



Meeting	The Scrutiny Committee
Date and Time	Wednesday, 22nd November, 2023 at 6.30 pm.
Venue	Walton Suite, Guildhall, Winchester and streamed live on YouTube at www.youtube.com/winchestercc

Note: This meeting is being held in person at the location specified above. Members of the public should note that a live video feed of the meeting will be available from the council's YouTube channel (youtube.com/WinchesterCC) during the meeting.

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 working days before the meeting (5pm Thursday, 16 November 2023). Please see below for details on how to register to attend. 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 6 September 2023 (Pages 5 - 12)**
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 the committee, provided they have registered to speak three working days in advance. Please complete [this form](https://forms.office.com/r/Y87tufaV6G) (https://forms.office.com/r/Y87tufaV6G) by 5pm on 16 November 2023 or call (01962) 848 264 to register to speak and for further details.

6. **Housing Revenue Account (HRA) Business Plan and Budget Options**
(Pages 13 - 32)

RECOMMENDATIONS:

That:

1. It is recommended that the committee comment on the proposals within the attached Cabinet Report, ref CAB 3432.
2. It is noted that the committee will be presented with the detailed Housing Revenue Account report at its meeting on the 6th February 2024 prior to Cabinet on the 8th February 2024 and Full Council on the 22nd February 2024.

7. **General Fund Budget Options & Medium-Term Financial Strategy** (Pages 33 - 66)

RECOMMENDATIONS:

That:

1. It is recommended that scrutiny committee comment on the proposals within the attached cabinet report, which can then be considered by cabinet prior to its meeting in February 2024.
2. It is noted that the committee will be presented with an updated General Fund Budget report at its meeting on the 6th February 2024 prior to Cabinet on the 8th February 2024 and Full Council on the 22nd February 2024.

8. **Q2 Finance & Performance monitoring** (Pages 67 - 182)

RECOMMENDATIONS:

That the Scrutiny Committee:

1. Notes that the Performance Panel met on the 7 November 2023 to scrutinise the attached report, CAB 3424 and its associated appendices. The notes of the panel's meeting are included as an appendix of the Cabinet report.
2. Notes that a verbal update will be provided at the Scrutiny Committee.
3. Raises with the Leader or relevant Cabinet member any issues arising from the information in this report, ref CAB 3424, which is being presented to Cabinet on the 13 December 2023 and considers whether there are any items of significance to resolve or to be drawn to the attention of Cabinet.

9. **Determination of call-in request** (Pages 183 - 194)

RECOMMENDATION:

It is recommended that the Scrutiny Committee note the contents of this report.

10. **To note the Work Programme for 2022/23** (Pages 195 - 196)

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

11. **To note the latest Forward Plan of Key Decisions** (Pages 197 - 204)

Laura Taylor
Chief Executive

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14 November 2023

Agenda Contact: Matthew Watson, Democratic Services Officer
Tel: 01962 848 317 Email: 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

Laming
Pett
Reach
Scott
Williams

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 at least three days in advance of the meeting (5pm Thursday, 16 November 2023) 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.

Filming And Broadcast Notification

This meeting will be recorded and broadcast live on the Council's YouTube site and 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](#). Please note that the video recording is subtitled, but you may have to enable your device to see them (advice on how to do this is on the meeting page).

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](#)

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Public Document Pack Agenda Item 4

THE SCRUTINY COMMITTEE

Wednesday, 6 September 2023

Attendance:

Councillors
Brook (Chairperson)

Horrill
Pett
Reach

Scott
Williams

Apologies for Absence:

Councillor Laming

Deputy Members:

Councillor Morris (as deputy for Councillor Laming)

Other members in attendance:

Councillors Cutler, Learney, Tod and Westwood

[Video recording of this meeting](#)

1. **APOLOGIES AND DEPUTY MEMBERS**

Apologies for the meeting were noted as above.

2. **DECLARATIONS OF INTERESTS**

Councillor Scott declared a non-pecuniary interest regarding agenda item 6, Housing Revenue Account 2022/2023 as he was a Council housing tenant.

3. **CHAIRPERSON'S ANNOUNCEMENTS**

No announcements were made.

4. **MINUTES OF THE MEETING OF THE 3 JULY 2023**

RESOLVED:

That the minutes of the previous meeting held on 3 July 2023. be approved and adopted.

5. **PUBLIC PARTICIPATION**

David Chafe on behalf of Tenants and Council Together (TACT), Councillor Wallace and Councillor Lee addressed the committee, and their contributions were captured within the following agenda items.

6. HOUSING REVENUE ACCOUNT (HRA) OUTTURN 2022/2023

Councillor Westwood introduced the report, ref CAB3417 which set out the Housing Revenue Account (HRA) Outturn 2022/23, ([available here](#)). The introduction included the following points.

1. In 2022/2023, the HRA Outturn indicated an overspend of £1.304 million and an adverse variance of £0.698 million, including a one-off accrual to be reversed in 2023/24.
2. There was a request to carry forward £18,000 of unspent set-up funding for the Housing Company into 2023/2024.
3. The 2022/2023 Capital program saw a carry forward of £14.44 million, with reprofiling for the capital program in 2023/2024 onwards.
4. Notable variances included:
 - a) An employee underspend of £108,000.
 - b) Premises overspend of £2 million, encompassing the mentioned accrual and a repair and maintenance overspend of £0.486 million.
 - c) An overspend of £0.109 million on electricity costs.
 - d) A net favourable variance of £0.622 million in net interest and depreciation due to lower interest payments, reduced capital spend, and a higher depreciation charge.
 - e) Strong performance in void management and arrears, generating additional income of £0.2 million.
5. Capital program overspends, and underspends consisted of:
 - a) An overspend of 2% on the Major Works budget, driven by fire prevention and roofing works.
 - b) Underspend in estate improvement works amounting to £0.187 million.
 - c) Sheltered schemes, including power door installation and fire safety work, resulting in a £0.24 million underspend.
 - d) An underspend of £0.328 million on climate emergency works due to contractor difficulties.
 - e) An underspend of £0.207 million on procuring a sewage treatment vehicle.
 - f) An underspend of £13.03 million in the new homes program, detailed in section 11 of the report.

The committee was recommended to comment on the proposals within the attached report, ref CAB3417 which was to be considered by the cabinet at its meeting on 13 September 2023.

Councillor Lee addressed the committee and raised the following points:

1. In reference to section 1.2 and the capital program for retrofit works, he asked:
 - a) When was the £15.7 million budget allocated?
 - b) How much of this budget had been expended by the end of 2022/2023?
 - c) How many homes had undergone upgrades by the end of 2022/2023?
 - d) Had a new energy staff role been established, and if so, was it funded from the £15.7 million budget?

2. Regarding the revised Capital program budget for 2023/2024, he asked:
 - a) Whether funding had been earmarked to address overheating, considering the vulnerability of over one-third of homes to overheating due to climate change.
 - b) What measures were in place for existing homes considering recent building regulations that tackle overheating in new homes?
 - c) He drew attention to recent reports titled "It's Getting Hot in Here" and the UK Green Building Council's statement, "The UK isn't built for this heat."
3. Regarding the challenges in recruiting and retaining housing staff, he requested information on the steps taken to mitigate this issue.
4. Regarding section 11.3 B, he sought more detailed information about the costs associated with the property at Tower Street.

David Chafe on behalf of Tenants and Council Together (TACT) advised that TACT were meeting shortly to discuss this report and were present this evening to observe the committee's debate.

The committee proceeded to ask questions and debate the report. In summary, the following matters were raised.

1. The housing company's status, formation, role, and future operational stages.
2. Explanations regarding the reported overspend on new build developments.
3. Further details regarding the accrual mentioned in section 11.2 of the report.
4. Sought information on depreciation and adjustment periods and their frequencies.
5. Regarding the property on Tower Street and the £205,000 cost associated with it.
6. The plans to address the underspend on fire safety provisions.
7. How the council was managing potential disrepair compensation payments.
8. The funding allocated for overheating mitigation measures and whether it was part of current plans.
9. The impact of resourcing, staffing, and technical challenges on the capital program.
10. The expected number of new homes to be delivered in the revised budget for 2023/24.

These points were responded to by Councillor Westwood, Cabinet Member for Housing, Simon Hendey, Strategic Director, Gilly Knight, Corporate Head of Housing, Liz Keys, Corporate Head of Finance accordingly and were noted by Councillor Westwood.

RESOLVED:

1. Officers to review and respond to the matters raised in point number 10 above.
2. Officers to consider the concerns raised in point number 8 above regarding overheating works.
3. Officers to arrange a meeting with Councillor Horrill to discuss the accrual in section 11.2 of the report.
4. The Cabinet Member and officers to take note of the committee's comments.

7. **GENERAL FUND OUTTURN 2022/2023**

Councillor Cutler, Deputy Leader and Cabinet Member for Finance and Performance and Liz Keys, Corporate Head of Finance; introduced the report, ref CAB3416 which provided details of the General Fund Outturn 2022/2023, ([available here](#)).

The introduction covered the following key points:

1. Despite economic pressures, including inflation, the outcome revealed a surplus of just under £1 million.
2. This surplus was primarily attributed to challenges in accurately forecasting business rates, contributing £688,000, and a significant increase in interest received on retained funds.
3. The report provided a detailed breakdown of variances, encompassing both underspending and overspending across various services, with specific attention to variances in one-off budgets.
4. Additional details for both the revenue fund and the capital fund could be found in the appendices.
5. An overspend on services was primarily driven by higher-than-expected paid inflation and contract inflation, factors beyond the council's control.
6. Income exceeded budget expectations, especially in the case of business rates.
7. Extra income was generated from investments due to higher interest rates and larger cash balances than initially anticipated.

The committee was recommended to comment on the proposals within the attached report, ref CAB3416 which was to be considered by the cabinet at its meeting on 13 September 2023.

Councillor Lee addressed the committee, highlighting the following key points:

1. He commended the well-written report.
2. He inquired about the Winchester Town account, questioning why it only covered part of the neighbourhood service offices' costs while Parishes and Market towns in the district bore the full expenses of support offices in their areas.
3. Additionally, he sought clarification on the methodology used to calculate the proportionate contribution.

The committee proceeded to ask questions and debate the report. In summary, the following matters were raised.

1. The competitiveness of the council in terms of staff remuneration.
2. Progress updates on major regeneration projects and the local plan.
3. Clarification on whether the increase in full-time equivalent staff indicated staff positions being filled or an increased staffing requirement.
4. Concerns about the overspending on agency staff and the need for a strategic review of staffing scales.
5. Delays in implementing bike storage and related measures and their expected completion in 2023/24.
6. Questions regarding variances in the homelessness budget and the necessity for transparency in future spending proposals.
7. Requesting clarification on additional Park and Ride funding from Hampshire County Council.
8. Determining whether the favourable income variance was a one-off windfall or a permanent increase.
9. The council's intentions for closing the gap between Guildhall costs and income.
10. Concerns about historic assets and a request for updates on progress.
11. Specific local issues, including the Bishops Waltham footpath and cycle link, the Goods Shed at Barfield Close, and the status of 59 Colebrook Street.
12. The number of currently vacant Winchester City Council-owned properties that were not generating revenue.

These points were responded to by Councillor Cutler, Deputy Leader and Cabinet Member for Finance and Performance, Councillor Tod, Leader and Cabinet Member for Asset Management, Simon Hendey, Strategic Director, Dawn Adey, Strategic Director, and Liz Keys, Corporate Head of Finance, accordingly and were noted by Councillor Cutler.

RESOLVED:

1. That officers respond to Councillor Williams regarding the Bishops Waltham footpath/cycle path.
2. That the Cabinet Member and officers note the comments of the committee

8. **Q1 2023/24 FINANCIAL AND PERFORMANCE MONITORING**

Councillor Caroline Horrill, Chairperson of the Performance Panel introduced the report, reference CAB3415 which set out the Quarter 1 Performance Monitoring report, ([available here](#)).

Councillor Horrill provided an overview of the following matters:

1. The meeting was productive, with the presence of key officers to address questions and concerns.
2. Page 77 of the agenda pack, containing the recommendations to the Scrutiny committee, should reference that the Performance Panel met on the 21 August 2023, not the 22 May 2023.
3. She referred to the notes of the Panel's meeting starting on page 179, specifically highlighting item 43 (summary of points to be addressed) and item 44 (feedback for scrutiny committee) on page 184. She raised each of the items listed under item 44 with the committee.
4. Under item 43 (summary of points to be addressed), two items from the notes had been omitted: items 35 and 38.
5. Emphasised the importance of resolving outstanding issues from the report to prevent them from carrying over into the future.

Councillor Wallace addressed the committee and raised the following points:

1. That there were significant improvements in the performance monitoring reports for this quarter compared to last year, particularly in the layout and content of appendices one to three.
2. That in Appendix 4, activities related to Transport, Domestic Energy, and Land Use had undergone review by Council Policy Committees, but when would activities under the Commercial Energy heading be presented to a Policy committee?
3. That in Appendix 4, regarding the Carbon Programme, could Members receive a briefing on the HCC carbon assessment tool that would be utilised in future council processes and reports, as mentioned on page 142?

The committee was recommended to:

1. Note that the Performance Panel met on 21 August 2023 to scrutinise the attached report, CAB3415 and its associated appendices.
2. Note that a verbal update was provided at the Scrutiny committee.
3. Raise with the Leader or relevant Cabinet member any issues arising from the information in this report, ref CAB3415, which was being presented to Cabinet on 13 September 2023 and consider whether there were any items of significance to resolve or to be drawn to the attention of Cabinet.

The committee discussed the report and the points raised by Councillor Horrill and the following additional points were made.

1. Fly tipping reporting and clearance times did not align with a councillor's real-world experience, and whether further investigation could be carried out to address this.
2. Concerning hydrogenated vegetable oil and hydrogen as diesel alternatives, whether a comprehensive carbon appraisal to address potential environmental concerns was being considered.

RESOLVED:

The committee:

1. Noted that the performance panel had met on 21 August 2023 (not 22 May 2023, as inaccurately stated on page 79 of the report) to scrutinise report CAB3415 and its associated appendices.
 2. Noted the draft minutes of the panel's meeting and the verbal update provided by the Chairperson, including the summary of points to be addressed and feedback for the scrutiny committee on page 184.
 3. Requested that the cabinet:
 - a. Review the fly tip reporting app to ensure the "submit" button is prominent and distinct from the "save" button.
 - b. Consider the introduction of a key performance indicator that measured the time taken to remove fly tips "end to end."
9. **SCRUTINY REQUEST - UPDATE ON PUBLIC CONVENIENCE STRATEGY.**
The chairperson advised that she had invited Councillor Learney, Cabinet Member for Climate Emergency and Andy Hickman, Head of Programme: Place to the meeting to update the committee on the improvements to public conveniences.

Councillor Learney informed the committee that this initiative had been prompted by feedback from residents regarding the condition of public toilets. It was clear that addressing this issue required a comprehensive and proactive approach, leading to the formation of a public toilet task force. The team had conducted several assessments, including commissioning a report from the British Toilet Association and carrying out condition surveys, to gauge the extent of necessary improvements and establish priorities. Consequently, a Public Toilet Improvement Strategy had been developed, which proposed a substantial programme of upgrades and renovations.

Andy Hickman, Head of Head of Programme: Place provided a presentation which discussed the following areas:

1. City Council public toilet locations.
2. Previous toilet works.
3. Costs and Contributions.
4. Usage and cleaning.
5. Issues with the public toilets.
6. Public Toilet Improvement Strategy.

7. Key issues.
8. Next steps.

The committee proceeded to ask questions and debate the presentation. In summary, the following matters were raised.

1. Regarding formal complaints versus informal resident comments, further clarification on the nature of these complaints was requested.
2. Whether Parish Councils handled additional complaints, and how did it affect the overall complaint count?
3. Further explanation on how the usage figures were determined?
4. Had the reduced public access to the Guildhall impacted usage, and how did the facility upgrades relate to concerns about cleanliness and frequency?
5. Were there specific recommendations from the British Toilets Association regarding refurbishment timeframes?
6. Was there a projected timetable for toilet refurbishments after discussions with Parish and Town Councils to inform residents?

These points were responded to by Councillor Learney, Cabinet Member for Climate Emergency and Andy Hickman Head of Head of Programme: Place accordingly and were noted by Councillor Learney.

RESOLVED

That the committee noted the presentation, and the Cabinet Member and officers note the comments of the committee raised.

10. **TO NOTE THE WORK PROGRAMME FOR 2022/23**

RESOLVED:

That the latest version of the work programme (which can be found here <https://democracy.winchester.gov.uk/mgPlansHome.aspx?bcr=1>) be noted.

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

RESOLVED

1. That the September 2023 Forward Plan of Key Decisions be noted.
2. The Chairperson agreed to discuss with the Chief Executive options for providing the committee with a forward plan, which would enable them to identify future issues for review.

