Council enable it to take advantage of new opportunities and ensure that satisfaction levels remain high amongst tenants in relation to their home and community. In particular
- 1.2 Tackling the Climate Emergency and Creating a Greener District
  - a) £15.7m has been included in the capital programme to fund retrofit works to existing homes over the next 10 years and applications for additional Government funding to support this work are being prepared as part of the Social Housing Decarbonisation Fund Wave 2 programme later this year. Net carbon neutral development is also central to the New Homes Development Strategy and emerging schemes are being designed to comply to “Passive Haus” standards where possible
- 1.3 Homes for all
  - a) The housing capital programme includes full funding provision to support the delivery of the Council Plan target of building 1,000 new homes over the next 10 years. The Plan includes provision of a range of tenures including shared ownership and market rent as well as affordable rent and social rent wherever this is viable.
- 1.4 Vibrant Local Economy
  - a) Deliver affordable accommodation that allows people to live and work in the community and contribute to the local economy.
- 1.5 Living Well
  - a) The wellbeing of residents is considered within the design of new properties and through consultation with tenants. It is also specifically supported through the provision of the welfare support fund and our active tenancy sustainment work.
- 1.6 Your Services, Your Voice
  - a) Housing tenants are directly involved in decisions regarding service provision, both through the work of TACT and through regular digital engagement processes. Housing teams continue to review options to provide an improved customer experience, increase opportunities for digital engagement and to ensure satisfaction with services provided by the Council remains high.

## 2 FINANCIAL IMPLICATIONS

- 2.1 Full details are included in paragraph 11., In summary, the Council achieved a net surplus on its HRA revenue account of £1.064m for 2021/22, an increase on the Revised Budget of £0.231m. This increases the HRA general balance as at 31.3.2021 from £15,573m to £16.658m. Current HRA cash balances as at 31.3.2021 are shown in Appendix 5, together with current HRA borrowing.
- 2.2 It is proposed to carry forward to 2021/22 £0.038m of unspent revenue budget from 2021/22 to further support the Housing Company set up process. Further details are provided in Paragraph 11.4.
- 2.3 The Council approved the drawdown of £0.412m from an agreed £0.500m HRA reserve balances set aside to fund the specific welfare support initiatives agreed by full Council to provide targeted support to tenants over an initial two year period (CAB3290 February 2021). These initiatives underspent the allocated revenue budgets in the first year 2021/22 as a result of detailed work to determine priorities with tenants through TACT. There is now a detailed plan of how these funds will be spent over the coming financial year as many of tenants face additional pressures due first to the Covid and now the cost of living crisis. This report seeks to carry this underspend of £142,006 forward to year 3 and to further drawdown in year 3 the remaining £88,000 of unallocated funding.
- 2.4 Total expenditure in the Housing capital programme for 2021/22 was £10.925m, some £17.477m lower than the Revised Budget of £28.402m. The original budget for the year was £36.889m.
- 2.5 It is proposed to carry forward to 2022/23 £12.381m of capital budget slippage from 2021/22. In addition, the approved budgets for 2021/22 are being re-profiled and as a result reduced by £17.166m to realign them with anticipated activity and achievable forecast spend. The ten year HRA indicative approved capital programme will be amended in the forthcoming budget cycle process for 2023/24 -2032/33 to reflect these changes in the timing of proposed project milestones and also the capacity of the council to resource these activities.

## 3 LEGAL AND PROCUREMENT IMPLICATIONS

- 3.1 The Council, as a local housing authority, is required to maintain a Housing Revenue Account (HRA) with a positive working balance and keep borrowing levels within prudential rule guidelines, in accordance with s74 of the Local Government & Housing Act 1989 (the "1989 Act") prohibiting the Council to operate its HRA at a deficit. Effective management of the HRA is necessary to ensure that statutory requirements are met. The proposed balanced budget meets this obligation.
- 3.2 HRA capital projects will ensure that authorities required are in compliance with the Council constitution which includes that a project with costs in excess



of £0.250m will be subject to a financial appraisal, Financial Procedure Rules and the subject of a Member decision.

#### 4 WORKFORCE IMPLICATIONS

- 4.1 There are a number of fixed term contracts that are necessary in order to enable the council to have the capacity to support the delivery of the proposed welfare support package initiatives identified within para 12.

#### 5 PROPERTY AND ASSET IMPLICATIONS

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

#### CONSULTATION AND COMMUNICATION

- 6 The Outturn Report has been shared with TACT representatives although dispatch deadlines have not at this stage permitted a full review by all TACT members. In addition we are organising a meeting with TACT representatives to discuss the report in more detail to allow the whole group to raise questions and understand the progress that has been made over the last year.

#### 7 ENVIRONMENTAL CONSIDERATIONS

- 7.1 The Housing Service considers environmental and ecological factors when developing new build properties and preparing major works plans including estate improvements, working closely with planning officers and the Council's Landscape Team where appropriate. Additional costs for meeting these responsibilities are included in project appraisals and scheme budgets.
- 7.2 The contribution made to the Carbon Neutrality programme through the HRA budget is set out in section 1 above.