The meeting commenced at 6.30 pm and concluded at 8.30 pm

Chairperson

SCRUTINY COMMITTEE

REPORT TITLE: HOUSING REVENUE ACCOUNT (HRA) BUSINESS PLAN AND BUDGET OPTIONS

22 NOVEMBER 2023

REPORT OF CABINET MEMBER: Councillor Chris Westwood, Cabinet Member for Housing.

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

WARD(S): ALL

The attached report – CAB 3432 which was presented to cabinet at its meeting on the 21 November 2023 sets out options for the HRA Business Plan and budget options.

RECOMMENDATIONS:

That:

1. It is recommended that the committee comment on the proposals within the attached Cabinet Report, ref CAB 3432.
2. It is noted that the committee will be presented with the detailed Housing Revenue Account report at its meeting on the 6th February 2024 prior to Cabinet on the 8th February 2024 and Full Council on the 22nd February 2024.

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REPORT TITLE: HOUSING REVENUE ACCOUNT (HRA) BUSINESS PLAN AND BUDGET OPTIONS

21 NOVEMBER 2023

REPORT OF CABINET MEMBER: CLLR CHRIS WESTWOOD – CABINET MEMBER FOR HOUSING

Contact Officer: Liz Keys Tel No: 01962 848226 Email Lkeys@Winchester.gov.uk

WARD(S): ALL

PURPOSE

Despite the unprecedented budget challenges and interest rate rises faced by the council's housing service this report offers budget options to achieve the council's policy objectives to go greener faster, address the cost-of-living crisis and maintain the commitment to deliver 1000 new homes.

Continuing inflationary building supply and construction pressures, volatile and increasing underlying Public Works Loan Board (PWLB) interest rates are increasing new homes build costs. To address this significant rise in building costs and maintain the commitment to delivering 1000 new homes, the business plan has been rebalanced with a new homes acquisition strategy to prioritise purchase of new homes from developers, where costs are currently significantly lower, and continue to develop schemes where the business case is proven to be viable.

In addition to high building costs, significantly increased energy costs are impacting many of the most vulnerable residents in our homes. To mitigate the additional energy costs for residents and to drive de-carbonisation of our council homes, an additional investment of £30m is proposed to be allocated into the Retrofit programme to meet regulatory decent homes energy standards.

The budget options contained in this report support the council's commitment to increase investment in customers' homes to go greener faster and to deliver the 1000 new homes programme by 2032/33.

To achieve these policy objectives and set a viable and sustainable HRA business plan, several budget options have been identified for consideration, development and consultation with customers. Subject to the development and consultation those

options will be considered by Cabinet when the Housing Revenue Account budget is considered in February 2024.

RECOMMENDATIONS:

1. Note the draft HRA Business 30-year Plan for 2023-24 to 2052-53 metrics shown in Appendix 1
2. To approve the budget options outlined within this report.
3. Note the proposed additional investment in the council housing stock of £30m over the next eight years to 2030-31 to retrofit properties on a fabric first basis to help improve their energy efficiency and reduce energy costs for tenants. This additional annual investment brings the total annual investment here to £5.625m a year and £45m in total.
4. Note the proposed strategic change in direction moving from a plan based upon direct delivery of new homes to one based upon a mixture of actively acquiring s106 affordable housing directly from developers alongside future development with grant funding and using Right to Buy resources.
5. Note the current financial viability assessment for new build and that at present all potential development sites based on current assumptions evaluated this year have not been assessed as being financially viable within the existing viability model (see para 12.3 -12.6).
6. Note the proposed move to 80% market rent to help improve the viability of new homes development and to mitigate the increasing cost of delivery.
7. Note that a revenue savings target of £400k over two years has been set to assist with bridging the forecast gap in financing future capital expenditure.
8. Approve the disposal in principle of Barnes house in 2024-25, and in addition two strips of land with one surplus HRA property per year over the next eight years to generate additional capital receipts to help fund the increased investment requirement over these years.
9. Approve the move to full cost recovery for private connections of the council's sewage treatment works and note that this will include transitional protection and be achieved within a five-year timeframe.

10. Note that based on the September 2023 CPI figure of 6.7% that the average formula rent increase for 2024-25 for all affordable and social housing will now be 7.7%, subject to any government intervention.
11. Approve the proposed move from RPI+0.5% to CPI+1% for existing council shared owners in the HRA as well as in all future shared ownership leases. Note that the impact of this in 2024-25 will be a reduction in rent rises this year from 9.4% to 7.7%.
12. To approve full cost recovery in tenant service charges in 2024-25 (see paragraph 14.6).
13. Note that officers are currently beginning a review of the current Housing management system with a view to evaluating whether it is still fit for purpose or needs to be replaced, as well as beginning work on the re-procurement of the repairs and maintenance contract. The Business plan provides for this to happen over the following two years at a provisional one-off cost of up to £2m.
14. Note that the draft HRA Business 30-year Plan is viable and sustainable and has the capacity to support the council's ambitious delivery of 1,000 new affordable homes over the next 10 years. The proposed plan provides sufficient funds over the life of the plan to still deliver over 1,500 new affordable homes in total.

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 ensuring tenant satisfaction in relation to their home and community.
- 1.2. Tackling the Climate Emergency and Creating a Greener District
 - 1.2.1. Carbon reduction measures will be accelerated across the existing housing stock and included within the design and construction of new properties and included within the feasibility assessment when considering the purchase of properties. This includes the council's 10 year retrofit programme for existing properties where additional new funding of £30m has been allocated within this year's plan.
- 1.3. Homes for all
 - 1.3.1. Assist with the increase of affordable housing property stock across the Winchester district and meet the council's objective to provide a range of tenures to meet demand.
- 1.4. Vibrant Local Economy
 - 1.4.1. Deliver affordable accommodation which allows people to live and work in the district and contribute to the local economy.
- 1.5. Living Well
 - 1.5.1. The wellbeing of residents is considered within the design of new properties and new homes are designed to be both energy efficient and to meet tenants' needs. Any substitute properties are assessed according to these criteria.
- 1.6. Your Services, Your Voice
 - 1.6.1. Housing tenants are directly involved in decisions regarding service provision, both through the work of Tenants and Council Together (TACT), the council's tenant involvement group and through regular tenant and leaseholder digital surveys, capturing wider tenant views. The service continues to review options to provide an improved customer experience, increase opportunities for engagement, and to ensure satisfaction with services provided by the council.

2. FINANCIAL IMPLICATIONS

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

3. LEGAL AND PROCUREMENT IMPLICATIONS

- 3.1. Under Part VI of the Local Government and Housing Act 1989 any local authority that owns housing stock is obliged to maintain a Housing Revenue Account. The HRA is a record of revenue expenditure and income in relation to an authority's own housing stock. The items to be credited and debited to the HRA are prescribed by statute. It is a ring-fenced account within the authority's General Fund, which means that local authorities have no general discretion to transfer sums into or out of the HRA.
- 3.2. The council is required to prepare proposals each year relating to the income of the authority from rents and other charges, expenditure in respect of repair, maintenance, supervision and management of HRA property and other prescribed matters. The proposals should be made on the best assumptions and estimates available and designed to secure that the housing revenue account for the coming year does not show a debit balance. The report sets out information relevant to these considerations.
- 3.3. Section 76 Local Government and Housing Act 1989 places a duty on local housing authorities: (a) to produce, and make available for public inspection, an annual budget for their HRA which avoids a deficit; (b) to review and if necessary, revise that budget from time to time and (c) to take all reasonably practicable steps to avoid an end-of-year deficit.

4. WORKFORCE IMPLICATIONS

- 4.1. Consultation is currently taking place with staff and Unions on a new structure for the service. It is proposed to delete a number of vacant posts, change reporting lines to give focus to service delivery and also allocate additional resources to support the increased retrofit programme.

5. PROPERTY AND ASSET IMPLICATIONS

- 5.1. To meet one of the key principles of the council plan, the HRA is required to provide sufficient financial resources to both maintain existing stock to decent homes standard and to enable new affordable housing to be obtained to help meet local demands.

6. CONSULTATION AND COMMUNICATION

- 6.1 To date two meetings have taken place with TACT to explain the challenges the HRA is facing. TACT members provided ideas of areas to review at the second meeting and they will need to be considered in the light of the financial challenges, policy options and potential rent increase. There is a meeting scheduled on the 29th November at which time it is hoped there will

be clarity on the Government's direction on rent setting. The intention at that meeting is to share with TACT the policy options to address the challenges so that ideas can be built into the forthcoming report to set rent and the HRA in February 2024.

7. ENVIRONMENTAL CONSIDERATIONS

- 7.1 This year's proposed 30 year business plan sees a significant increase in the provision of resources to fund the proposed fabric-first retrofit programme of works with increased funding of £30m over the next 8 years. Delivery of the planned investment could lead to a reduction of 1666.22tCO₂ from customers' homes by 2030.
- 7.1. The Business Plan also funds the provision of a further two dedicated retrofit officers responsible for the delivery of the retrofit programme to drive this increased programme.
- 7.2. The Housing Service considers environmental factors when preparing and developing major projects e.g., working closely with Planning and Landscape Officers when considering new build developments to meet the required codes for sustainable housing.

8. PUBLIC SECTOR EQUALITY DUTY

- 8.1. This document is part of the budget consultation process, and the public sector equality duty is considered alongside any relevant budget options. The housing service holds data in respect of its tenants' protected characteristics. Whilst there is no evidence to suggest the budget proposals and services within it would adversely affect those with protected characteristics, it is recognised that some tenant households will be impacted differently by the same budget objectives and associated services.
- 8.2. The 2023/24 budget's operational decisions being presented in this paper include investment in maintaining decent homes and increasing the supply of affordable housing designed to have a positive impact on customers. Other options designed to have a positive impact on customers include additional investment in energy efficiency that will benefit those tenants with high energy costs thus addressing the cost-of-living crisis and are fully adaptable to meet tenants long term mobility and health needs

9. DATA PROTECTION IMPACT ASSESSMENT

- 9.1. All projects set out in this report and the Capital Programme will be subject to individual data protection impact assessments.

10. RISK MANAGEMENT

Risk	Mitigation	Opportunities
<p><i>Property</i></p> <p>That Council owned dwellings fail to meet decent home standards</p>	<p>An effective programme of future works and sound financial planning ensures that these standards are met and then maintained.</p>	<p>Self-Financing provides certainty around future resource allocations and facilitates better supply chain management</p>
<p><i>Community Support</i></p> <p>Lack of consultation will affect tenant satisfaction and cause objections to planning applications for new build developments.</p>	<p>Regular communication and consultation is maintained with tenants and leaseholders on a variety of housing issues.</p> <p>The Council consults with local residents and stakeholders on proposed new build schemes.</p>	<p>Positive consultation brings forward alternative options that may otherwise not have been considered.</p>
<p><i>Timescales</i></p> <p>Delays to new build contracts may result in increased costs and lost revenue.</p>	<p>New build contracts contain clauses to allow the Council to recover damages if the project is delayed due to contractor actions.</p>	
<p><i>Project capacity</i></p> <p>The HRA can borrow funds in addition to utilising external receipts and reserves, but it must be able to service the loan interest arising.</p>	<p>Regular monitoring of budgets and business plans, together with the use of financial assessment tools enables the Council to manage resources effectively.</p>	<p>The Council monitor's government announcements on the use of RTB receipts and potential capital grant funding.</p>
<p><i>Deliverables</i></p> <p>Risk that the council cannot deliver the programme of new build and meet the objective of 1000 homes in 10 years because of the lack of sites, the cost of development or the cost of financing this development.</p>	<p>The new homes is monitored on a regular basis and if appropriate could be delayed or re-profiled in light of the availability of these resources</p>	<p>Review the deliverable shape of the programme and its profiled delivery considering available resources and risk appetite</p>

Risk	Mitigation	Opportunities
<i>Staffing resources (not always in Housing) reduce the ability to push forward new schemes at the required pace.</i>	Staffing resources have been reviewed to support the delivery of the new build programme.	Given the challenging nature of the delivery targets it may be necessary to review the resourcing requirements needed to successfully deliver this programme
<p><i>Financial / VFM</i></p> <p>Risks, mitigation, and opportunities are managed through regular project monitoring meetings.</p> <p>Insufficient new build sites are identified to assign RTB 1-4-1 receipts financing to and RTB receipts are required to be repaid to Central Government with up to an estimated compounded 55% interest penalty based on current rates.</p>	<p>New build Schemes are financially evaluated and must pass financial hurdles and demonstrate VFM. Total Scheme Costs contain provision for contingency on build costs and on fees for new build developments that take account of potential residual development and sales risk.</p> <p>RTB 1-4-1 are closely monitored so in-year targets for new builds are known.</p>	<p>In addition, the HRA holds annual minimum levels of reserves based upon 5% of operating turnover and 10% new build costs.</p>
<p><i>Financial Assessment</i></p> <p>Risk that the cost of developing new homes projects will fail to meet the financial hurdles required to be financially viable to develop/acquire within the HRA</p>	<p>The measures identified within this paper will help to mitigate against the increased costs of new homes by increasing the income available to fund increased borrowing costs and reducing the overall cost of delivery.</p>	
<p><i>Interest rate volatility</i></p> <p>The economic and fiscal environment for borrowing is both volatile and uncertain making external borrowing decisions difficult to take at present</p>	<p>The HRA has cash reserves that allow it in the short term to effectively borrow from internal resources giving a period for interest rates to stabilise and reset and the fiscal environment to be more benign.</p>	<p>The use of internal borrowing can help to reduce the short-term cost of borrowing as well as delay the need to seek external finance and delivers better overall returns to the HRA</p>

Risk	Mitigation	Opportunities
<p><i>Future Social Rent Policy</i></p> <p>Uncertainty about long term rental income streams because of the end of the current agreement on rent setting in April 2025.</p>	<p>Rental income accounts for 93% of all the HRA annual income, and future potential uncertainty, government intervention or constraint has a significant impact on the future capacity of the HRA and deliverability of the plan</p>	<p>Sectorial lobbying of Government to seek future certainty will help to support better decision making</p>
<p><i>Legal</i></p> <p>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.</p>	<p>Government statutory requirements and policy changes are being monitored to identify any new risks or opportunities that they may bring.</p>	<p>To create new housing developments within new guidelines and drawing on innovative thinking.</p>
<p><i>Reputation</i></p> <p>Failure to complete major housing projects due to lack of resources would have a direct impact on both customer satisfaction and the Council's reputation.</p>	<p>Business planning tools with regular updates are utilised to make sure resources are available to complete projects.</p>	
<p><i>Other</i></p> <p>– Environmental regulation such as that by Natural England on mitigating Phosphates</p>	<p>This delays the ability to bring forth schemes with planning permission and delays increase the cost and viability of schemes.</p>	

11. Economic Outlook and cost pressures:

- 11.1. The Budget for 2023-24 was set against a background of unprecedented inflationary pressures affecting key cost drivers to the HRA such as energy, construction labour, and building materials as well as the impact of a series of interest rate rises to address this by the Bank of England. Although annual inflation increases are now predicted to be on a downward trend within many of these sectors, the real terms increase in prices remains embedded at present levels, even if the rate of increase due to inflation is falling. This has contributed to this year's MTFS being even more difficult and challenging than last year's and has required several mitigating budget options to be

considered in order to continue to deliver the council's key housing objectives in this area.

- 11.2. The HRA Business planning process is done annually and all assumptions are revisited and undertaken a fresh every year. To set a viable and sustainable business plan for the next 30 years has been extremely challenging this year. The cost of building new homes (needed to replace those homes purchased privately by tenants using their Right To Buy and to provide financial sustainability in the long term) continues to increase faster than the general rate of inflation. There is also a legislative need to invest in the existing stock to bring it up to new energy efficient standards, requiring an additional £30m of investment requirement over the next eight years.

Cost of construction

- 11.3. The investment required for new homes has once again increased significantly, with anticipated rises in construction costs of a further 23% to £4,600 per square metre; making the cost of construction (excluding land) for an average 3-bedroom property now £427,800. The budgeted cost of construction over the last two years, following covid, Brexit and the invasion of the Ukraine, has increased by over 58% from £2,800 per square metre. At the same time the cost of borrowing that the council can access has more than doubled from 2.5% to 5.87%; and new affordable rents have increased only in line with inflation plus 1%.

Rent Increases

- 11.4. The council must set its rents in line with the Rent Standard and central Government's Regulator of Social Housing's rent setting guidelines. The current basis of rent setting is CPI+1% for 2024-25, there has been no announcement from the Government yet of what will happen in future years. The business plan assumes that the current level of CPI+1% will continue for a further 5 years (making the estimated rent increase for 2023/24 7.7%). In 2023-24, given the very high inflation rates, the rent increase at CPI+1% would have meant an increase of 11.1%, however the Government intervened and capped increases at 7% for existing tenants. This was only announced on 17 November in the Chancellor's Autumn Statement. Therefore, there remains a possibility that the rent increase will once again be capped, although the formula increase is much closer to the previously capped level and indications from DLUHC are that at present no capping is being considered.

Repairs and maintenance

- 11.5. Annually the council looks at the capital costs of maintaining the existing housing stock at decent homes standard and its investment here is based upon an asset management plan. This identifies the investment requirement profiled over the thirty-year plan based upon the lifecycle replacement costs of key components. To bring the housing stock up to the required energy efficiency standard of EPC C identified by 2030-31, there is now a need to invest an additional £30m on capital works. This brings the total investment

in retrofitting over the next eight years to £45m. In addition, the council has increased annual spend by £2m over the last two years on the revenue repairs budget reflecting inflation, increased service demand, the improved voids standard, and in resourcing the staffing capacity of the existing team to manage and deliver decent homes.

Interest on borrowing

- 11.6. Interest rates are a key cost driver in the HRA business plan and as at 31 March 2023 the HRA had £199.8m of Capital Financing Required (unfinanced prior capital spend) of which £161.7m is external debt (fixed at PWLB interest rates averaging 3.2%) and the balance of £38.1m is internally borrowed (offset against reserve balances and working capital). PWLB rates are not directly linked to the Bank of England base rate but are set at a margin over government gilt yields, which analysts believe are likely to fall slightly in the medium term but remain higher than the period of historically low rates following the 2008 financial crisis. The current cost of financing this external debt is £5.5m per annum.
- 11.7. This debt largely came about through self-financing and was originally taken out in 2012. A proportion of this existing external debt (£85m) will need to be refinanced over the next 15 years, with a need to refinance £35m of it within the next five years. The HRA, unlike the General Fund, has no requirement to set aside funding for debt repayment and the HRA business plan assumes all underlying debt is refinanced.
- 11.8. In addition, the proposed plan will see HRA funding the building of an additional 1,500 affordable homes largely through a mixture of Right to Buy (RTB) 1-4-1 capital receipts; shared ownership sales; other discretionary asset disposals; grants; and borrowing. This will require additional prudential borrowing of £103m to finance this delivery. In 2023/24 the budget assumed that interest rates for long term borrowing would be at 5% for a 3–4-year period and then return to a more modest 4%. At present the cost of long-term government borrowing remains elevated and stands at circa 5.6% for 50 year borrowing at the time of writing. In the decade before 2006/07 the PWLB long term interest rate peaked at 9.42% but averaged 5%. It is therefore prudent to assume that the cost of borrowing in the plan will be 5% for the duration of the planning period.

Management of the HRA

- 11.9. There is a need to modernise the provision of services to customers through the introduction of better digital access. A feasibility study has commenced to review whether the existing housing management system is still fit for purpose and to assess how well it will be able to facilitate the council's aspiration of improving digital services for customers. In addition, work on the re-procurement of the repairs and maintenance contract should begin now as the current contract expires in two years. The HRA business plan

has earmarked provisional revenue sums of up to £2m over the next two years to facilitate the replacement of the current system if this is required.

- 11.10. Against these considerable challenges of increasing investment requirements over the next eight years; increasing costs; and uncertain rent regulation; the council needs to review the options available to it to set a sustainable and viable 30-year business plan and a balanced budget in 2024-25.
12. Rising Costs of New Build Housing
- 12.1. In delivering an ambitious programme of 1,000 new homes, the HRA business plan was previously operating with materially lower average build costs as well as having the advantage of borrowing at historically low interest rates under self-financing from the government. The cost of building new homes has increased significantly over the last two years whilst at the same time the cost of borrowing has more than doubled.
- 12.2. Under the self-financing regime, the HRA is a purpose made vehicle for delivering new affordable homes and when both interest rates were low and stable and construction costs more affordable it was able to build, construct and acquire properties; financing this with rents at 70% of market rent or the Local Housing Allowance, whichever was the lower.
- 12.3. The primary financial assessment in the evaluation of new homes is a Net Present Value (NPV) calculation of all future income and expenditure over a typical 35-year period discounted to current prices. This calculation uses the current cost of capital and a risk margin as the discount factor. In addition, the council's standard model includes the residual social value of the housing at year 35 on the basis that the asset has been well maintained and has a future use and value. There are other criteria such as gross income covering the cost of borrowing, but the NPV calculation is the key criteria. If it is positive then the scheme or development is worth undertaking as it adds value, if negative then it requires additional subsidy from within the HRA over and above external grant funding or available capital receipts.
- 12.4. The impact of higher borrowing costs, coupled with volatile mortgage supply and costs on market demand for new housing has adversely impacted all developers. The council has subsequently had several potential private developments offered to it. However, to date, of those evaluated none have been financially viable within existing parameters. Obviously, if a developer struggles to make a development work at market price it's much more difficult to make it work at affordable rent even with RTB subsidy. This is especially the case when construction costs are so much higher and the cost of borrowing is approaching 6% This is compounded when the rental income achievable is restricted to below the maximum allowable of 80% of market rent.
- 12.5. It is therefore proposed that, subject to the development or acquisition meeting the council's energy efficiency requirements, the rent levels for new

homes be set at 80% of market rent. This is the maximum level of affordable rent that can be charged and would include all relevant service charges. At present the rent criteria is 70% of market rent or LHA, whichever is lower. LHA rates are based on the lower 30% quartile of private market rents being paid by tenants in a Broad Rental Market Area (BRMA), with the LHA rate being fixed now at the 2020-21 price base for the last 3 years.

- 12.6. As an example, based on the rent for a three bedroom property at Whiteley, where 70% of market rent would be £161.54 a week and 80% rent would be £184.62, there would be additional rent to pay of £23.08 per week based on the proposed policy change. However, the properties achieve an EPC B rating which will reduce average running costs by around 75% so for a three-bedroom property with medium energy costs that would equate to a reduction of around £29 a week (an overall net saving of £6.80 a week compared to a less energy efficient home). Therefore, although there is additional rent to pay if set at 80% of market rent the increase is more than offset by reduced running costs.
- 12.7. To also help mitigate the rising costs of development for the council identified above, it is proposed that a change in the focus of the councils' development strategy is required that would help reduce the cost of new build to the HRA. This would see a greater emphasis upon acquiring s106 affordable housing, which officers believe can be acquired below market value. In addition, the plan assumes that WCC will be successful in attaining Homes England funding for 70 new homes at an average grant rate of £135k where the council undertakes development itself.
- 12.8. There will still be a need to identify and develop or to acquire housing at market prices to successfully apply the retained RTB 1-4-1 receipts that will be generated in the future. There are restrictions on how RTB 1-4-1 receipts can be applied when combined with certain other funding sources such as s106 contributions, and they cannot be applied in conjunction with Homes England grants, or non-scheduled receipts. There is also a requirement to repay any unapplied RTB capital receipts not used within a five-year period with compound interest of 4% above the Bank of England Base rate i.e., currently 9.25% (compounding to a total of 55% interest penalty after 5 years). The council therefore needs to actively manage this risk, and if it is apparent that it cannot spend the receipts it needs to notify DLUHC and repay them in advance to minimise the interest payable.
- 12.9. At present the council's delivery funded by RTB 1-4-1 receipts is ahead of the need to spend and if it delivers the current named schemes, it will have three years grace until 2027/28 before it needs to start spending on any new, as yet unidentified, schemes.
- 12.10. Subject to these proposed changes, the HRA business plan has capacity to fund delivery of 1,000 homes by 2032/33 including the 306 homes that are programmed to be delivered by the end of this financial year. The HRA business plan is refreshed each year and subject to the prevailing economic

circumstances, assumptions and performance the capacity to deliver could increase.

13. Creating Financial Capacity to fund future borrowing.

Revenue savings

- 13.1. As the key constraint is the HRA's ability to finance borrowing in the first eight years over which increased investment is required, several further mitigations have been identified to help increase financial headroom in this period.
- 13.2. A annual savings target of £318k has been set by officers for 2024/25 and a further £100k for 2025/26 and some savings are currently being explored through a minor reorganisation within the housing team. Further budgets totalling £112k annually have been identified to be saved through routine budget housekeeping. Further revenue savings could increase capacity in the HRA. An illustration of the amount of new borrowing that this could support annually depending on interest rates is shown below: -

Annual saving	interest rate	Annual borrowing financed
£400,000		
	4%	£10,000,000
	5%	£8,000,000
	6%	£6,666,667
	7%	£5,714,286

Asset disposals

- 13.3. Barnes House is vacant and has been used previously to provide temporary accommodation in the HRA. Following assessment of costs to refurbish and convert to achieve required standards it has been established that there is not a viable scheme to take forward. As a result, the property is now surplus to requirement and has an estimated sale price of £800k.
- 13.4. The business plan also assumes two further strips of development land per year for the next eight years will be disposed. These sites, that are considered too small and uneconomic to develop within the HRA, have already been identified. As well as providing valuable capital receipts to support the HRA it will enable small development to come forward.
- 13.5. Lastly, the business plan assumes that the HRA will identify and dispose of one further surplus social housing asset every year for the next eight years. These assets will be identified by looking at their long-term fit in terms of demand/cost to maintain and suitability to retro fit to required standards. This is estimated that it will create additional capital receipts of £500k per year.

Sewage treatment works

- 13.6. The HRA is responsible for the operation of a number of small sewage treatment works, septic tanks, and cesspools, which provide private sewage treatment connections for 394 council tenants and 367 private homes. The Sewage Treatment Works encompass 36 small sewage treatment works (including septic tanks), 19 pumping stations (9 are isolated and 10 within curtilage of treatment works) and 21 cesspools. The sewage treatment works range in size from small works serving 4 properties to larger works serving 85 properties. The septic tanks and cesspools serve between 1 and 8 properties.
- 13.7. There is currently an under-recovery by the HRA of the annual cost of operating these treatment plants. Approximately £268k of the under-recovered cost relates to the providing the services to private residents, which works out at an implicit subsidy per private connection of an average of £457 per year.
- 13.8. The council should be seeking to fully-recover the total cost of providing sewage treatment services to private residents, so that these services are not subsidised by council tenants. Subject to further consultation, the terms of individual leases and a review of costs, it is proposed that WCC move to full cost recovery for these services to private residents over a transitional five-year period, this may mean annual increases for some of up to 22%.
14. Rent increases and charges in 2024-25 and beyond.
- 14.1. The current rent setting regime is based on annual rent increases of CPI+1% and this applies to 2024-25. The Government has yet to launch the call for evidence that was announced in its response to last year's consultation on rent capping, so there remains uncertainty about future social rent policy from 2025. However, the Government's response to the consultation in November 2022 strongly suggested that capping was a temporary intervention in response to an exceptional cost of living crisis. The Government also restated its continued support for the principle that social housing rents should be index-linked over the long term to support investment in both new and existing social homes. Restating its commitment to increasing the supply of social housing and improving the quality of the homes that social housing residents live in. The response also floated the suggestion that registered providers might be allowed in future years to catch up on the income gap created by the 2023/24 rent capping.
- 14.2. The business plan assumes that the current rent policy will continue for a further five years.
- 14.3. A 7.7% rent increase would mean the average weekly social rent for existing tenants will be £123.39 a week, an increase of £8.82 per week. The average weekly affordable rent for existing tenants will be £199.45 a week, an increase by £14.26 a week. The impact of the increases is shown in table 1 over.

Table 1- indicative weekly rents in 2024-25 compared to 2023-24 for existing tenants.

Social Rents

size	Bedsit	Bedroom 1	Bedroom 2	Bedroom 3	Bedroom 4	Bedroom 5	Bedroom 6	Total
Avg Wkly Rent 2023-24	84.05	99.92	114.94	130.22	140.08	161.98	159.21	114.57
Avg Wkly Rent 2024-25	90.52	107.61	123.79	140.25	150.87	174.45	171.47	123.39
increase per week @ 7.7%	6.47	7.69	8.85	10.03	10.79	12.47	12.26	8.82

Affordable Rents

size	Bedsit	Bedroom 1	Bedroom 2	Bedroom 3	Bedroom 4	Bedroom 5	Bedroom 6	Total
Avg Wkly Rent 2023-24		156.36	185.08	217.37	239.58	234.23	230.19	185.19
Avg Wkly Rent 2024-25		168.4	199.33	234.11	258.03	252.27	247.91	199.45
increase per week @ 7.7%		12.04	14.25	16.74	18.45	18.04	17.72	14.26

note :- extract from Orchard social Rents as at September 2023

note :- Affordable Rents are shown gross and include all applicable service charges

Social rents exclude service charges

- 14.4. The average HRA social rent for new tenants from April 2024 will be different and this reflects the fact that new tenants pay the formulae rent and that this wasn't capped in 2023-24. Indicative average weekly rents for new social tenants are shown below in table 2. It is proposed that the rents for new affordable rent tenants will be let provisionally at 80% of market rent if the property meets the required minimum energy efficiency requirements.

Table 2 – Average Weekly rents for new social lets

size	Bedsit	Bedroom 1	Bedroom 2	Bedroom 3	Bedroom 4	Bedroom 5	Bedroom 6	Total
Avg Wkly Formulae Rent 2023-24	89.93	103.97	120.67	135.51	147.79	169.35	165.13	119.63
Avg Wkly Formulae Rent 2024-25	96.85	111.98	129.96	145.94	159.17	182.39	177.85	128.84
increase per week @ 7.7%	6.92	8.01	9.29	10.43	11.38	13.04	12.72	9.21

Service charges

- 14.5. In 2023/24, alongside the capped rent increase, the council approved a one-off discretionary limit on tenant service charge increases of 7%. Considering the budget pressures that the HRA investment programme faces and to align it with the general fund and the outcome of ongoing savings programmes, it is proposed to revert to full cost recovery from 2024-25, where this is possible.

Shared ownership rents

- 14.6. The HRA business plan assumes that 30% of all future new homes development will be delivered as shared ownership. The Government have

now prescribed that any new shared ownership development that is either s106 or Homes England grant funded should have leases that base annual rent reviews on CPI+1% (where previously these were upward-only based on RPI+0.5%). The proposed changes will have a floor of 0% if the CPI is minus 1% or lower.

- 14.7. Currently the council has around 68 leases for shared ownership that specify an upward increase of RPI+0.5%. It would be administratively easier and fairer to move all existing HRA shared ownership leases to this new CPI basis of rent increase and floor. The change to the lower CPI+1% rate would cost the HRA £6,500 in lost income in 2024/25. There are additional issues on how current shared owners' rents could be capped without the need and cost of changing each individual lease that are being explored.
- 14.8. There are in addition 10 Partnered Home Purchase (PHP) leases in the general fund (open market shared ownership properties) and it is not at present proposed that these should be changed as well, but if they were the lost rent cost to the general fund would be £700 in 2024/25.

15. OTHER OPTIONS CONSIDERED AND REJECTED

The council could consider investing less in customers' homes than is required to achieve the regulatory requirement of EPC C by 2030. This is not recommended as it would breach the regulatory requirements and in addition would not support the council's policy objective of being greener faster.

The council could also seek increased revenue savings than those identified in this report so as to provide investment capacity in the HRA. At this time the level of revenue savings identified are achievable and will not lead to a reduction in the quality of service delivered. Investment in improving the digital access to services may generate efficiencies in the future that can be realised without detriment to services. Therefore, increased revenue savings are not recommended at this time.

16. BACKGROUND DOCUMENTS: -

Previous Committee Reports: -

CAB 3387 HRA Budget – February 2023

CAB3365 HRA Business Plan and Budget Options – November 2022

CAB 3334 HRA Budget – February 2022

CAB3264 – HRA Asset Management Plan - 8 Dec 2021

CAB3325- HRA Budget Options - 23 Nov 2021

Appendix 1 – KEY HRA Business Plan Metrics

	debt	Net Income	Capital charges	debt to Turnover ratio	Capex	Working balance
2023.24	210,722	33,048	7,077	0.21	42,317	14,879
2024.25	210,722	36,432	8,186	0.22	31,910	14,310
2025.26	210,722	37,875	8,072	0.21	41,973	14,352
2026.27	218,381	39,733	8,369	0.21	42,983	14,865
2027.28	249,265	41,616	9,533	0.23	56,580	15,120
2028.29	279,808	43,575	11,258	0.26	56,479	14,713
2029.30	302,342	46,059	12,587	0.27	46,314	14,433
2030.31	325,192	48,726	13,725	0.28	43,287	14,876
2031.32	332,554	49,435	14,657	0.30	27,785	14,283
2032.33	344,820	50,884	15,398	0.30	31,009	13,666
2033.34	349,780	52,484	15,829	0.30	23,453	13,432
2034.35	353,128	53,974	16,042	0.30	22,115	13,667
2035.36	355,725	56,199	16,426	0.29	21,575	14,997
2036.37	359,603	56,356	16,591	0.29	23,062	15,570
2037.38	363,553	57,559	16,940	0.29	23,341	16,225
2038.39	364,976	58,789	17,074	0.29	21,025	17,184
2039.40	372,838	60,047	17,307	0.29	27,678	18,358
2040.41	375,418	61,333	17,568	0.29	22,613	19,725
2041.42	382,479	63,813	17,812	0.28	27,313	22,481
2042.43	391,195	64,025	18,354	0.29	29,191	24,037
2043.44	399,176	65,474	18,772	0.29	28,693	25,707
2044.45	409,304	66,987	19,225	0.29	31,078	27,495
2045.46	418,681	68,564	19,713	0.29	30,577	29,394
2046.47	430,222	70,185	20,239	0.29	32,994	31,380
2047.48	446,815	73,183	20,913	0.29	33,301	34,662
2048.49	455,555	73,522	21,368	0.29	30,730	36,771
2049.50	469,199	75,208	21,693	0.29	35,930	39,161
2050.51	481,618	76,929	22,355	0.29	35,008	41,500
2051.52	494,021	78,691	22,979	0.29	35,298	43,834
2052.53	508,057	81,993	23,787	0.29	37,244	47,493

SCRUTINY COMMITTEE

REPORT TITLE: GENERAL FUND BUDGET OPTIONS AND MEDIUM TERM FINANCIAL STRATEGY

22 NOVEMBER 2023

REPORT OF CABINET MEMBER: Councillor Neil Cutler, Deputy Leader and Cabinet Member for Finance and Performance

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

WARD(S): ALL

The attached report – CAB3430 which was presented to cabinet at its meeting on the 21 November 2023 sets out options for the 2024/25 budget, including anticipated changes and budget proposals.