#### 8 EQUALITY IMPACT ASSESSEMENT

- 8.1 Whilst there are no actions which arise directly from this report, officers have regard to the considerations as set out in the Equalities Act 2010 and whether an equality impact assessment will be required to be undertaken at the time of implementation on any specific recommendations.
- 8.2 The purpose of the specific welfare support initiatives identified in this report is to assist the council to support tenants who are facing financial pressures and other issues that may make them vulnerable to becoming homeless. The individuals who share certain protected characteristics are more likely to be the beneficiary of the implementation of such schemes made possible through the recommended grant allocations and are therefore likely to be affected in a positive way through the approval of the recommendations within this report.

9 DATA PROTECTION IMPACT ASSESSMENT

9.1 None required.

10 RISK MANAGEMENT

<b>Risk</b>	<b>Mitigation</b>	<b>Opportunities</b>
<i>Property That Council owned dwellings fail to meet decent home standards</i>	An effective programme of future works and sound financial planning ensures that these standards are met and then maintained.	
<i>Community Support Lack of consultation will affect tenant satisfaction and cause objections to planning applications for new build developments.</i>	Regular communication and consultation is maintained with tenants and leaseholders on a variety of housing issues. The Council consults with local residents and stakeholders on proposed new build schemes.	Positive consultation brings forward alternative options that may otherwise not have been considered.
<i>Timescales Delays to new build contracts may result in increased costs and lost revenue.  Delays to major works may result in the loss of decent home status for individual properties.</i>	New build contracts contain clauses to allow the Council to recover damages if the project is delayed due to contractor actions.  Continual updating of asset management plans and major works budgets allows potential issues to be addressed quickly.	
<i>Project capacity The HRA can borrow funds in addition to utilising external receipts and reserves but it must be able to service the loan interest arising and repay debt in the future.  Staffing resources (not always in Housing) reduce the ability to push</i>	Regular monitoring of budgets and business plans, together with the use of financial assessment tools enables the Council to manage resources effectively.  Staffing resources have been reviewed to support the delivery of the	The Council monitor's government announcements on the use of RTB receipts and potential capital grant funding.  In light of recent departures from this team the opportunity to reconfigure it and bring in

<i>forward new schemes at the required pace.</i>	enhanced new build programme.	different skill sets is being reviewed.
<i>Financial / VfM Risks, mitigation and opportunities are managed through regular project monitoring meetings</i>	New build Schemes are financially evaluated and have to pass financial hurdles and demonstrate VFM	Whilst interest rates are at historically low rates it is advantageous to look at fixing loans over a longer time frame
<i>Financial Pressures A number of emerging issues including inflationary pressures affecting the construction supply chain, energy and, labour costs, rises in borrowing costs, the impact of the cost of living crisis, and issues over the rent settlement, coupled with environmental phosphate and nitrate issues will adversely affect the capacity and viability of the HRA</i>	The annual process of constructing a robust base HRA 30 year business plan and its underlying key assumptions and sensitivity analysis will help to identify and quantify the potential financial consequences and impact	Allowing better informed resource allocation decisions to be made.
<i>Legal The provision of social housing is a statutory requirement. Changing Government priorities place a greater emphasis on social housing which must be monitored and considered within planning of future new build projects.</i>	Government statutory requirements and policy changes are being monitored to identify any new risks or opportunities that they may bring.	To create new housing developments within new guidelines and drawing on innovative thinking.
<i>Innovation The creation of a Housing Company to support the new build programme is introduced without reference to existing rules and consents.</i>	External legal and business planning advice has been sought to ensure the Council has the most appropriate and effective solution and that any developments are only undertaken if they are financially viable.	A Housing Company has the potential to increase the options for housing tenure and to help to meet unmet demand.
<i>Reputation Failure to complete major housing projects due to</i>	Business planning tools with regular updates are	Its important to ensure that a whole of life

<i>lack of resources would have a direct impact on both customer satisfaction and the Council's reputation.</i>	utilised to make sure resources are available to complete projects.	approach to developing affordable high quality sustainable housing is considered from the outset
<i>Other – None</i>		

## 11 SUPPORTING INFORMATION:

### HRA Outturn 2021/22

Details of the 2021/22 financial performance are analysed in Appendix 1 (subjective summary) and Appendix 2 (service summary).

- 11.1 Overall, the HRA produced a surplus of £1.064m. The outturn surplus is £0.231m higher than the £0.834m Revised Budget (CAB3308).
- 11.2 Within the subjective summary (Appendix 1), the material variances were:
- a) Employees £0.235m under. This represents an underspend on the employee budget of 5% and reflects some the difficulties faced by Housing teams in recruiting officers over the last year to a number of roles. A number of actions have been taken to address this and the majority of vacancies have now been filled or are awaiting new recruits to start..
  - b) Premises - £1.112m over. This is largely a demand led budget but in 2021-22 there was also a review of the ability and appropriateness of classifying certain items of expenditure as capital expenditure that did meet the accounting requirements to capitalise. This has resulted in costs being redirected from capital to revenue and an overspend on building maintenance budgets of £1.048m. The overspend also contains the impact of writing down the capital costs of aborted works at Tower Street £0.029m.
  - c) Other Costs - £0.488m under. This is made up of a number of variances. The key ones contributing to this are;
    - 1) An underspend on the professional and consultancy budget £0.268m, lower than budgeted spend on purchase of furniture £0.128m, an underspend on third party payments of £0.107m, an underspend of other services of £0.090m. In addition, there was also an underspend of £0.093m on travel related to staff mileage claims and car park permits largely as a result of continuing Covid restrictions on travel.
    - 2) There was a net overspend on support service recharges into the HRA of £0.296m, the key ones being IT £0.175m, Legal £0.090m,

and Special Maintenance of £0.080m; offset by an underspend on Office Accommodation of £0.090m. In addition there was an overspend on recharges out where staff capitalisations were £0.085m below budget due to ongoing staff retention and recruitment difficulties.

- d) Net Interest and Depreciation- £0.598m under. This is caused by two key factors, interest payments on debt and depreciation charges. The budget for interest payments on debt had assumed both a higher level of capital spend financed by borrowing and higher debt financing charges (£0.649m under). Depreciation is an estimate based on the prior year; actual depreciation is affected by a number of factors such as the annual valuation of the council's housing stock and will therefore vary from forecast (£0.0.38m over).
- e) External Income – (£0.051m) under. This is largely down to a number of major variances - an increase in voids (£0.235m representing 0.89% of the rent due) and in rent due (£0.142m) reflecting the challenges in letting the large number of new properties developed in 2021/22 and the lower usage of temporary accommodation property, as well as the continuing impact of Covid upon new lettings, which has seen reduced demand for some property types. This is offset by a number of one off items including costs recovered £0.238m and £0.105m of insurance claim payments, as well as higher service charges than anticipated in the budget £0.041m. The costs recovered included the final bond settlement of £80k in respect of the Hilliers Way development in Abbots Barton and a s278 deposit returned in respect of the Mitford Road scheme in New Alresford.

11.3 Within the service summary (Appendix 2), the material variances were:

- a) Estate management (£0.208m) under. This is largely down to a change in accounting for support services which has seen some of the costs centralised under HRA General (£0.120m), together with staffing underspends (£0.038m) and a reduction in car mileage claims and car permits as a result of Covid (£0.025m)
- b) HRA General +£0.159m over. There are a number of variances that make this up including overspends on support services (+£0.321m), offset by an underspend in the supplies and services budget (£0.154m) of which the professional consultancy budget (£0.054m) and internal IT budgets (£0.045m), subscriptions budget (£0.027m) made the largest contributions
- c) Tenancy Sustainment – this is partly funded from the welfare support funding approved in 2021-22 budget. As it was important to agree the detailed priorities for this scheme with tenants, there has been a slight delay in its implementation and an underspend of £0.142m in year 1 on the allocated funding. It is proposed that this together with the

remaining funding to be drawn down £0.088m is carried forward to be applied in year 3.

- d) The New Build Programme Support– under (£0.361m). This is largely down to a number of factors including, an underspend on staff £0.112m partly offset by the shortfall in the capitalisation budget of £0.085m, lower than budgeted spend on the professional consultancy budget £0.229m. In addition, there was the one off recovery of costs in relation to the settlement for Hilliers Way (£0.080m) and the return of a highways deposit of (£0.064m) for Mitford Road as described in 11.2 e) above.
- e) Estate Improvements - (£0.135m) under. This is down to a lower than budgeted spend on estate maintenance works (£0.046m) and additional income from service charges towards grounds maintenance (£0.065m).
- f) Sheltered Housing – (£0.181k) under This underspend is made up of a number of variances including, a premises overspend (£0.040m) offset by additional service charge income £0.038m, the change in accounting for support services (+£0.0.80m), an underspend in furniture and equipment purchases and in computing and communications of a net (£0.129m) and an underspend transport (£0.010m). Communal areas in schemes were not in use for part of the year.
- g) Repairs (+£0.958m) over. As mentioned in para 11.2 a) above these budgets are largely demand led and therefore outturns often fluctuate either side of the set budget, and in addition in 2021/22 there was a redirection of expenditure from capital to revenue in line with accounting requirements
- h) Interest Payable - (£0.642m) under. See explanation in 11.2 c) above
- i) Dwelling Rents - £0.261m under. This is largely down to a number of major variances - an increase in voids (£0.235m) and in rent due (£0.142m) reflecting the challenges in letting the large number of new properties developed in 2021/22 and the lower usage of Temporary Accommodation, as well as the continuing impact of Covid upon new lettings.

#### 11.4 HRA Revenue Carry Forwards from 2021/22 to 2022/23

The only proposed HRA Revenue Carry Forward from 2021/22 to 2022/23 is £0.038m underspend from the other professional services & consultancy fee budget to continue to support the anticipated Housing Company setup costs during 2022/23.

#### 11.5 HRA Capital Programme Outturn 2021/22

11.6 Appendices 3 & 4 detail the expenditure in 2021/22 for both the Housing Services and New Build capital programmes against both the Original Budget and the Revised Budget position.