RECOMMENDATIONS:

That:

1. It is recommended that scrutiny committee comment on the proposals within the attached cabinet report, which can then be considered by cabinet prior to its meeting in February 2024.
2. It is noted that the committee will be presented with an updated General Fund Budget report at its meeting on the 6th February 2024 prior to Cabinet on the 8th February 2024 and Full Council on the 22nd February 2024.

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REPORT TITLE: GENERAL FUND BUDGET OPTIONS & MEDIUM-TERM FINANCIAL STRATEGY

21 NOVEMBER 2023

REPORT OF CABINET MEMBER: Cllr Neil Cutler, Cabinet Member for Finance and Performance

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

WARD(S): ALL

PURPOSE

The public sector faces the most significant financial challenges and demand pressures in living history. Stubbornly high inflation and soaring service, construction and energy costs are leading many other councils to be reporting overspends that are spiralling out of control.

It was clear from the previous Medium Term Financial Strategy (MTFS) produced in November 2022 (CAB3374) that Winchester also faces unprecedented financial pressures over the medium-term, with a recurring £3m annual deficit forecast by 2027/28.

Projections have now been updated and the new Medium-Term Financial Plan (MTFP) is set out in appendix 1. This shows that, although the council's immediate financial position through to 2026 is sound and stable, budget pressures (primarily from new responsibilities put onto District councils) have now worsened the budget gap to £3.4m by 2026/27. This gives us a window of opportunity to take radical action to tackle the looming crisis and give the council a financially sustainable future.

We are putting in place robust measures to address the challenge. Cabinet has initiated an organisation-wide transformation programme to seek out and to deliver transformational changes to the way we deliver services in order to save £3m a year within 3 years: '*Transformation Challenge 2025*'. This tier-one strategic project, whilst still in the early execution phase, is now rooted across the council, with all staff and councillors having had opportunities to be involved and put forward transformational ideas. Transformation 2025 (TC25) is essential to meeting the dynamic budget challenges in the medium term and details of this are set out in section 12 of this report.

This Medium Term Financial Strategy (MTFS) sets out the organisational approach for managing financial resources to protect our core council services and enable delivery of the Council Plan priorities going forward. It provides an overview of the existing financial position for the council and a forecast outlook over the medium term, four-to-five-year, planning period.

This report looks to explain the cost drivers, cost pressures, planning assumptions, risks and opportunities that may impact the council's financial position in future. It describes how we plan to respond to the major financial challenges ahead and the principles we will adopt in managing and using our financial resources to get the most out of the limited funds we have available.

The MTFS gives us clarity over what financial resources we have at our disposal to deliver the priorities from the Council Plan. In particular, balancing the delivery of core council services with the Council Plan's areas of enhanced focus around supporting local people with the cost of living; making the Winchester District go greener faster; investing in public spaces to deliver pride in place that is rightly deserved; and listening better to our community.

Projections used for the MTFP are subject to a high degree of uncertainty; particularly with the Government only confirming one year's settlement agreement figures at a time (with the 2024/25 one not due until late December 2023) and no certainty over the promised Fair Funding Review. As a result, this MTFS uses assumptions based on the best knowledge available at this time to set out proposals to address both the existing and emerging budget pressures set out in this report.

RECOMMENDATIONS:

That Cabinet:

1. Note the assumptions set out in section 13 of this report and the projections set out in Appendix A.
2. Approve the Medium-Term Financial Strategy as set out in sections 13 to 17 of the report.
3. Approve that a detailed budget be prepared for consideration by Council in February 2024 based on the assumptions set out in this MTFS; final spending review announcements; and including the following options:
 - a. That, in relation to Greener Faster and carbon reduction priorities:
 - i. £200,000 per annum be included for the carbon reduction measures on waste and recycling vehicles to enable the change to HVO fuel (as set out in paragraph 15.2).
 - ii. £1,400,000 per annum (less assumed 80% government funding) be included to expand recycling services to include food waste collections (as set out in paragraph 15.2).

- iii. £400,000 per annum be included to implement other changes to the collection of recyclables (as set out in paragraph 15.2).
 - iv. £500,000 be reduced in the annual waste income budget to reflect proposed changes to the Hampshire Inter Authority Agreement on waste (as set out in paragraph 15.2).
 - b. That, in relation to the council's TC25 digital transformation programme:
 - i. £100,000 per annum be included for the support and coordination of digital channel shift work across the council's services.
 - c. That, in relation to services:
 - i. An additional £100,000 per annum be included to fund the increased external audit fees.
 - ii. NNDR budgets be reduced by £177,000 per annum to reflect the reduced liability on corporate properties.
 - iii. An additional £20,000 per annum be included to fund the increased costs of temporary accommodation.
 - d. That, in relation to service income annual budgets, amendments be made as follows, in response to revised estimates (see also paragraph 15.3):
 - i. Building control fees reduced by £100,000
 - ii. Land charges income reduced by £100,000
 - iii. Legal services reduced by £50,000
 - iv. Pest control reduced by £50,000
 - v. Garden waste service income increased by £90,000
 - vi. Car parking income increased by £100,000
 - e. That Council Tax will increase in line with the Government referendum limits (currently a maximum of 2.99% for a Band D property).
 - f. That the annual contribution to the IT reserve be increased by £100k to support critical infrastructure and the digitalisation theme of the transformation programme.
 - g. That a Future of Waste and Recycling reserve of £1m is established (using funds from the Major Investment Reserve) to support the implementation of the new recycling offer for residents.
- 4. Due to the inflationary increase in the Waste Collection contract cost, approve a corresponding September 2023 CPI rate increase to Garden Waste subscriptions with effect from March 2024, resulting in charges increasing to £45 for small bins and £69 for large bins (but maintaining the concessionary price at £29).

IMPLICATIONS:

1 COUNCIL PLAN OUTCOME

- 1.1 The budget approved in February 2023 (CAB3388 refers) directly supported the delivery of all outcomes set out in the Council Plan.
- 1.2 The Council Plan sets out five priority areas that the council wants to achieve over the five period to 31 March 2025. Underpinning the Your Services, Your Voice priority (focussed on providing high quality, good value, resilient services) the MTFS sets out the framework of guiding principles to enable the council to take financial decisions, to plan and manage budgets and use its financial resources to support delivery of all services and priorities in the Plan. During the next 12 months the council will commence preparation of a new Council Plan to be adopted from 1 April 2025.
- 1.3 This report sets out a clear focus on the Council Plan priorities centred on tackling climate change. The council declared a climate emergency in June of 2019 and all work in the council has to consider its carbon impacts.
- 1.4 Council in February adopted four areas of enhanced focus including Greener Faster, Cost of Living, Pride in Place and Listening Better. The MTFS directly supports delivery against these areas by allocating budgets to (amongst other things) reducing the carbon impact of vehicles; digitalisation of services to enable customers to go 'paperless'; funding to support and coordinate digital channel-shift work; and joint-working with partners to manage key facilities and infrastructure more effectively.
- 1.5 The MTFS also sets out how we will engage, communicate and consult on plans to bring financial sustainability to the council in the light of the enormous, sector-wide pressures on local government services and finances.

2 FINANCIAL IMPLICATIONS

- 2.1 These are set out throughout the report.
- 2.2 A Medium Term Financial Plan (MTFP) is kept under review throughout the year as potential pressures emerge and gives an updated future outlook for a rolling four year period. All base assumptions are revisited annually as part of the budget setting process and this informs detailed budgets and spending plans that come forward for approval by Council in February each year.

3 LEGAL AND PROCUREMENT IMPLICATIONS

- 3.1 Under section 151 of the Local Government Act 1972 a local authority must make proper arrangements for the administration of its financial affairs. Under s28 of the Local Government Act 2003 a local authority must review its budget calculations from time to time during the financial year and take appropriate action if there is any deterioration of its budget.

- 3.2 The council is required under Chapter 3 of the Local Government and Finance Act 1992 to set a council tax for the forthcoming year along with its budget estimates. The decision must be made by 11 March of the preceding year. The council's prospective income from all sources must be equal to its proposed expenditure.
- 3.3 The council is also required to set a balanced budget, taking into account a range of factors, including consultation feedback and decisions must be taken in accordance with the council's duties in the Equality Act 2010.
- 3.4 The approval of the budget and setting of the Council Tax is a decision reserved to Full Council under the Local Government Act 2000 and the Local Authorities (Functions and Responsibilities) Regulations 2000 (as amended). Under these regulations, the Cabinet makes recommendations as to the setting of the council tax and budget to Full Council.

4 WORKFORCE IMPLICATIONS

- 4.1 This MTFs details the organisational approach for managing financial resources to protect our core council services and enable delivery of the Council Plan priorities going forward. Employees are critical to the delivery of these services and priorities and at 31 March 2023 the council had a workforce of 405 FTEs.
- 4.2 The report sets out the current challenges in local government finances and proposals for the council to deal with these locally with a major transformation programme. Whilst there are no proposals in this report to amend any employee budgets, it is recognised that successful transformation of services will involve significant staff resource.

5 PROPERTY AND ASSET IMPLICATIONS

- 5.1 The council's General Fund has a property portfolio valued at £170m as at 31 March 2023 of which £68.4m is classified as investment properties (held solely for rental income and/or capital appreciation). A key strand of the Council's financial strategies is to maximise income from its assets, where possible, and seek to manage risk by achieving a balanced portfolio of assets. Options considered during the budget planning process may therefore involve the refurbishment or disposal of assets.

6 CONSULTATION AND COMMUNICATION

- 6.1 Stakeholder engagement is an important part of the council's budget planning process. Feedback from the regular Residents' Survey provides opinion on local priorities; views on emerging policy; and the relative perceived importance of council services. This insight helps the council to take financial decisions; to plan and manage budgets; and to use its financial resources to support delivery of priorities.

- 6.2 Consultation principles including those of consulting in good time; being inclusive but with clear and appropriate limits; consulting using clear, simple information; and using responses to inform decision making are specified in and underpin the TC25 programme.
- 6.3 An initial 2024/25 budget consultation exercise is planned for November/December 2023. Once the detail of service transformation options are formulated, these will form the basis of an in-depth stakeholder consultation during 2024.
- 6.4 Additionally, consultation specifically for this MTFs and the 2024/25 budget will include:
- a) A presentation to and discussion with parish council representatives at the November Parish Briefing meeting.
 - b) Discussion with local business representatives through the Chamber of Commerce and the Business Improvement District (BID) Winchester District Strategy Group business briefing in early 2024.
 - c) Scrutiny Committee consideration of proposals in this MTFs report and the Budget Report ahead of Cabinet decision making in November and February respectively. Scrutiny feedback will be summarised and presented to Cabinet for consideration with both reports.

7 ENVIRONMENTAL CONSIDERATIONS

- 7.1 The 2023 edition of the Council Plan recognises the top main challenge facing the district as “the climate emergency and the pressing need to reduce the Winchester district’s carbon footprint.” In response, an enhanced focus has been given to going greener faster. The main areas of activity are reducing carbon emissions; ensuring environmental resilience; reducing energy demand; and increasing renewable energy.
- 7.2 It is recognised that significant investment will be required to achieve carbon neutrality targets and that this must be balanced against the challenging budget conditions being faced by all local authorities.
- 7.3 As a commitment to the carbon neutrality ambitions £800k was included within the revenue budget to support feasibility and programme delivery work. A further £250k ‘Greener Faster Reserve’ was set aside in February 2023 to support the council to expand renewable energy; explore the use of council assets for carbon and nutrient offsetting, reduce energy demand in council-owned buildings, lower the carbon footprint of council and contractor vehicles; as well as enhance active travel provision.
- 7.4 The MTFs includes a £200k per annum baseline revenue budget to fund carbon programme delivery work.

7.5 As well as these revenue resources, specific projects are funded through the capital programme, supported in many cases through external grants. Examples include the provision of solar panels to council properties and to local businesses, the installation of EV charging points throughout the district and replacement of windows in the city offices. Further proposals for investment in a significant energy generation project on Council land is currently subject to feasibility review.

8 PUBLIC SECTOR EQUALITY DUTY

8.1 The council, in the exercise of all its functions, must have due regard to the Public Sector Equality Duty in section 149 of the Equality Act 2010. The content of this report is part of the budget consultation process, and the requirements of the Public Sector Equality Duty are considered alongside any relevant budget options put forward.

8.2 The Medium-Term Financial Strategy is an overarching framework relating to financial resources and priorities at a very high level. A full Equality Impact Assessment will be undertaken for each proposed service change or proposal that aligns to the principles included in this MTFS to highlight the potential equality impacts.

8.3 An Equality Impact Assessment (EqIA) has been undertaken on the decisions recommended within this Medium-Term Financial Strategy report and has not identified any potential impacts to individuals or communities with protected characteristics.

9 DATA PROTECTION IMPACT ASSESSMENT

9.1 All data is securely stored in council systems and the council is certified with Public Sector Network (PSN) connection compliance. New project work set out in this report and the Capital Programme will be subject to individual data protection impact assessments.

10 RISK MANAGEMENT

Risk	Mitigation	Opportunities
<i>Property</i> Commercial tenants unable to pay rents or subject to business failure	Close monitoring of rent position by property team with support to tenants through effective working relationships.	Potential to increase commercial property income when rent reviews are carried out.
Slowdown in commercial property investment, meaning that the	The council's advisors are reviewing the property investment	

Risk	Mitigation	Opportunities
council's development schemes achieve less interest or less income than expected.	market and will provide advice as to timing of any marketing.	
<i>Legal</i> The council is unable to balance the revenue budget resulting in the issuing of a S114 notice.	Proposals set out in this report, including the strategy for management of reserves mitigate against this.	Present a balanced budget in difficult circumstances
<i>Timescales</i> Slower than projected economic recovery affecting income received by the council TC25 does not deliver £3m of annual savings within three years.	The council has set aside an Exceptional Inflation reserve of £2.9m to mitigate slower than expected recovery. Other uncommitted revenue reserves are available to support further increases to the projected deficit. The programme is governed by a Programme Board and progress (financially and in timescales) is being monitored through PAC Board as a tier-one corporate project.	
<i>Financial</i> The council is unable to balance the revenue budget Risk of lower than projected demand for income generating services specifically parking	Proposals set out in this report, including the strategy for management of reserves mitigate against this. The council has uncommitted revenue reserves available which can be utilised as a last resort as above	Streamlining of services and digitalisation provides opportunities to improve the customer experience as well as making savings.

11 SUPPORTING INFORMATION

National and Local economic and financial overview

- 11.1 The medium-term outlook for the council's finances is dominated by two key factors; firstly the macro-economic volatility the UK is experiencing (with high inflation and rising interest rates); secondly, the unknown impact of the long awaited fair funding review and proposed further business rates retention proposals for 2024-25 and beyond.

Economic outlook – inflation and interest rates

- 11.2 The CPI inflation rate, which peaked at 11% in mid-2022, has gradually reduced through 2023, with the rate in September being 6.7%. The Bank of England are forecasting (in their Monetary Policy Report, November 2023) that inflation will continue to fall towards 4.5% by the end of 2023. However, the reduction has been much slower than economists had predicted, meaning prices for many of the council's service inputs (e.g. construction materials and electricity and gas supplies) remain high.
- 11.3 The Bank of England has said they "*will keep interest rates high enough for long enough to get inflation back to the 2% target*". The higher interest rates have significantly increased returns on the council's investments during the current year. This provides a short-term benefit given current cash balances, however it does mean that when, as projected, the council moves to a net borrowing position, costs of borrowing are likely to be much higher than they would have been over the last decade. In addition, the increased cost of borrowing available to the council has a detrimental impact on the financial viability and affordability of capital schemes reliant on borrowing to fund them.

Local government financial landscape.

- 11.4 The landscape for local authority finances in England is bleaker than ever. The combination of stubbornly high inflation (baking-in high prices in contracts); rising demand for services; and lack of freedom and certainty in funding (with council tax caps and no sign of the Fair Funding Review) are leading many councils to report overspends spiralling out of control.
- 11.5 Council chief financial officers (CFOs) must set a balanced budget for the financial year ahead. If the council's forecast income is insufficient to meet its forecast expenditure for the next year the CFO must issue a 'section 114 notice' to publicly indicate that it cannot meet its spending commitments. For many CFOs, despite managing to balance the budget 12 months ago, many councils are now 'running out of road' to prevent this financial insolvency.
- 11.6 Seen as a rarity until 2020, 2023 has seen multiple s114 notices issued by councils across the country; with the treat of many more to come over the next two years. Although the majority of these are from upper tier or unitary authorities, a survey published in October by the District Councils' Network

(DCN) revealed that 52% of respondents did not expect to balance their budget in 2024/25 without needing to draw on reserves.

- 11.7 Winchester is no exception to feeling the same financial pressures as other councils. The MTFP (appendix 1) is showing a projected annual budget shortfall of £3.42m per annum in 2026/27, rising to a shortfall of £5.66m by 2028/29. This is an increased deficit since the £3m gap reported in the November 2022 MTFS and further detail on the reasons is set out in section 15 of this report.

General Fund Revenue (£m)	Forecast 2024/25	Forecast 2025/26	Forecast 2026/27	Forecast 2027/28	Forecast 2028/29
Budget Surplus / (Shortfall)	0.000	-0.000	-3.421	-4.447	-5.660

Table 1 – extract of the 2024/25 – 2027/28 MTFP showing the forecast budget shortfalls over the medium-term planning period.

- 11.8 The MTFP is showing a sound and stable position for Winchester for the next two financial years through to April 2026. This gives us a limited window of opportunity to tackle the looming crisis forecast from 2026 onwards.

The council's approach to tackling the financial challenge.

Transformation Challenge 2025

- 11.9 The first signs of the extraordinary financial pressure faced by the General Fund and the unsustainable position were set out in the MTFS in November 2022 (CAB3374). With the council's gross expenditure in the region of £35m per year, the £3m annual savings represent a very considerable 8.5% of all our spend.
- 11.10 It was clear this financial challenge for the council was like no other and of a completely different magnitude to previous rounds of savings since the mid-2000s. Drastic action is needed to ensure a sustainable financial future, or the council faces the same s114 fate as others in the sector.
- 11.11 In response, Cabinet took action and initiated a bold, organisation-wide transformation programme to seek out and to deliver transformational changes to the way we deliver services in order to save £3m a year within 3 years: 'Transformation Challenge 2025' (TC25). A comprehensive and detailed review of the operating model for the delivery of all our services is required if the transformation is to deliver the necessary savings and protect our core services for those residents and customers in the greatest need.
- 11.12 An initial strategic budget review identified 12 themes for consideration. Work has continued over the year and selection of these twelve themes has provided essential learning for the next phase of this work but not significant savings. The progress of each of those reviews is summarised in appendix 4.

11.13 Recognising the limited success and/or progress of the 12 pilot projects, TC25 has been elevated to a tier one strategic project, sponsored by a new Transformation Board. The Board has clear terms of reference, setting out the transformation, financial, workforce and consultation principles of the programme. A Programme Lead and Programme Manager have also recently been appointed to drive the programme and ensure success can be achieved and measured.

TC25 Star Chambers

11.14 In the next phase of TC25, Corporate Heads of service have been working with all staff in their teams to generate ideas for service transformation. From small efficiencies to completely changing the operating model of a service, no stone has been left unturned when seeking out the transformational changes needed to save £3m a year within 3 years.

11.15 These ideas are being collated into the following five streams:

- a) Digital redesign
- b) Structural cost reduction through service change
- c) Contract management change
- d) External funding and partnerships
- e) Income generation

11.16 The long list of transformation ideas are to be presented to 'Star Chambers' by each Corporate Head and the responsible Cabinet member. Challenge in the star chamber will come from the Executive Leadership Board, the CFO, the other Cabinet members, and the Programme Lead for TC25. This challenge process in November 2023 will short list and prioritise options which will then go forward to feasibility and then consultation stages in 2024.

12 2023/24 Budget Update

12.1 The latest forecast for the 2023/24 general fund budget is a surplus of £0.410m and is due to be reported in the Quarter 2 Performance Report (CAB3424 refers). Out of the forecast surplus, £0.210m is expected to be a net baseline saving and is therefore included within this paper and the projections shown in appendix 1. The forecast surplus is the net of a number of forecast favourable and adverse income and expenditure variances, relating to both services and investments.

12.2 Adverse service income variances relate to; Planning Fees, Building Control Fees, Land Charge Fees, Pest Control Fees, and Market Income. Favourable service income variances relate to; General Fund Rents, Car Parking Income, Recycling Income and Garden Waste Fees.

12.3 The forecast surplus for 2023/24 is assumed in the MTFP (appendix 1) as being transferred to the transitional reserve to support the transformation programme.

13 **Preparing the budget - assumptions used in the MTFS**

Government Funding

- 13.1 A local government finance policy regarding funding was set out in December 2022 and covers the two year period including 2023/24 and 2024/25. Whilst this gives some assurance for 2024/25 it does not specifically confirm all funding streams such as the New Homes Bonus.
- 13.2 In line with advice from our advisors, a number of key assumptions have been made in the MTFS (shown in Appendix 1):
- a) New Homes Bonus will continue in 2024/25 and will be at the same level as in 2023/24.
 - b) A reset of business rates and changes to the current funding distribution system will not take place until 2026/27 (a further year on than in the previous MTFP).
 - c) Damping funding will be available to compensate for lost grant from 2026/27 and this will be phased out over a 3-year period.
- 13.3 The ongoing uncertainty around future government funding makes it very difficult to forecast and plan for the medium term. However, given that Winchester has benefited significantly from the current, mainly rewards-based system (New Homes Bonus and Retained Business Rates) then it is necessary to plan for future funding which is more based around 'need'. Both the New Homes Bonus and Retained Business Rates rewards systems are both long overdue fundamental review and were only laid out in their current form for a fixed time period.

Council Tax

- 13.4 Council tax referendum limits for districts are expected to remain at up to 3% (the £5 limit will likely remain but is now lower than 3%).
- 13.5 The MTFS assumes a general annual tax base increase of 1.2%, which has been temporarily uplifted to 2.2% for 2024/25. An increase of 1.2% is generating approximately an additional £0.1m p.a. of district Council Tax Income. However, there are additional costs associated with additional properties (Environmental Services Contract cost is specifically increased based on number of additional properties).
- 13.6 The MTFS currently assumes a council tax increase of 2.5% in 2024/25.
- 13.7 Any increase in council tax will need to bear in mind the interrelationship between the town and district precepts, which are subject to the same combined referendum limit.

- 13.8 It is likely that any increase in council tax will remain below inflation, even if raised by the maximum allowable.

Inflation rates

- 13.9 The revised forecast indicated in the table below takes account of increased inflation (assumes 6.7% increase on contracts and 4% on pay). The forecast assumes inflation will fall in future years but not reach the Bank of England 2% target until 2026/27.

Fees and charges

- 13.10 Following previous approval of the fees and charges policy framework (whereby fees and charges will be increased by the September CPI to address contractual increases, to achieve cost recovery or to bring a fee in line with the market norm) the MTFP in appendix 1 assumes this continues to be the case. Additionally, that it continues to be the case that the Section 151 officer is authorised, in consultation with the Cabinet Member for Finance and the Cabinet Member responsible for the service, to approve a different fee where appropriate. Prices will remain frozen in Winchester Park & Walk and Park & Ride car parks.

14 **Budget pressures and unavoidable growth**

- 14.1 Whilst it is necessary to identify budget reductions to contribute towards funding forecast deficits, there are a number of issues that require attention and budget provision if the Council is to maintain delivery of its core services and key priorities.

Environmental Services

- 14.2 Along with the other 10 districts / boroughs and the Portsmouth and Southampton unitaries, Winchester is part of a Hampshire partnership arrangement to provide an integrated approach to collection and disposal of household waste in the county. The council's environmental services contract pays for the collection of household waste and recycling (mixed recyclables, garden waste and kerbside glass) from over 57,000 households across the district. This waste is then taken to County Council operated facilities for recycling and disposal. Hampshire County Council put forward proposals to partners over changes to the current arrangements and these could have significant operational and financial implications for all Hampshire councils. Recent Government announcements on simpler recycling opens up the opportunity for collections of recycled material on a co-mingled basis subject to the waste disposal authority ability to receive material on that basis. There is also confirmation of new burdens funding for the required weekly food waste collection. Following the Government's recent announcement, modelling of the potential costs for the Council are taking place and the confirmation of new burdens funding is awaited.

Budget implications of changes for Greener Faster and carbon reduction measures; for legislative reasons; and for the inter-authority waste partnership are:

- a) The council can save 25% of its carbon output by changing the fuel used in the fleet of waste and recycling vehicles. The cost of switching the vehicles from diesel to Hydrotreated Vegetable Oil fuel (HVO) is estimated to cost up to £0.2m per annum. The arrangement would be a rolling 12 month contract with the final cost fixed at the end of February. As this is after the final budget setting in February, any additional costs would need to be found from existing budgets, should the switch proceed as planned.
- b) As part of Greener Faster ambitions, the council wants to increase the recycling offer for residents. The introduction of a separate food waste recycling service could cost up to £1.4m per annum. Government have confirmed that the initial capital costs and ongoing running costs will be funded initially through new burdens grants for those councils that have not already committed to this service. However, they have also confirmed that this funding will be calculated using standard methodology and that it may well not cover the full costs incurred. Given the likelihood there will be some costs to the council from the introduction of this service it has been assumed that food waste will be 80% government funded from its introduction at an estimated date of October 2025 (noting that food waste must be introduced by March 2026).
- c) Hampshire Inter-Authority Agreement (IAA) – consultation is ongoing with Hampshire County Council but the current proposed changes to the IAA could result in a net cost/loss of income of around £0.5m per annum based on penalty and incentive payments. The response from HCC as to their ability to meet the opportunities offered by the Government announcement are awaited.
- d) It is estimated that changes to the collection of recyclables could cost up to £0.4m per annum in addition to the introduction of food waste collection. It should be noted that this is a high-level estimate and possible options have been changing rapidly, particularly with the Government's announcement that additional collection receptacles are not required. It is likely there would be one-off costs in addition to this ongoing estimate.
- e) The one-off costs (excluding vehicles and containers) associated with the change of services/rounds and introduction of food waste are estimated to cost up to £1.5m. The costs of this are not currently reflected in appendix 1 on the assumption that earmarked reserves would be allocated to cover these costs.

14.3 Service Income

- a) Building Control Fees (existing budget £520k per annum) – following a reduction in income in 2022/23 and this trend continuing in 2023/24, a reduction in the income budget of £100k is proposed.
- b) Land Charges Income (existing budget £440k per annum) – following a reduction in income in 2022/23 and this trend continuing in 2023/24, a reduction in the income budget of £100k is proposed.
- c) Legal Income (existing budget £130k per annum) – following a review of the existing budget it has determined that the current budgeted level of income is not achievable and therefore a reduction of £50k is proposed.
- d) Pest Control Income (existing budget £93k per annum) – following a review of the existing budget it has determined that the current budgeted level of income is not achievable and therefore a reduction of £50k is proposed. This means the service is not achieving full cost recovery.
- e) Car Parking income – a baseline reduction of £1m was approved in February 2023 which reflected the reduction in usage levels post covid. Usage levels are gradually increasing and based on 2023/24 forecasts a budget increase of £100k is proposed.
- f) Garden Waste Income (existing budget £1.1m per annum) – based on increased subscriptions in 2023 a budget increase of £90k is proposed. Whilst not achieving full cost recovery this does further close the current deficit.
- g) Waste income - Hampshire IAA – budget pressure of £0.5m reflecting the changes explained in 15.2 c) above.

14.4 Service Expenditure

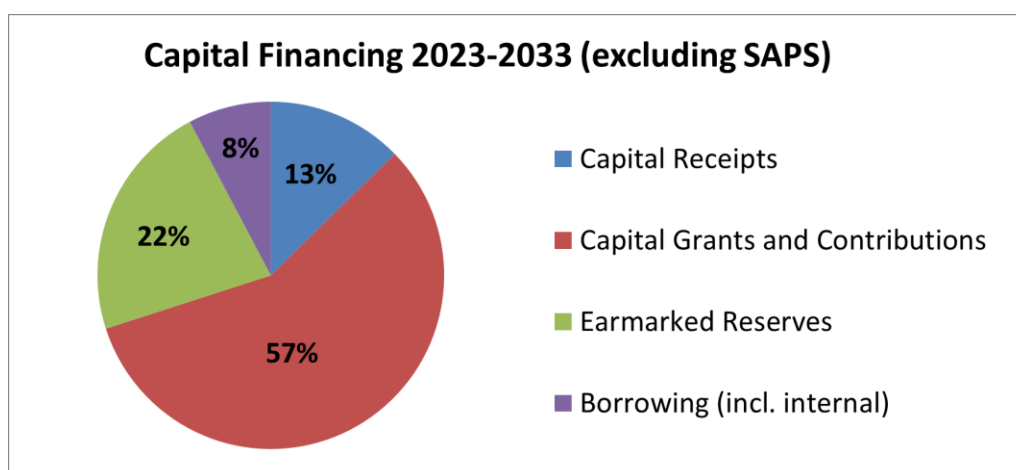
- a) Digital Transformation - a core part of the TC25 transformation programme is the use of digital solutions to reduce carbon emissions (for example, by reducing printing and postage) and to encourage digital interactions for customers whilst improving that experience (for example, enabling 24/7 access to information via online self service). An ongoing budget of £100k per annum is included in the MTFP to support and coordinate this essential channel shift work.
- b) External Audit Fees – Public Sector Audit Appointments (PSAA) has notified the council that following its procurement exercise, core audit fees will increase 151% for all audit clients. For Winchester this is an increase of £100k.
- c) NNDR savings on de-listed corporate property – following a successful business rate appeal to the Government's Valuation Office Agency (VOA) existing budget of £177k can now be removed as a permanent saving.

- d) Carbon reduction measures on waste and recycling vehicles changing to HVO fuel – budget growth of £0.2m reflecting the changes explained in 15.2 a) above.
 - e) Food Waste Collections – budget growth of up to £1.4m as detailed in 15.2 b) above (less assumed 80% government funding).
 - f) Other Recycling changes – budget growth of up to £0.4m as detailed in 15.2 d) above.
- 14.5 As well as service budget pressure risks around changes to the waste and recycling regime, there is a further budget pressure risk associated with the provision of temporary accommodation in the general fund’s homelessness prevention service. It is too early to predict how costs for this service will be affected by potential demand increases (affected by both national policy announcements from the Government and changes in services provided by Hampshire County Council). However, service provision and policy changes are kept under close scrutiny to ensure risks are identified as early as possible.
- 15 Reserves
- 15.1 A summary of reserves is included as appendix 3.
- 15.2 Due to the significant risks related to both inflation and borrowing rates the Exceptional Inflation Reserve has an uncommitted balance of £2.9m. This would be enough to cover any additional costs in the short term whilst the medium term plan is developed to deal with any additional ongoing costs.
- 15.3 In addition, the “Transitional Reserve” established 4 years ago, has an uncommitted balance of £6.5m. This reserve has the dual purpose of supporting the critical transformation and digitalisation investment required in order to deliver the required future baseline budget savings; and also acting as a temporary buffer should savings take longer to deliver than had originally been planned.
- 15.4 It should be noted that major projects and regen work is usually funded from the Major Investment Reserve. With existing commitments, there is only just over £3m remaining in that reserve and all future business cases for regen work will need to take this into account (a clearer and stronger focus on financial viability). Whilst many costs can be capitalised and funded from borrowing if works proceed, upfront investment has been high for previous projects, arguably with insufficient focus on cost recovery.
- 15.5 Additional reserves totalling £2m were approved in February 2023 in order to support a number of high priority projects: Greener Faster; Future of Waste; Pride in Place; Digital Transformation; Regeneration; Cost of Living and Transitional Reserves. Expenditure and commitments are being regularly monitored and any changes in requirements or timing will be presented to February Cabinet.