11.7 Overall within Housing Services (Appendix 3), £6.338m was spent against a Revised Budget of £10.695m, a variance of £4.357m on the year.

The material variances were as follows:

- a) Major Repairs - £1.204m under. This reflects the review of the appropriateness of capitalising costs, biodiversity issues and supply chain material shortages.
- b) Estate Improvements - £0.357 under. Progressing this programme was challenging in the early part of the year due to the impact of the pandemic. One large scheme was also put on hold following community representations and a revised proposal is now being brought forward. Following promotion of the programme manager within the council, recruiting a replacement with appropriate skills took longer than planned although this has now been resolved and the programme is back on track. .
- c) Sheltered Housing upgrades - £0.179m under - The underspend was the result of the delay to the national digital switchover which has provided an opportunity to complete more research, consultation and trials for options for alternative resident alarm systems. Also some identified integral property improvements are being funded from the major repairs budgets.
- d) Fire safety Provision - £0.478m under. There have been much extended lead times on the material supplies for fire doors due to Covid. However, the project is still on track for completion by 31/3/2024
- e) Climate Change Emergency - £1.789m under. Plans for the first year of investment in the retrofit programme were restricted by the requirement to comply with procurement regulations. This has now been resolved with the successful outcome of the Council's term maintenance contractor being appointed to undertake the works, avoiding the difficulties of two contractors working on void properties. The new Energy Officer post was recruited in the year and has focussed work on ensuring appropriate accreditation is in place as well as developing formal evaluation systems to ensure the impact of all future retrofit works can be properly assessed and to enable the retrofit programme to be accelerated.
- f) Sewage Treatment works £276k under – The Special Maintenance team is currently developing a clear asset management plan for all works area and a condition survey is being undertaken. Once this work

is complete, the Council will have a better understanding of investment requirements in this area. In addition, work is on-going to understand the scope for improvement works that could help to address nitrate and phosphate challenges for the New Homes programme. The stock survey work is now reviewing all these opportunities with a view to potentially creating “credits” to support the programme.

- 11.8 For the New Build capital programme (Appendix 4), £10.925m was spent against a Revised Budget of £28.402m, a variance on the year of £17.477m. Although a payment in advance of £4.188m was paid on the North Whitely site this cannot be classified as capital expenditure in year.

The material variances were as follows:

- a) The Valley - £1.274m under. The scheme was effectively completed in 2021-22 delivering 54 new social rented units and 23 new shared ownership dwellings at a final cost of £17,496,438 which was £1,434,713 or 8% under the previously approved budget CAB3112 (HSG) in September 2019. The main reason for this was that fees and contingency were much lower than originally allowed for and the original appraisal contained interest costs on peak borrowing of £534k that were effectively notional and are not relevant costs as part of the costs of a local authority development. The net cost to the HRA after taking account of Homes England funding and shared ownership sales income was £8,644,213.
- b) Hookpit - £0.365m under. The scheme was effectively completed and transferred over to the Councils ownership in 2021-22 delivering 25 new affordable rented units, 8 new shared ownership dwellings and 2 discounted market sale units at a final cost of £8,195,337 which was £148,337 or 2% above the previously approved budget CAB3147 (HSG) in March 2019. The main reason for this was the additional landscaping works to the field and pathway links as well as an enhanced specification for shared ownership homes. Additional security was also introduced following the handover over the scheme and full occupation following the theft of boilers from the new homes before handover.
- c) Winnall Flats -£6.178m under due to the start on site being delayed whilst viability challenges were resolved.
- d) Wickham Community Land Trust - £0.205m under – this budget needs to be carried forward into 2022-23 capital programme. Confirmation has now been received that the CLT will complete the purchase of the properties in August 2022.
- e) Tower Street £0.192m. The development at Tower Street has been aborted due to the high costs of development and the site is now being sold.



- f) Southbrook Cottages - £0206m under. Progress with this scheme was impacted by staff turnover in the New Homes team. However, this has been resolved and the scheme is now out to tender
- g) Small sites/Unallocated Programme under £4.577m. This budget provision is included in the programme to give officers flexibility to move forward with emerging new development opportunities, to ensure that all necessary 1-4-1 RTB spend is achieved, and to allow funding for spot acquisitions if required, including new land.

#### 11.9 HRA Capital Programme Funding

- 11.10 Appendix 5 details the actual funding for the capital programme in 2021/22. The funding requirement for the year was £10.925m, £17.477m less than previously anticipated in setting the Revised Budget. The Housing Services programme was underspent by £4.357m, with the New Build capital programme being £13.120m underspent. The average HRA cost of capital is shown here together with current HRA reserves/resources position. These resources are largely constrained in their use with the exception of the general reserve but provide a degree of mitigation against future new homes development and sales risk and provide a cheap form of internal financing for the capital programme.
- 11.11 The proposed funding of the programme therefore firstly applies all required 1-4-1 RTB funding of £0.547m to maximise the council's position on these resources, then Homes England grant funding for the Valley and Winnall £1.764m. The remaining £8.614m was unfinanced. Grant funding received in 2021/22 was used to fund prior year unfinanced spend in respect of the Valley and a small adjustment was made to write down prior year expenditure on Tower Street to revenue following the decision to sell the property. This resulted in a net movement of £7.828m in the Capital Financing Requirement from £178.178m to £186.005m. This represents the underlining need to borrow for capital purposes, i.e. its borrowing requirement.