- 15.6 IT Reserve – based on the latest 10 year IMT plan the annual contribution to reserves is proposed to increase from £280k per annum to £380k per annum from 2024/25. The reasons for this increase are a number of factors such as taking into account latest inflation estimates, replacement of current updated equipment (such as laptops) and increases in some forecast project expenditure such as the telephone system replacement.
- 15.7 Future of Waste – the waste and recycling collections are a major frontline service provided by the council to over 57,000 households across the district. Any changes to routes, bins and timetables etc. needs detailed planning; active communication to all residents; and methodical change management to ensure effective implementation. The cost of this depends on the scale of change required and this is not yet known. It has been assumed that approx. £1m of the Major Investment Reserve be ringfenced to fund these mobilisation costs which are likely to be incurred during 2025.
- 16 General Fund Capital
- 16.1 The council has a general fund capital programme totalling £38.7m over the next 10 years. Of this, £4m relates to the Strategic Asset Purchase Scheme (SAPS) which will only be spent if suitable assets are identified for purchase in line with the provisions of the scheme. Of the total programme just over £22m has been approved for expenditure, with the remaining projects, including SAPS, subject to appraisal.
- 16.2 The current macroeconomic conditions present significant challenges to the capital programme. Both inflation and borrowing costs have increased significantly over the last 18 months. This led to a number of refurbishment/regeneration projects being paused in last year's capital strategy as they became unviable. However, the council still has an ambitious programme of works such as investing in a new pavilion at the King George V playing fields, a significant Disabled Facilities Grant programme, CIL funded community grants, refurbishments to play areas, investments in the council's car parks, and the creation of a Housing Company.
- 16.3 In the coming years, it is anticipated that, in addition to the existing programme, capital budgets may be required in order to: create ongoing savings in respect of the TC25 programme; implement digitalisation to enhance the customer experience and deliver savings; and meet the council's carbon reduction objective such as investment in solar PV.
- 16.4 Ongoing careful asset management is essential and there are potential opportunities from asset sales where the capital receipt could be used to either finance projects that would otherwise be unaffordable or to reduce the council's outstanding borrowing need which translates to annual revenue cost savings.

Capital Financing

- 16.5 Excluding SAPS (funded by borrowing if suitable purchases are identified), the proposed financing of the programme is as follows:



- 16.6 The main sources of finance for capital projects are as follows:

- Capital grants and contributions (e.g. Disabled Facilities Grant, Local Enterprise Partnership, and Community Infrastructure Levy);
- Capital receipts (from asset sales);
- Earmarked Reserves (e.g. the Major Investment Reserve, the Property Reserve, the Car Parks Property Reserve, and the IMT Reserve);
- Revenue contributions; and
- Borrowing including internal (also known as the “Capital Financing Requirement”).

- 16.7 Where possible, the most restricted funding sources should be used before using earmarked reserves or revenue contributions. Capital grants and contributions typically are for either specific projects or types of expenditure, and capital receipts from the sale of assets can only be used to finance new capital expenditure or reduce unfinanced capital expenditure (borrowing) from prior years. Revenue reserves are not restricted to capital only and can therefore fund expenditure that is not capital in nature and can be used to fund day to day expenditure should there be either an unplanned shortfall in income or unexpected additional expenditure.

- 16.8 Local authorities may also incur borrowing for capital projects in line with the Prudential Code as long as the capital programme overall is “affordable, sustainable, and prudent”. General Fund capital projects funded by prudential borrowing will incur an annual revenue cost over the life of the asset – a minimum revenue provision (MRP), which is equivalent to the principal repayment, and external interest/opportunity cost. There is not a requirement

to apply MRP in respect of the HRA. Where a project does not provide additional income or savings in excess of the annual borrowing cost, it may be necessary for the council to make further savings elsewhere. Typically, the council funds projects from borrowing where the income and/or savings exceed the cost of borrowing.

- 16.9 Where the council has existing resources (e.g. reserves) it is able to “internally” borrow and so delay the need to externalise its borrowing requirement; this reduces interest costs in the short term. The council’s Capital Financing Requirement (CFR) up to 31 March 2022, which represents unfinanced capital expenditure in prior years, is shown in the table below. The CFR is increased when a new capital project isn’t financed from other resources and is reduced by the annual MRP. The council can also elect to reduce the CFR by making a “voluntary” provision above the MRP. This will reduce the amount of MRP in future years and, if funded by a new capital receipt, will also reduce the need to externally borrow and therefore interest savings can be made.

Capital Financing Requirement	General Fund £000	Housing Revenue Account £000	Total £000
Capital Financing Requirement at 1 April 2022	72,812	186,005	258,817
Unfinanced capital expenditure - in year	558	13,772	14,330
Minimum revenue provision (MRP)	(1,517)	0	(1,517)
Voluntary provision for the financing of capital	(200)	0	(200)
Capital Financing Requirement at 31 March 2023	71,653	199,777	271,430
Made up of:			
External borrowing	0	161,722	161,722
Internal borrowing	71,653	38,055	109,708

Challenges and opportunities

- 16.10 The Prudential Code requires that the council’s capital programme must be “affordable, sustainable, and prudent”; in addition, it must be proportionate both relative to the size of the council and in respect of the risks being proportionate to the overall capacity of the council to absorb them, i.e. “plausible losses could be absorbed in budgets or reserves without unmanageable detriment to local services and the level of resources available to the organisation”. Both inflation and the cost of borrowing have increased significantly over the last 18 months. This impacted negatively on the commercial viability of some refurbishment and regeneration schemes where a surplus after the cost of borrowing had previously been anticipated, and these were removed, for the time being, from the programme in February 2023.

Inflation

- 16.11 The September Consumer Prices Index (CPI) was 6.7% (compared to 10.1% a year earlier) and while remaining “sticky” is expected to continue to fall. However, inflation differs between products and sectors. For example, construction materials costs fell between July 2022 and July 2023: repairs and maintenance (-4.3%), new housing (-1.5%), and other new work (-5.0%). However, prices are still significantly higher than July 2021 with the overall increase to July 2023 being 18.5%, 21.3%, and 20.9% respectively (source: Monthly Statistics of Building Materials and Components - data.gov.uk).

Borrowing

- 16.12 Local authorities can borrow from the Public Works Loans Board (PWLB) which is typically the cheapest and easiest source of borrowing. Lending rates are based on UK gilts (government borrowing) plus a margin of 0.8%. Following the “mini-budget” in September 2022 gilt yields increased significantly. They subsequently fell back (though not to previous levels) but have in recent months increased again. The council’s treasury advisors expect longer term gilt yields to fall slightly in the medium term but do not expect a return to the historically low rates that were available for several years. The 40-year annuity rate as at 25 October this year was 5.76% compared to 2.3% in February 2022.
- 16.13 Significant changes in the cost of borrowing can impact on the commercial viability of refurbishment or regeneration projects and on the affordability of the capital programme overall. For example, for a £5m project with a 30-year life the annual cost of borrowing (MRP (principal repayment) and interest) is £240,000 per annum (4.8%) at an interest cost of 2.5% and is £325,000 (6.5%) at an interest cost of 5%. The gross yield for commercial viability needs to be more than the total MRP and interest cost.

Asset sales

- 16.14 As well as refurbishing existing assets, the council considers the possible sale of assets as part of its asset challenge programme. While there may be reasons not to dispose of particular assets the benefit of a sale is that it produces a capital receipt that can be used to fund capital expenditure for which alternative funding is not available or where high borrowing costs would make a project unviable. It could be used to fund expenditure that would have been funded by revenue reserves thus releasing those reserves for other purposes.
- 16.15 A new capital receipt can also be used to reduce prior year unfinanced capital expenditure and deliver annual revenue savings by reducing MRP (principal repayment) and interest costs. The actual saving would depend on the life of the asset concerned and on the interest costs at the time. The following table illustrates the estimated annual saving made on an asset with a life of 40 years:

Revenue saving by applying £1m capital receipt to unfinanced project with 40 year life				
	5.5%	4.5%	3.5%	2.5%
Annual saving (£'000)	62	54	47	40
Cumulative saving (40 yrs) (£'000)	2,493	2,174	1,873	1,593

Emerging projects

- 16.16 New “invest to save” capital budgets may be required to support the council’s **TC25 programme** in order to generate ongoing revenue savings. Further investments are likely to be required as part of the council’s strategy for **digitalisation**. Digitalisation presents an opportunity to improve customer experiences as well contribute to ongoing savings.
- 16.17 Following legislative changes, the council will be required to provide a **food waste** service by March 2026. Although government funding is expected in order to implement this change, it is possible the council may need to partly fund investment in, for example, new collection vehicles.
- 16.18 The council’s ambitious **Greener Faster** carbon reduction goals will require further capital investment in the future. Whilst inflation and a higher cost of borrowing presents challenges, the council has successfully applied for grants to ensure projects are affordable and will continue to identify potential grant funding for future projects. Some interventions also present opportunities: for example, investment in solar has the potential to generate additional income over and above the cost of borrowing which would allow the council to make further interventions.
- 17 Adequacy of Reserves and Robustness of Estimates
- 17.1 There are specific requirements under Section 25 of the Local Government Act, 2003, for the Chief Finance Officer to provide a positive assurance statement about the adequacy of proposed financial reserves and the robustness of estimates made for the purposes of the budget calculation.
- 17.2 Reserves are detailed in this report and specific comment is made on the most significant balances. The general fund working balance is discussed above and is considered to be adequate.
- 17.3 When considering the robustness of estimates for the budget calculation for the current year, savings and increased income proposals included in the budget must be considered to be achievable. Considerable savings have been achieved to date, and the recent experience has been that compensating savings have been found to cover unforeseen growth pressures. The purpose of reserves, in particular the general fund working balance, is to provide a cushion for these variations.
- 17.4 The S151 officer is able to provide positive assurance on the robustness of the estimates, within the context of the overall budget and reserve levels, for the purpose of the budget calculations for the next year.

18 OTHER OPTIONS CONSIDERED AND REJECTED

- 18.1 Scope for additional savings in 24/25 to reduce the use of reserves does exist but would have a significant and direct impact on service levels and service quality. With the uncertainty that exists regarding future funding, the recommended balance between savings and use of reserves to achieve a balanced budget is considered reasonable.
- 18.2 However, it is essential that work to identify longer term savings through the Transformation Challenge 2025 programme as set out in this report is critical to ensure the Council can meet its obligation to set a balanced budget in 2026/27.

BACKGROUND DOCUMENTS:-

Previous Committee Reports:-

CAB3374 - General Fund Budget Options and Medium-Term Financial Strategy dated 15 November 2022

CAB3388 - General Fund Budget 2023/24 dated 9 February 2023

CAB3389 - Capital Investment Strategy 2023-2033 dated 9 February 2023

CAB3416 - General Fund Outturn 2022/23 dated 13 September 2023

Other Background Documents:-

APPENDICES:

1. Medium Term Financial Projections
2. Summary of all Revenue Proposals
3. Summary of Reserves
4. Strategic Budget Review update as at November 2023

Council Tax Base	2.4%	2.2%	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%
Council Tax - Band D £	2.7%	2.5%	2.5%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Contractual Inflation	10.0%	6.7%	4.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Pay Inflation	5.5%	4.0%	4.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Reduction in Income	3.5%	0.0%								
General Fund Revenue (£m)	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
Funding										
Council Tax (excluding Parish Precepts)	9.360	9.799	10.171	10.512	10.823	11.145	11.476	11.818	12.170	12.534
Retained Business Rates	6.680	7.628	8.034	4.198	4.525	4.874	5.239	4.563	4.746	4.935
Revenue Support Grant	0.156	0.165	0.161	-0.760	-0.806	-0.857	-0.908	-0.959	-0.997	-1.037
New Homes Bonus	1.629	1.629								
Services Grant	0.087	0.090	0.090							
3% Guarantee	0.894	1.006	2.374							
Damping Forecast	0.000	0.000	0.000	3.053	1.752	0.416	0.000			
Other Grants	0.349	0.349	0.349	0.349	0.349	0.349	0.349	0.349	0.349	0.349
	19.154	20.666	21.179	17.352	16.643	15.927	16.156	15.771	16.267	16.781
Investment Activity	2.745	1.883	1.885	2.080	2.119	2.088	2.061	2.031	1.999	1.967
Resources available	21.900	22.549	23.063	19.432	18.762	18.015	18.217	17.802	18.266	18.748
Baseline Net Expenditure										
Gross Income	16.005	16.465	16.756	16.755	16.804	16.803	16.802	16.801	16.800	16.799
Gross Expenditure	-34.294	-36.104	-37.273	-37.860	-38.101	-38.709	-39.330	-39.962	-40.607	-41.250
Baseline resource requirements	-18.289	-19.640	-20.517	-20.906	-21.298	-21.907	-22.528	-23.161	-23.808	-24.452
One-off budgets & Reserve Related Movements	-3.612	-2.356	-1.653	-0.714	-0.678	-0.536	-0.533	-0.430	-0.428	-0.625
Total net resource requirements	-21.901	-21.996	-22.170	-21.620	-21.976	-22.442	-23.061	-23.592	-24.236	-25.077
Budget Surplus / (Shortfall)	-0.000	0.553	0.893	-2.188	-3.214	-4.427	-4.844	-5.790	-5.969	-6.329
<i>% of Gross Expenditure</i>	0.0%	-1.5%	-2.4%	5.8%	8.4%	11.4%	12.3%	14.5%	14.7%	15.3%
Budget Updates from Appendix 2:										
Unavoidable Growth		-0.920	-1.260	-1.600	-1.600	-1.600	-1.600	-1.600	-1.600	-1.600
Growth Proposals		-0.300	-0.300	-0.300	-0.300	-0.300	-0.300	-0.300	-0.300	-0.300
Budget Savings		0.667	0.667	0.667	0.667	0.667	0.667	0.667	0.667	0.667
NET GROWTH		-0.553	-0.893	-1.233	-1.233	-1.233	-1.233	-1.233	-1.233	-1.233
Budget Surplus / (Shortfall)		0.000	-0.000	-3.421	-4.447	-5.660	-6.077	-7.023	-7.202	-7.562

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Baseline Revenue Proposals

General Fund Revenue (£m)	Forecasts			
	2024/25	2025/26	2026/27	2027/28
Unavoidable Growth				
Building Control Fees	-0.100	-0.100	-0.100	-0.100
Land Charges Income	-0.100	-0.100	-0.100	-0.100
Legal Income	-0.050	-0.050	-0.050	-0.050
Pest Control Income	-0.050	-0.050	-0.050	-0.050
Temporary Accommodation	-0.020	-0.020	-0.020	-0.020
External Audit Fees	-0.100	-0.100	-0.100	-0.100
Hampshire Inter-Authority Waste & Recycling Agreement	-0.500	-0.500	-0.500	-0.500
	-0.920	-0.920	-0.920	-0.920
Other Growth Proposals				
Switch Waste & Recycling Vehicles to HVO	-0.200	-0.200	-0.200	-0.200
Food Waste Service - funded by government grant	0.000	-0.700	-1.400	-1.400
- 80% funded by government grant	0.000	0.560	1.120	1.120
Waste & Recycling Collection changes		-0.200	-0.400	-0.400
Digital Transformation Programme	-0.100	-0.100	-0.100	-0.100
	-0.300	-0.640	-0.980	-0.980
Budget Options				
Rents Review	0.300	0.300	0.300	0.300
Garden Waste Charges - volume	0.090	0.090	0.090	0.090
NNDR appeals on Council properties	0.177	0.177	0.177	0.177
	0.567	0.567	0.567	0.567
Other Budget Updates				
Parking Income - volume	0.100	0.100	0.100	0.100
Baseline Budget Proposals	-0.553	-0.893	-1.233	-1.233

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GENERAL FUND EARMARKED RESERVES (£000)

	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
Cl. Bal.												
	Forecast Closing Balances											
OPERATIONAL RESERVES												
Major Investment Reserve	(9,031)	(7,687)	(3,297)	(3,146)	(3,146)	(3,146)	(3,146)	(3,146)	(3,146)	(3,146)	(3,146)	(3,146)
Community Grants & Commissions	(558)	(588)	(260)	(138)	(73)	(73)	(73)	(73)	(73)	(73)	(73)	(73)
Cost of Living / Living Well (Supporting People)			(170)	(170)	(170)	(170)	(170)	(170)	(170)	(170)	(170)	(170)
Digital Transformation			(400)	(400)	(400)	(400)	(400)	(400)	(400)	(400)	(400)	(400)
Greener Faster			(250)	(250)	(250)	(250)	(250)	(250)	(250)	(250)	(250)	(250)
Flood Support Schemes	(66)	(66)										
Future of Waste			(500)	(500)	(500)	(500)	(500)	(500)	(500)	(500)	(500)	(500)
Landscape Mitigation	(12)	(10)	(8)	(6)	(4)	(2)						
Local Development Framework (LDF)	(290)	(911)	(904)	(844)	(844)	(844)	(844)	(844)	(844)	(844)	(844)	(844)
New Burdens - Ukraine		(462)										
New Burdens	(837)	(879)	(747)	(747)	(747)	(747)	(747)	(747)	(747)	(747)	(747)	(747)
Pride in Place			(150)	(150)	(150)	(150)	(150)	(150)	(150)	(150)	(150)	(150)
Regeneration			(300)	(300)	(300)	(300)	(300)	(300)	(300)	(300)	(300)	(300)
	(10,794)	(10,603)	(6,986)	(6,651)	(6,584)	(6,582)	(6,580)	(6,580)	(6,580)	(6,580)	(6,580)	(6,580)
ASSET RESERVES												
Property - Asset Management Reserve	(3,761)	(3,818)	(3,650)	(1,940)	(1,890)	(1,840)	(1,790)	(1,740)	(1,690)	(1,390)	(1,340)	(1,290)
Car Parks Property	(1,899)	(2,044)	(1,289)	(1,109)	(1,029)	(999)	(969)	(939)	(909)	(879)	(849)	(819)
Information Management and Technology	(208)	(468)	(294)	(474)	(427)	(48)	(101)	(37)	(235)	(290)	(54)	(289)
	(5,868)	(6,331)	(5,234)	(3,524)	(3,347)	(2,888)	(2,861)	(2,717)	(2,835)	(2,560)	(2,244)	(2,399)
RESTRICTED RESERVES												
S106 (Interest)	(290)	(386)	(386)	(386)	(386)	(386)	(386)	(386)	(386)	(386)	(386)	(386)
Community Infrastructure Levy - General Fund	(12,245)	(11,585)	(9,328)	(8,261)	(8,261)	(8,261)	(8,261)	(8,261)	(8,261)	(8,261)	(8,261)	(8,261)
Community Infrastructure Levy - Winchester Town	(1,209)	(1,142)	(384)	(347)	(347)	(347)	(347)	(347)	(347)	(347)	(347)	(347)
Winchester Town Reserve	(456)	(408)	(185)	(63)	(51)	20	140	140	140	140	140	140
	(14,199)	(13,520)	(10,282)	(9,056)	(9,044)	(8,973)	(8,853)	(8,853)	(8,853)	(8,853)	(8,853)	(8,853)
RISK RESERVES												
Municipal Mutual Insurance	(139)	(139)	(139)	(139)	(139)	(139)	(139)	(139)	(139)	(139)	(139)	(139)
Transitional Reserve	(3,090)	(3,752)	(4,410)	(6,199)	(7,104)	(7,104)	(7,104)	(7,104)	(7,104)	(7,104)	(7,104)	(7,104)
Exceptional Inflation Pressures	(2,000)	(2,902)	(2,902)	(2,902)	(2,902)	(2,902)	(2,902)	(2,902)	(2,902)	(2,902)	(2,902)	(2,902)
Business Rates Retention	(1,900)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)
	(7,129)	(7,793)	(8,451)	(10,240)	(11,145)	(11,145)	(11,145)	(11,145)	(11,145)	(11,145)	(11,145)	(11,145)
Total General Fund Earmarked Reserves	(37,990)	(38,247)	(30,953)	(29,472)	(30,121)	(29,589)	(29,440)	(29,295)	(29,413)	(29,139)	(28,823)	(28,978)
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)
Usable Capital Receipts Reserve - General Fund	(4,163)	(4,083)	(2,503)	(2,653)	(2,991)	(3,333)	(3,678)	(4,027)	(4,379)	(4,735)	(5,094)	

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Appendix 4

Strategic Budget Review update as at November 2023

The first signs of the extraordinary financial pressure faced by the General Fund and the unsustainable financial position were set out in the MTFs in November 2022 (CAB3374).

An initial strategic budget review identified 12 themes for consideration. Work has continued over the year and selection of these twelve themes has provided essential learning for the next phase of this work but not significant savings. An update on each of those reviews is summarised below.

1. Future operation/management of Park and Ride services

The Park & Ride service is a key part of the parking strategy to support the council's carbon reduction aims by encouraging cars to stay out of the city centre. Recognising this, the option for WCC to not provide this service was therefore discounted (CAB3397).

Tender returns for the park and ride contract have been received and are based on operating the service on hydrogenated vegetable oil (HVO). If the tender return is agreed when considered by cabinet at its December meeting, the new service will have considerably reduced carbon emissions.

2. Tourism/Marketing (Visit Winchester)

This review has now been scoped to include various delivery model options and these will be presented as part of the Corporate Head of Economy and Communities TC25 Star Chamber proposals.

3. Visitor Info Centre Provision

This review has now been scoped to include various delivery model options and these will be presented as part of the Corporate Head of Economy and Communities TC25 Star Chamber proposals.

4. Digitisation and streamlining of Planning services

The planning service is wide reaching with stakeholders and users ranging from householders and Parish Councils to major developers. There is scope to transform the way the service is delivered and to digitalise elements to make them more accessible to customers and stakeholders while reducing costs. £20k has been used from the TC25 reserve to fund an external review of the service incl. process review and digitisation options. The external report and recommendations are due end of November '23.

5. Management of Public Conveniences

Provision of clean, safe and accessible public conveniences is an important part of the council's Pride in Place priority. A review of how they are used, cleaned and maintained is underway and a Public Toilets Improvement Strategy report (CAB3411) was considered by Cabinet in September 2023, with a detailed action plan to fully deliver the strategy to follow later this year following further discussion and data gathering.

Discussions are underway with Parish Councils with a view to seeing how joint working can improve the fabric and management of our district toilets ongoing.

The public conveniences contract has been extended and performance will be reviewed as part of any re-procurement.

6. Management/operation of off-street parking provision/enforcement

An external review by carried out by City Science is complete with recommendations to be progressed (Stage 2) in the New Year.

Stage 2 – Reducing costs and increasing income. A service operation review including rationalisation of multiple back-office systems and frontline payment systems into a single solution is to be progressed.

7. CCTV Provision and monitoring

Options were considered by Cabinet in December '22 (CAB3368) and a recommendation to re-tender was approved. A new 5-year contract was let in 2023 which does include some flexibility to vary the service and contract.

8. Customer Services – Investment in Online/app reporting (and reduced postage)

Digital Strategy to be developed to inform the future direction. Additional expertise is required to formulate and deliver a digital strategy for the Council. A £100k budget growth item is included in the MTF5 to support digital transformation across the organisation. This resource will ensure work collaboratively to ensure the digital ambitions of services mesh with the IT Strategy.

A 'Digital by Default' policy was adopted in Apr 2023 so wherever possible, new customers interact 'paper-free' with the council. Work is underway to convert as many existing customers to 'paper-free' as soon as possible. For example,

- Revenues: work to assess mass-switch to e-billing is underway (e.g. data available already / campaign to switch).

- Waste: new bin calendar produced and distributed in September '23 and was paid for by Biffa with longer term digital options to be reviewed.

Improvements are being made to the on-line fly-tip reporting functionality (GIS / map location upgrade coming; 'save' button now removed) and other forms on the Your Winchester App streamlined to improve user experience.

The Customer Portal was updated in July so that it is Government Digital Service (GDS) compliant.

Data is being collected to inform recommendations for the future operation of the Reception in City Offices.

9. Management of Grounds Contracts/Highway Grounds subsidy

Work to clarify the IDV bill of quantities completed & subsidies are being calculated. On completion of this work, discussions are likely to be needed with HCC and Highways England.

A discussion with IDV is underway to review the services provided under the current contract to revise the current specification and release savings.

Contract Monitoring Officer (CMO) team structure and processes between CMOs, CSC and contractors are being reviewed for improvements.

10. Grants - Review of programme

This review has now been scoped to include various options and these will be presented as part of the Corporate Head of Economy and Communities TC25 Star Chamber proposals.

11. Management of key corporate assets A target of £530k p/a rental income growth by 2027/28 (excl. CWR assets) has been agreed by and will be monitored by Property Board.

12. Commercial operation and use of the Guildhall and Abbey House Work is underway to investigate the corporate event letting market for both the Guildhall and Abbey House. This market would seem to offer best opportunities without need for significant investment that would be a requirement of an events management company arrangement. New officer resource with experience in this market have been recruited.

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SCRUTINY COMMITTEE

REPORT TITLE: Q2 2023/24 FINANCIAL AND PERFORMANCE MONITORING

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

Contact Officer: Sharon Evans Tel No: 01962 848 135

Email: sevans@winchester.gov.uk

RECOMMENDATIONS:

That the Scrutiny Committee:

1. Notes that the Performance Panel met on the 7 November 2023 to scrutinise the attached report, CAB 3424 and its associated appendices. The notes of the panel's meeting are included as an appendix of the Cabinet report.
2. Notes that a verbal update will be provided at the Scrutiny Committee.
3. Raises with the Leader or relevant Cabinet member any issues arising from the information in this report, ref CAB 3424, which is being presented to Cabinet on the 13 December 2023 and considers whether there are any items of significance to resolve or to be drawn to the attention of Cabinet.

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REPORT TITLE: Q2 2023/24 FINANCIAL AND PERFORMANCE MONITORING

13 DECEMBER 2023

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

Contact Officer: Sharon Evans Tel No: 01962 848 135

Email: sevans@winchester.gov.uk

WARD(S): ALL

PURPOSE

The Council Plan sets out the strategic priorities of the council and this report and Appendix 1 provides a summary of the council's progress during the period 1 July 2023 to 30 September 2023 (Q2).

Appendix 2 provides a financial update for both the General Fund and Housing Revenue Account (HRA) as of 30 September 2023.

Appendix 3 provides the refreshed set of key performance indicators adopted in December 2022.

Appendix 4 includes highlight reports for each of the council's 'Tier 1' programmes and projects.

Appendix 5 are the action notes of the Performance Panel meeting that took place on 7 November 2023.

RECOMMENDATIONS

That Cabinet notes the progress achieved during Q2 of 2023/24 and endorses the contents of the report.

IMPLICATIONS:

1. COUNCIL PLAN OUTCOMES

This report forms part of the framework of performance and financial monitoring in place to provide an update on the progress being made against the projects and programmes supporting delivery of the priorities included in the Council Plan 2020-25.

All the information in this report, including the narratives in Appendix 1 relate to Q2; 1 July 2023 to 30 September 2023.

The council takes the opportunity to review the Council Plan on a periodic basis to make any necessary strategic changes. The current Council Plan was refreshed late 2022 and adopted by Council at its meeting in January 2023.

There were no significant changes in strategic direction, but the council proposed four areas of focus for the coming year, *cost of living support, greener faster, pride in place and listening better* all of which are detailed in this report. The refreshed set of key performance indicators adopted in December 2022 are presented in Appendix 3.

2. FINANCIAL IMPLICATIONS

There are no direct financial implications arising from the contents of this report. Almost all the programmes and projects undertaken to deliver the priorities included in the Council Plan will have financial implications, some significant and these are agreed and reported separately before the commencement and during the project life cycle.

3. LEGAL AND PROCUREMENT IMPLICATIONS

To ensure effective council governance, Key Performance Indicators (KPIs) and performance reporting must be fit for purpose, monitored and managed. KPIs enable evidence based quantitative management reporting and highlight when performance falls below agreed targets for improvement plans including remedial actions to be agreed and implemented.

There are no legal and procurement implications arising directly from this report, though individual projects are subject to review by Legal Services and Procurement as and when necessary and where they require consideration of the council's Financial Procedure Rules, Contract Procedure Rules and Public Contracts Regulations 2015 (PCR2015).

4. WORKFORCE IMPLICATIONS

There are no direct workforce implications, however staff are engaged and actively working across all projects.

5. PROPERTY AND ASSET IMPLICATIONS

There are no property or asset implications directly, but council assets are used to deliver this work.

6. CONSULTATION AND COMMUNICATION

Cabinet members, Executive Leadership Board, Corporate Heads of Service and Service Leads have contributed to the content of this report.

This report and appendices were reviewed and considered by Performance Panel on behalf of The Scrutiny Committee on 7 November 2023. Refer to Appendix 5 of this report for the action notes from this meeting.

A verbal update from the Chairman of the Performance Panel was given at the Scrutiny Committee meeting held 22 November 2023.

7. ENVIRONMENTAL CONSIDERATIONS

Many of the activities detailed in this report actively protect or enhance our environment and support the council and district to reduce its carbon impact. These will be considered as part of each detailed business justification case.

8. PUBLIC SECTOR EQUALITY DUTY

None arising from the content of the report. However, officers will need to consider the council's Public Sector Equality Duty and complete an Equality Impact Assessment on any specific recommendations or future decisions to be made.

This report is not making any decisions and is for noting and raising issues only.

9. DATA PROTECTION IMPACT ASSESSMENT

None required.

10. RISK MANAGEMENT

The council's Corporate Risk Register identifies the main risks associated with service delivery and performance and is reviewed by Executive Leadership Board (ELB) each quarter.

Risk	Mitigation	Opportunities
Financial Exposure Budget deficit or unforeseen under or overspends.	Regular monitoring of budgets and financial position including forecasting to year end to avoid unplanned variations to the budget. Exceptional Inflation	Early notification of unplanned under/overspends through regular monitoring allows time for plans to be put in place to bring the finances back

Risk	Mitigation	Opportunities
	Reserve approved in July 2022 to offset financial impact of increased inflation and price rises of some commodities particularly in the construction industry and energy price pressures.	into line with budget forecast.
Exposure to challenge	Legal resources are discussed with project leads.	Opportunity for the use of in-house resources able to input through the life of a project with local Winchester and cross council knowledge.
Innovation Improvement in service delivery.		KPIs used to evidence the need for innovation to improve service delivery
Reputation Ensuring that the council delivers the outcomes as set out in the Council Plan.	Regular monitoring and reporting of the progress the council is achieving against its priorities included in the Council Plan, including this report.	Work with communications team on press releases to promote and celebrate successes.
Achievement of outcome	Through the quarterly monitoring report, officers and members can monitor the progress of the priorities in the Council Plan.	Benefits of lessons learned from completed projects.
Property	Effective property management including carrying out timely repairs and maintenance ensures the council's property portfolio is fit for purpose.	Investment in property and building new council homes supports priorities included in the Council Plan
Community Support Lack of consultation and community engagement on significant projects that affect residents and can	Regular consultation and engagement with stakeholders and residents regarding	Positive engagement and consultation can bring forward alternative options that might not

Risk	Mitigation	Opportunities
cause objections and lead to delay.	projects or policy changes.	have otherwise been considered.
Timescales Delays to project delivery can lead to increased cost and lost revenue.	Regular project monitoring undertaken to identify and resolve slippage.	Improve subsequent forward planning and identify bottle necks.
Project capacity - Availability of staff to deliver projects.	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.	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.
Other	None	None

11. SUPPORTING INFORMATION:

Appendix 1 to this report provides an update on the council's progress achieved during the period July to September 2023 (Q2) against the priorities included in the refreshed Council Plan 2020-25 that was adopted by Council on 18 January 2023.

Cabinet adopted a new set of strategic key performance indicators (report CAB3370, 14 December refers) to be reported from 1 April 2023 and replace the previous set of performance indicators that were appended to the quarterly report.

Data for a significant number of the previously reported indicators was provided by third parties and is no longer being collected or made available. For these reasons a future report providing an update against the previously reported indicators will not be produced or forwarded to the Performance Panel.

Appendix 3 provides the second quarterly report including the new strategic key performance indicators. A draft report was provided to the Performance Panel at their meeting on 15 February and comments from the Panel have been incorporated in the revised report.

At the time that the refreshed Council Plan was adopted, Council also set out four areas of enhanced focus for the current year. Progress against the four areas of enhanced focus during Q2 is as follows:

Cost of living support

Pivoting our services and resources to support our residents, businesses and voluntary organisations with the cost-of-living crisis.

Additional funding provided to Citizen Advice Winchester District (CAWD) continued until the end of September, enabling them to provide further support to people experiencing cost-of-living challenges. On average, CAWD monthly client numbers remained consistent with Q1 at 614 clients each month and approximately 10% increase on the figure for the same period last year.

Q2 showed an increase in outreach activity, with the following support provided via outreach services:

- *27 outreach sessions were held, via sessions at housing schemes, food pantries, community café/lunch clubs, schools, libraries and support groups. These included sessions at Denmead, Wickham, Bishops Waltham, New Alresford and Kings Worthy, as well as some smaller villages and a session at Worthy Down garrison and involved a total of 266 people engaged with, leading to 71 client contacts.*
- *'Advice First Aid' sessions were delivered to 8 more partner organisations to help them support and signpost their clients to help and advice. This was delivered to a total of 16 organisation during the course of the programme and has increased the capacity of the community network to provide ongoing support.*

During August, the council ran three 'Fabulous Family Friday' events to provide free activities for families with school aged children. Events were held in Winchester and Wickham - locations with areas of multiple deprivation and low income, as well as the intended family demographic. However, families attended from across the district, with people also coming from South Wonston, Alresford, Durley, Bishopstoke, Hedge End, Waltham Chase, Knowle and Otterbourne so the benefit was felt across the district. The events were very popular, with more than 500 children and 250 adults attending in total and provided positive feedback.

The remainder of the council's CoL emergency grant fund was allocated during Q2, with four grants totalling £12,237 awarded to Awaaz Radio, Munch Nutrition, University of Winchester Students Union and Trinity Winchester. The entire emergency grant fund has now been allocated and the grant closed at the end of July 2023.

In addition, council officers reviewed applications to the first round of HCC's Household Support Fund. Six Winchester based organisations were awarded a total of £33,666 to support vulnerable residents with food and fuel poverty.