#### 11.12 HRA Capital Programme Re-Forecast for 2022/23

Within the capital programme, there is an increase due to slippage to the original budget of £12,381m combined with the reduction due to the re-profiling of £17.166m into future years, which is proposed in Appendix 6 & 7. The impact of these changes on the original budget of £43,154m, is a net reduction in approved budget for 2022/23 of £4.785m.

- 11.13 The proposed Housing Services programme has slippage of £1.063m and re-profiled budgets of £1.519m, resulting in a reduction of £0.456m. This reflects the anticipated need to spend on ongoing programmes and the carry forward of funding for key Council priorities such as climate change and fire safety

11.14 The profiling of all the New Homes scheme capital projects has also been reviewed in light of changes in both individual programme delivery timeframes caused by the phosphate issues affecting planning permission as well as the capacity of the team to resource these projects. As a result, the net budget after bringing forward slippage and re-profiling has been reduced by £4.046m. Of the Total budget of £29.819m in 2022/23 some £24,671m is committed and likely to spend. The Overall impact of this on the HRA 10 year indicative programme will be identified during the next year's budget preparation process.

## 12 Emerging Pressures

12.1 The 2022/23 budget approved in February 2022 assumed staff inflation at 2% and contract inflation at 4%. Currently, the consumer price index is 9.1% and construction prices are increasing above this rate. This will have a significant impact on the 2022/23 budget and a revised forecast will be prepared and brought back to cabinet later in the year once further details become clear.

12.2 A further pressure will almost certainly relate to the overall cost of living challenges and the proposal in the business plan for rents to increase in line with September CPI + 1% in line with the national rent policy. Whilst benefit payments would increase accordingly, 10-12% rent increases are likely to be unaffordable for many tenants and the Government and Housing sector as a whole is currently reviewing options. Recognising the financial pressures tenants are likely to be under, the council is looking at this issue very carefully and also assessing a range of options. Below inflation rent increases are likely to challenge the overall viability of the HRA Business Plan although the current high level of HRA reserves and cash balances will help to mitigate this. The impact of below inflation increases will be modelled over the summer months and a report on this issue will be brought forward later in the year.

BACKGROUND DOCUMENTS:-

Previous Committee Reports:-

CAB3334 Housing Revenue Account Budget 2022-23 17 Feb 2022

CAB3325 HRA Budget Options 2022-23 23 Dec 2022

CAB3308 Housing Revenue Account Outturn 2020-21 21 July 2021

CAB3290 Housing Revenue Account Budget 2021-22 11 Feb 2021

APPENDICES:

Appendix 1 – Housing Revenue Account Outturn 2021/22 – Subjective Summary

Appendix 2 – Housing Revenue Account Outturn 2021/22 – Service Summary

Appendix 3 – Housing Capital Programme 2021/22 – Housing Services Outturn

Appendix 4 – Housing Capital Programme 2021/22 – New Build Outturn

Appendix 5 – Housing Capital Programme 2021/22 Funding, Resources and Debt

Appendix 6 – Housing Capital Programme 2021/22 – Re-forecast Budget Major Works

Appendix 7 – Housing Capital Programme 2021/22 – Re-forecast Budget New Build

## APPENDIX 1

## HRA - INDICATIVE OUTTURN 2021/22

	Original Budget £000	Revised Budget £000	Indicative Outturn £000	Variance Outturn to Revised Budget £000	Report Notes
Employees	(4,079)	(4,316)	(4,081)	235	11.2 a).
Premises	(5,946)	(5,946)	(7,058)	(1,112)	11.2 b).
Other Costs	(4,154)	(4,167)	(3,679)	488	11.2 c).
Net Interest and Depreciation	(14,556)	(14,556)	(13,958)	598	11.2 d).
External income	29,836	29,836	29,887	51	11.2 e).
<b>Surplus for year on HRA Services</b>	<b>1,101</b>	<b>851</b>	<b>1,112</b>	<b>261</b>	
Right to Buy Admin Fees	29	29	35	7	
Interest receivable	20	20	18	(2)	
Net (increase)/decrease in HRA Balance before transfers to or from reserves	1,150	900	1,165	265	
Transfer to/from Reserves	(66)	(66)	(101)	(35)	
(Increase)/ decrease in HRA Balance	1,084	834	1,064	230	
<b><u>HRA Working Balance</u></b>					
Opening Balance	(14,889)	(15,594)	(15,594)		
Add Projected Deficit/(Surplus)	(1,084)	(834)	(1,064)	(231)	
Projected Balance at Year End	(15,973)	(16,427)	(16,658)	(231)	

## HRA - INDICATIVE OUTTURN 2021/22

	Original Budget	Revised Budget	Indicative Outturn	Variance Outturn to Revised Budget	Report Notes
	£000	£000	£000	£000	
<b>Service Summary</b>					
<b>Housing Management General</b>					
Estate Management	(1,382)	(1,248)	(1,039)	208	11.3 a)
HRA General	(2,780)	(2,767)	(2,925)	(159)	11.3 b)
Tenancy Sustainment		(356)	(215)	141	11.3 c)
Downsizing	(65)	(65)	(68)	(3)	
Rent Accounting	(87)	(87)	(60)	26	
Tenants Involvement	(91)	(91)	(53)	38	
Vacant Dwellings	(25)	(25)	(40)	(15)	
New Build Programme Support	(857)	(857)	(496)	361	11.3 d)
	(5,286)	(5,495)	(4,898)	597	
<b>Housing Management Special</b>					
Communal Services	59	59	68	9	
Disabled Adaptations	(136)	(136)	(152)	(17)	
Estate Improvements	(529)	(529)	(394)	135	11.3 e)
Homelessness	(184)	(143)	(124)	19	
Sewage Works	(399)	(399)	(438)	(39)	
Sheltered Housing	(902)	(964)	(783)	181	11.3 f)
	(2,091)	(2,111)	(1,822)	289	
<b>Repairs</b>					
Responsive Maintenance	(2,115)	(2,115)	(2,781)	(666)	
Voids	(1,234)	(1,234)	(1,644)	(410)	
Cyclic	(927)	(927)	(839)	88	
Sub - total Repairs Works	(4,276)	(4,276)	(5,264)	(988)	11.3 g)
Repairs Administration	(1,150)	(1,171)	(1,141)	30	
	(5,427)	(5,447)	(6,405)	(958)	
<b>Debt Management Expenses</b>					
Debt Management Expenses	(10)	(10)	(7)	3	
Interest Payable	(6,012)	(6,012)	(5,370)	642	11.3 h)
Depreciation of Fixed Assets	(8,544)	(8,544)	(8,588)	(44)	
	(14,566)	(14,566)	(13,965)	601	
<b>Rents and Other Income</b>					
Dwelling Rents	27,600	27,600	27,339	(261)	11.3 j)
Garage Rents	79	79	60	(19)	
Other Income	248	248	298	49	
Sheltered Charges	543	543	506	(37)	
	28,471	28,471	28,203	(268)	
<b>Surplus for year on HRA Services</b>	<b>1,101</b>	<b>851</b>	<b>1,113</b>	<b>262</b>	

## HRA - INDICATIVE OUTTURN 20221/22

Original Budget	Revised Budget	Indicative Outturn	Variance Outturn to Revised Budget
£000	£000	£000	£000

Report Notes

**Service Summary**

Right to Buy Admin Fees	29	29	35	7
Interest Receivable	20	20	18	(2)
<b>Net (increase)/decrease in HRA Balance before transfers to or from reserves</b>	<b>1,150</b>	<b>900</b>	<b>1,166</b>	<b>266</b>
Transfer re Insurance Reserve	(66)	(66)	(101)	(35)
<b>(Increase)/ decrease in HRA Balance</b>	<b>1,084</b>	<b>834</b>	<b>1,065</b>	<b>231</b>
<b><u>HRA Working Balance</u></b>				
Opening Balance	(14,889)	(15,594)	(15,594)	-
Add Projected Deficit/(Surplus)	(1,084)	(834)	(1,064)	(231)
<b>Projected Balance at Year End</b>	<b>(15,973)</b>	<b>(16,427)</b>	<b>(16,658)</b>	<b>(231)</b>

## Appendix 3

**HRA CAPITAL PROGRAMME INDICATIVE OUTTURN  
2021/22**

	2021/22 Original Budget	2021/22 Revised Budget	2021/22 Indicative Outturn	2021/22 Variance Outturn to Revised Budget	Report Notes
	£000	£000	£000	£000	
<b><u>Housing Services Programme</u></b>					
<b><u>Major Repairs</u></b>					
External Envelope Works	(2,800)	(2,000)	(1,133)	(867)	
External Ground Works	(400)	(400)	(301)	(99)	
External Window/Door/Screens	(500)	(500)	(139)	(361)	
Internal Structure & Finishes	(350)	(350)	(90)	(260)	
Kitchen & Bathroom Renewals	(1,028)	(1,028)	(1,158)	130	
Mechanical & Electrical Services	(1,600)	(1,600)	(1,854)	254	
	<b>(6,678)</b>	<b>(5,878)</b>	<b>(4,674)</b>	<b>(1,204)</b>	11.7 a).
<b><u>Improvements &amp; Conversions</u></b>					
Estate Improvements	(507)	(507)	(150)	(357)	11.7 b).
Sheltered Housing Conversions	(55)	(55)	(44)	(11)	
Sheltered Housing Upgrades	(135)	(227)	(48)	(179)	11.7 c).
	<b>(697)</b>	<b>(789)</b>	<b>(242)</b>	<b>(548)</b>	
<b><u>Other Capital Spending</u></b>					
Disabled Adaptations	(797)	(797)	(734)	(62)	
Fire Safety Provision	(1,016)	(1,077)	(599)	(478)	11.7 d).
Climate Change Emergency	(1,587)	(1,827)	(38)	(1,789)	11.7 e).
Sewage Treatment Works	(308)	(327)	(51)	(276)	11.7 f).
Total HS Capital Programme	<b>(11,083)</b>	<b>(10,695)</b>	<b>(6,338)</b>	<b>(4,357)</b>	

## Appendix 4

## HRA CAPITAL PROGRAMME INDICATIVE OUTTURN 2021/22

	2021/22 Original Budget	2021/22 Revised Budget	2021/22 Indicative Outturn	2021/22 Variance Outturn to Revised Budget	Report Notes
	£000	£000	£000	£000	
<b>New Build Programme &amp; Other Capital</b>					
Dyson Drive	(1,222)	(50)	(24)	(26)	
The Valley	(2,681)	(2,118)	(845)	(1,274)	11.8 a)
North Whiteley			(12)	12	
Rowlings Rd			(29)	29	
Wykeham Place	(169)	(0)		(0)	
Woodman Close	(815)	(80)	(36)	(44)	
Hookpit	(1,068)	(790)	(425)	(365)	11.8 b)
Winnall Flats	(8,641)	(8,641)	(2,463)	(6,178)	11.8 c)
Wickham CLT	(410)	(205)		(205)	11.8 d)
Tower Street	(192)	(192)		(192)	11.8 e)
Southbrook Cottages	(1,155)	(250)	(44)	(206)	11.8 f)
Cornerhouse	(335)	(100)	(24)	(76)	
Witherbed Lane	(302)	(30)	(13)	(17)	
Barton Farm Extra Care	(1,000)				
Ravenswood	(800)				
Small Sites/Unallocated Programme	(2,641)	(4,250)	(30)	(4,220)	11.8 g)
purchase of property-Furley Close			(247)	247	
purchase of property-Taplings Close			(229)	229	
purchase of property-St.Martins Close			(167)	167	
Sites funded by 1-4-1 receipts	(4,374)	(1,000)	(643)	(357)	11.8 g)
	<b>(25,806)</b>	<b>(17,707)</b>	<b>(4,587)</b>	<b>(13,120)</b>	
<b>Total HRA Capital Programme</b>	<b>(36,889)</b>	<b>(28,402)</b>	<b>(10,925)</b>	<b>(17,477)</b>	



## Appendix 5

**HRA CAPITAL PROGRAMME INDICATIVE FUNDING  
2021/22**

	Original Budget £000	Revised Budget £000	Indicative Outturn £000	Variance Outturn to Revised Budget £000	Report Notes
<b>Funding Source</b>					
Right to Buy Other Retained receipts	1,342	1,342		(1,342)	
Right to Buy 1-4-1 Receipts	4,890	440	547	107	
Other capital receipts	393				
S.106 Contributions	250	250		(250)	
Homes England Grant	2,004	307	1,763	1,456	
New Build Sales	2,162				
HRA Borrowing	25,728	26,063	8,615	(17,448)	
Major Repairs Reserve	119				
<b>TOTAL</b>	<b>36,888</b>	<b>28,402</b>	<b>10,925</b>	<b>(17,477)</b>	11.10

<b>HRA Usable Reserves/Resources</b>	Bal 31.3.2021 £000	Bal 31.3.2022 £000	Change £000
HRA Revenue Reserves	15,594	16,658	1,064
Major Repairs Reserve	8,211	16,799	8,588
Right to Buy 1-4-1 Receipts	3,885	6,316	2,431
Other Capital Receipts	5,406	9,807	4,401
S.106 Contributions	1,921	4,951	3,031
<b>TOTAL</b>	<b>35,017</b>	<b>54,531</b>	<b>19,515</b>

**HRA Capital Financing Requirement** (Level of Underlying Borrowing)

	£000	£000	£000
CFR (Expenditure funded by Borrowing)	178,177	186,005	7,828
Annual Cost of Debt	5,369	5,373	4
Average Cost of Capital	3.19%	2.89%	-0.30%

## Appendix 6

## HRA CAPITAL PROGRAMME PROPOSED REVISED BUDGETS 2022/23

2022/23 Original Approved Budget. £000	2022/23 Other Budget Changes £000	2021/22 Proposed B/fwd £000	2022/23 Revised Budget £000
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Report Notes

**Housing Services Programme****Major Repairs**

External Envelope Works	(2,072)	200	(1,872)
External Ground Works	(400)	100	(300)
External Window/Door/Screens	(300)	100	(200)
Internal Structure & Finishes	(100)		(100)
Kitchen & Bathroom Renewals	(1,100)	(100)	(1,200)
Mechanical & Electrical Services	(1,700)	(300)	(2,000)
	<b>(5,672)</b>		<b>(5,672)</b>

**Improvements & Conversions**

Estate Improvements	(226)	283	(357)	(300)
Sheltered Housing Conversions		11	(11)	(0)
Sheltered Housing Upgrades	(74)		(179)	(253)
	<b>(300)</b>	<b>294</b>	<b>(548)</b>	<b>(553)</b>

**Other Capital Spending**

Disabled Adaptations	(821)			(821)
Fire Safety Provision	(680)	558	(478)	(600)
Climate Change Emergency	(1,512)	950	(38)	(600)
Sewage Treatment Works	(304)			(304)
	<b>(3,316)</b>	<b>1,508</b>	<b>(516)</b>	<b>(2,324)</b>
Total HS Capital Programme	<b>(9,289)</b>	<b>1,802</b>	<b>(1,063)</b>	<b>(8,550)</b>

## Appendix 7

**HRA CAPITAL PROGRAMME PROPOSED REVISED BUDGETS  
2022/23**

2022/23 Original Approved Budget. £000	2022/23 Other Budget Changes £000	2021/22 Proposed Bfwd £000	2022/23 Revised Budget £000	Notes
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**New Build Programme & Other Capital**

North Whiteley	(13,818)		12	(13,805)
Winnall Flats	(8,755)	4,273	(6,178)	(10,660)
Small Sites/Unallocated Programme	(5,500)	7,077	(4,577)	(3,000)
Dyson Drive	(1,586)	1,562	(26)	(50)
Southbrook Cottages	(1,066)		(206)	(1,272)
Woodman Close	(824)	818	(44)	(50)
Ravenswood	(800)	800		
Witherbed Lane	(609)		(17)	(626)
Barton Farm Extra Care	(473)	373		(100)
Cornerhouse	(327)	353	(76)	(50)
Wickham CLT			(205)	(205)
Tower Street	(108)	108		0
<b>Total New Build Programme</b>	<b>(33,866)</b>	<b>15,364</b>	<b>(11,318)</b>	<b>(29,819)</b>
<b>Total HRA Capital Programme</b>	<b>(43,154)</b>	<b>17,166</b>	<b>(12,381)</b>	<b>(38,369)</b>

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## Forward Plan of Key Decisions

August 2022

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 August 2022** 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](mailto: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](mailto: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 Martin Tod**

Leader of the Council

30 June 2022

<b>Cabinet Members:</b>	<b>Title</b>
• Cllr Martin Tod	Leader & Cabinet Member for Asset Management
• Cllr Paula Ferguson	Deputy Leader & Cabinet Member for Community & Housing
• Cllr Russell Gordon-Smith	Service Quality
• Cllr Kelsie Learney	Climate Emergency
• Cllr Margot Power	Finance & Value
• Cllr Jackie Porter	Place & the Local Plan
• Cllr Lucille Thompson	Business & Culture

	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 A**  
Decisions made by Cabinet

1	Land transaction	Cabinet Member for Asset Management	Expenditure > £250,000	All Wards	Geoff Coe	Cabinet report	Cabinet (if required)	Aug-22	Aug-22	Part exempt 3
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**Section B**  
Decisions made by individual Cabinet Members

	None									
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**Section C**  
Decisions made by Officers

3	Treasury Management - decisions in accordance with the Council's approved strategy and policy	Cabinet Member for Finance & Value	Expenditure > £250,000	All Wards	Designated HCC Finance staff, daily	Designated working papers	Designated HCC Finance staff, daily	Aug-22	Aug-22	Open
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## WINCHESTER CITY COUNCIL – THE SCRUTINY COMMITTEE WORK PROGRAMME

	Item	Lead Officer	Date for Scrutiny	Date for Cabinet
1	Update on Station Approach project	Emma Taylor	13 Jul 2022	19 Jul 2022
2	General fund outturn 21/22	Richard Botham	13 Jul 2022	19 Jul 2022
3	Housing Revenue Account (HRA) outturn 21/22	Richard Botham	13 Jul 2022	19 Jul 2022
4				
5	Q1 Finance & Performance Monitoring Report	Simon Howson	7 Sep 2022	14 Sep 2022
5	Committee Work Request - Mental Health Feedback	Lisa Kirkman	7 Sep 2022	
6				
7	Fees and Charges 2023/24	Richard Botham	23 Nov 2022	14 Dec 2022
7	HRA Business Plan and Budget Options	Richard Botham	23 Nov 2022	14 Dec 2022
8	General Fund Budget Options & Medium Term Financial Strategy	Richard Botham	23 Nov 2022	18 Oct 2022
9	Q2 Finance & Performance Monitoring Report	Simon Howson	23 Nov 2022	14 Dec 2022
10	Capital Investment Strategy 2023-2033	Richard Botham	7 Feb 2023	9 Feb 2023
11				
11	Treasury Management Strategy 2023/24	Richard Botham	7 Feb 2023	9 Feb 2023
12	Housing Revenue Account (HRA) Budget 2023/24	Richard Botham	7 Feb 2023	9 Feb 2023
13	General Fund Budget 2023/24	Richard Botham	7 Feb 2023	9 Feb 2023
14				
15	Q3 Finance & Performance Monitoring Report	Simon Howson	8 Mar 2023	23 May 2023
16	Community Safety Partnership Performance Review	Sandra Tuddenham	8 Mar 2023	

At its meeting on the 14<sup>th</sup> June 2022, the committee agreed to request that officers advise of possible dates for updates on the following: Central Winchester Regeneration, River Park Leisure Centre, Station Approach, Project Integra and progress against the climate emergency targets

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