Further funding of the Household Support Fund has been renewed by government for 2023/24 which provides for a further round of food vouchers. The Revenues & Benefits team has been allocated £313k which will fund 5,700 households in receipt of Council Tax Reduction (CTR) with a £50 food voucher, and 330 households in receipt of Housing Benefit (who do not receive CTR) with an £80 food voucher. Eligibility for the voucher is reliant on

the said benefits being in payment on 18 September 2023. The issue of the vouchers to residents was completed on Tuesday (10 October 2023).

The dedicated section on the council's website with information for residents on cost-of-living support and advice, received 2,996 visits during Q2 and has now received almost 23,000 visits since it was launched.

Pop-up community support hubs ran at Wickham Community Centre, Sun Hill Junior School (Alresford) and Unit 12 Community Food Pantry (Winnall) to act as a pilot ahead of the opening of permanent support hubs, in the same areas. A total of 9 people engaged with services represented at the hubs and support was sought for housing, tenancy, debt advice, antisocial behaviour, income maximisation and relationship issues.

We continue to assist council and private rented tenants in maintaining their tenancies through support with budget plans and money management. Crisis food provision has provided FareShare food to tenants in immediate need, supplemented by food and fuel vouchers. We were able to support 21 families with food and fuel vouchers totalling £1,500. The food vouchers reach tenants within the hour, providing fast access to help which they can redeem at their closest supermarket. We gave out 13 emergency food parcels and 3 sanitary packs to families and single people in immediate need. A welfare fund supports tenants with items such as white goods and furniture as a last port of call and was able to assist 46 tenants with essential items totalling more than £12,000. The Summer Munchies pilot saw over 250 lunches for children in the summer holidays issued from Projects Café and Sparsholt across the 6 weeks.

Across our support services for tenants, we were able to help them secure additional income totalling nearly £292,000.

<i>Tenancy Sustainment</i>	<i>£166,236</i>
<i>Financial Inclusion</i>	<i>£24,534</i>
<i>Sheltered</i>	<i>£66,179</i>
<i>Citizens Advice</i>	<i>£34,965</i>

Greener faster

Adding weight to our commitment to achieve our net zero targets for 2024 and 2030.

The Council Plan overarching priority is to deal with the climate crisis and for the council to be carbon neutral by 2024 and the district to be carbon neutral by 2030. The climate emergency is considered to be one of the most significant challenges facing our communities and a key focus for 2023 is to go 'greener faster'. A full narrative of climate change work is set out in the main report, but accelerated activities are set out here.

The updated Carbon Neutrality Action Plan was approved by Cabinet in September. The updated plan incorporates the findings of the Winchester District Carbon Neutrality Roadmap, developed by consultants WSP during 2022. It prioritises high impact interventions and provides a forward trajectory

of quantified actions with a revised focus on the council 2024 and district 2030 carbon neutral targets.

The 'Retrofit Ready' programme was launched to all council tenants occupying traditionally constructed houses and bungalows with an EPC rating of 'D' or below. Due to the very high demand received, the resulting 800 Energy Assessments requested were split into two delivery and procurement programmes. Phases 1 and 2 have now seen 400 property assessments completed. Phase 1 is in its final stages of Assessments and Phase 2 will aim to be completed by Christmas. Progress with the delivery of energy improvement measures on the 'Retrofit Ready' initiative are monitored by the Retrofit Programme Board and specific numbers are provided later in this report.

Our consultants Buro Happold have continued to work on the research and feasibility work for the potential for large scale renewable energy generation across the district. Two Open Forums were held on 28th June (virtual) and on 10th July (in person) to communicate the benefits of renewable energy for our district. The consultants have assessed sites across the district for their potential for renewable energy and will be advising the council on the feasibility and potential ownership models early in Q3. The consultants ran a survey on attitudes to renewable energy during July 2023 and the majority of the 388 survey responses were positive, with stakeholders supportive of renewable energy projects in the district.

A pair of batteries have been added to Barfield Phase II Park and Ride car park to store the excess green energy generated at the site. The batteries store the energy generated by solar panels during the day which is then used overnight to reduce power drawn from the grid. The panels contribute electricity for the car park's needs, including its 16 electric vehicle charging points, and is the first car park in Winchester to have solar panels generating enough electricity to cover all the equipment and lighting in the building.

The Neighbourhood Services and Community Safety team are awaiting delivery of 5 electric fleet vehicles. This will increase the present fleet from 3 electric and 2 petrol vans to 6 electric and 1 petrol. The remaining petrol van will be replaced with either a hybrid or electric vehicle upon lease renewal.

Pride in place

Making a visible difference to our places to delight residents and visitors.

Work to refresh the Kings Walk area of Winchester has been completed to make this area of the city centre a more vibrant and attractive space for residents, shoppers, commuters and visitors.

The newly refurbished play area at River Park in Winchester reopened on 15 July in time for the school holidays. The play area has new accessible equipment including a wheelchair accessible see-saw and a rotating hamster wheel, an eye spy mural for children to spot the wildlife they may see living in the River Itchen to and a new toilet pod with three unisex toilets one with baby changing facilities and one with an accessible WC.

The Hat Fair took place from 30 June and 1 July where local and international performers took to the streets to provide the city with a lot of fun and some impressive displays. New bunting to advertise the event was displayed to the city's High Street marking the start of the festival season.

The Foodies Festival took place on 9 July at North Walls recreation ground. This included top chefs demonstrating their cooking skills, drink experts, local vendors and chart-topping singers. More than 15,000 visitors attended.

Wickham Festival took place between 1 and 4 August featuring many well-known musical artists.

Thousands of people attended Boomtown between 9 to 13 August enjoying a festival of live music, colourful costumes, amazing light shows, and theme-based entertainment.

Work is underway to replace tourist information signs in Winchester.

A new bin store has been installed in Bishops Waltham at Lower Lane car park and a second one is planned is planned at Basingwell car park; and works are planned to provide a new bin store in St Georges Street and extend the one in Cossack Lane, Winchester. A new cleaning regime has been initiated for public toilets following agreement of a public toilet improvement strategy. Funding was also approved to enable a refurbishment of public toilets in the new year.

Listening better

Being more effective at hearing the voice of residents and enabling them to influence our decision-making.

During the Q2 period the play area at River Park was reopened following refurbishment and included new equipment which was selected following successful public consultation and engagement with residents during the planning of the refurbishment.

The council continues to hold open forum events and on 25 September held the Carbon Neutrality Open Forum which provided the opportunity for discussion on the progress the council is making in achieving its carbon neutral targets and questions be submitted for the council to answer.

The Neighbourhood Services and Community Safety Team undertook walkabouts in Winnall and Highcliffe to listen to concerns from residents around community issues in order that the council can work together with partners to resolve these issues.

A consultation with local residents on a proposal to carry out improvements to the Westfield Road open space was also undertaken at the end of June with an informal street meet at the site held to hear the views of residents and what they would like to see at the site.

Following the introduction of new car parking tariffs in July 2023, further targeted engagement was undertaken with specific groups who have reportedly been affected by the introduction of overnight parking charges. The results of this engagement have led to fine tuning the charging options to better support specific businesses and voluntary organisations in the city centre.

12. OTHER OPTIONS CONSIDERED AND REJECTED

This is a report for Cabinet to review the comments of the Scrutiny Committee and consider the activity of the council for the period July to September 2023.

BACKGROUND DOCUMENTS: -

Previous Committee Reports:

CAB3415 – Q1 Performance Monitoring dated 13 September 2023.

Other Background Documents:

None.

APPENDICES:

Appendix 1: Council Plan 2020-25 progress update – Q2 1 July 2023 to 30 September 2023.

Appendix 2: Financial update to 30 September 2023.

Appendix 3: Strategic Key Performance Indicators Q2 update.

Appendix 4: Programme and Project Management – Tier 1 project highlight reports Q2 update.

Appendix 5: Notes from Performance Panel meeting 7 November 2023.

COUNCIL PLAN 2020–25

Q2 2023/24 Progress Update

Priority – Tackling the climate emergency and creating a greener district.

Dealing with the climate crisis and reaching carbon neutrality is the city council's overarching priority. Recent extreme weather events have demonstrated urgent action is needed to avoid catastrophic climate change and the associated nature crisis. We all need to play our part in tackling this challenge and hand our district to our children and grandchildren in a better state than it is now.

What we want to achieve:

- Winchester City Council to be carbon neutral by 2024.
- The Winchester district to be carbon neutral by 2030.
- Reduced energy demand and an increase in local renewable energy.
- Highly insulated homes with low energy bills.
- Homes and businesses protected against extreme climate events.
- Reduced levels of waste and increased recycling, exceeding national targets.
- Cleaner air than national targets.
- Everything most residents need in reach by foot, bike or public transport.
- Our district's natural habitats are safeguarded and enhanced.

Over the last quarter we have achieved the following:

- **Working with and enabling businesses, organisations and residents to deliver a clear plan to net zero guided by the Carbon Neutrality Roadmap for the district.**

The council held two Carbon Neutrality Open Forums on 28 June (online) and 10 July (in person) which attracted approximately 100 attendees, plus councillors and officers, to discuss renewable energy generation within the Winchester district. The meetings included contributions from Buro Happold and Community Energy South, the consultants working with the council to research the feasibility of the generation of renewable energy across the district, as well as presentations on biodiversity and solar from West Solent Solar Cooperative.

A further online Open Forum meeting on 25 September introduced the new Carbon Neutrality Action Plan and our plans to be Greener Faster. Fourteen Councillors and 27 members of the public heard about the council's revised Carbon Neutrality Action Plan, adopted by Cabinet on 13 September. Luke Maxfield, an analyst from the UK Climate Change Committee, an independent statutory body established under the Climate Change Act 2008 whose purpose is to advise the Government on progress in meeting the UK's

emissions targets, also spoke on the UK's progress on meeting its climate targets.

On 17 July, a hydrogen car showcase was held by the council for local public sector bodies to assess the potential for hydrogen in fleet vehicles. This was attended by around 20 stakeholders and councillors.

WinACC has been awarded a contract to support community halls and buildings to install solar PV under an SPF funded project called Community Solar Support Scheme. This does not fund the capital element but will provide support to obtain quotations, build a business case and apply for funding streams including CIL to make the schemes happen. It will run from October 2023 to March 2025.

The WeCAN network, led by WinACC and part-funded by the council, continues to foster community involvement in reducing carbon emissions. Notable activity includes:

- Twyford Green Fair in July.*
- Repair café sessions in Badger Farm, Winnall, Denmead and Hambleden.*
- Harestock Eco Fair in September organised by Littleton & Harestock Parish Action on the Climate Emergency.*
- An introduction to Carbon Literacy, run by the council, in association with WeCAN, was attended by 9 parish councillors, representing 7 different parishes.*

Winchester Green Week took place between 23 September and 1 October, with the theme of 'Let's Grow Greener Together'. In addition to the Open Forum meeting and Carbon Literacy for parishes mentioned previously, the council led a workplace travel network meeting that was attended by 12 partner organisations including Hampshire County Council, Hampshire Constabulary and Southampton University.

Hampshire County Council's Solar Together scheme was relaunched in August 2023 with registration closing at the end of September. It is a group buying scheme that helps residents to get high-quality solar Photovoltaic (PV) panels and battery storage at a competitive price, helping them through the process and keeping them informed at every stage. Details were circulated to all councillors and promoted on our social media. The 2022 scheme saw 306 installations of solar PV completed and 38 batteries in the Winchester district.

- **Retrofit our own council homes and work with others on schemes to provide insulation, energy efficient heating and home renewable energy to private homes.**

Council housing

The 'Retrofit Ready' programme was launched to all council tenants occupying traditionally constructed houses and bungalows with an EPC rating of 'D' or below. Due to the very high demand received, the resulting 800 Energy Assessments requested were split into 2 delivery and procurement programmes.

Phases 1 and 2 have now seen 400 property assessments completed. Phase 1 is in its final stages of Assessments and Phase 2 will aim to complete by Christmas.

The energy improvement measures on the Retrofit Ready delivery programme are progressing as follows:

- Loft Insulation top-up and ventilation is procured and ready for October start.*
- Cavity Wall Insulation extract and install is underway, the contractor has completed 9 cavity wall installations, a further 26 are to be completed by end of October.*
- Conservation Area - Single Glazed Window Replacements – 37 properties to be completed. 1 pilot property completed, survey and quotation for the remaining 36 is underway. Planning Application for a block of flats has been submitted, conversations with Planners and change of material might result in approval prior to 12 week determination period.*
- Conservation Area - Single Glazed Doors – 12 to complete in total, all have been issued to contractors for installation.*

On void homes, the existing voids contractor has begun another strand of work to improve insulation to the council's homes. Loft top-ups and ventilation improvements are now being carried out to houses, bungalows and top-floor flats as they become empty, along with cavity wall insulation to houses and bungalows.

A pilot project is now being progressed to look at energy retrofit work to a pair of the council's post-war system-built, Pre-cast Reinforced Concrete (PRC) homes. The specification and drawings are being prepared for these typically hard to treat properties, where the existing steel and concrete structure has to be checked and repaired, and the external panels, depending on the system, are treated or removed, before constructing insulated masonry walls around the fabric. In most cases this could not be done with residents in-situ, so there is much disruption to consider, but the outcome is a home insulated to current standards, offering reduced energy bills and a 50-year plus design life.

Preparations continue following the council's successful grant bid under the Social Housing Decarbonisation Fund (SHDF). The loft top-up and ventilation installs and whole house retrofit to post-war Swedish timber frame homes has been awarded to a successful contractor, installation is due to begin end of October. Energy Assessments, Asbestos Surveys, Architects Surveys and Air testing are underway or completed.

The predicted outcome from the 2-year SHDF work and the Retrofit Ready delivery programme, depending on tenant uptake, is that over 20% of SAP D homes could be lifted into SAP 'C', which will be key progress towards the councils' 2030 climate targets.

To maximise the tenant uptake on these works a dedicated engagement project is underway on tenant advice and information. A digital tenant survey and focus group have already been undertaken, and in the coming weeks, local forums are being held in villages for those receiving the Swedish cottages retrofit works. A communication strategy is planned, and a dedicated resident liaison officer is

joining the Housing team soon. A project is also underway to review and update online resources for home energy saving and retrofit information on the council's website.

Private sector housing

Further benefit was gained by Winchester households from the government's Sustainable Warmth funding schemes:

- The HUG1 scheme for households with off mains gas was extended until the end of July. The total funding secured by Winchester households increased by £51,600, bringing the total to £369,600 with a total of 43 decarbonisation measures installed by the end of the scheme.
- The LAD3 scheme supporting mains-gas properties closed at the end of September. A further £15,197 was secured by Winchester households. The total secured during the life of the scheme was £232,197 with 39 decarbonisation measures installed.

The HUG2 and Great British Insulation Schemes were launched this summer. Warmer Homes have sent out 2,800 letters to private homeowners and landlords and the council will promote and market these schemes to encourage take-up.

- **Build our own buildings to the highest possible environmental standards.**

A tender was issued for the install of solar PV panels and air-source heat pump at Meadowside Leisure Centre in Whiteley. This would reduce the energy consumption of the building and the associated carbon emissions by 11 tCO₂ per annum. The tenders came back considerably in excess of the project funding granted and therefore a review of options is to be undertaken as to how this project may proceed.

A decarbonisation review of the council campus buildings is currently being undertaken. This includes Guildhall; West Wing; City Offices; Cipher House; Unit F Bar End Road (F2 Store); and Magdalen Hill Cemetery Lodge. External consultants have completed their surveys and are currently preparing their reports.

The council is currently constructing the new KGV pavilion in Highcliffe which aims to achieve a BREEAM rating of Excellent and will include a number of sustainable measures comprising of solar panels; green roof; efficient fixture and fittings.

The installation of an air source heat pump to Magdalen Hill Cemetery Lodge is planned for later this year and will reduce the energy consumption of the building and the associated carbon emission.

- **Promote recycling and increase what can be recycled, including food waste.**

There are significant proposed changes around waste and recycling; mostly driven by national requirements, and as a Waste Collection Authority (WCAs), Winchester City Council wants to take this opportunity to improve its household

waste and recycling collections. These changes and how they impact on Winchester's residents will inform the new waste strategy, the outcomes of which will be the core of Future of Waste and Recycling project.

Details on the national changes and how these will be funded are still to be confirmed by the Government.

A report was considered by Cabinet in July approving a consultation exercise to be undertaken later this year to help inform the new waste strategy for household properties, develop service options based on the outcome of the consultation, environmental factors and affordability and implement any changes. This survey has now been launched and responses are being generated.

The Government has announced a delay to introducing changes for 1 year in relation to its national waste consistency programme and extended producer responsibilities, this delay also impacts on associated Government new burdens funding to support local authorities in bringing in the new requirements. The impact of this and progress of Hampshire County Council's new waste recycling centre is currently being considered.

A further report will be brought forward to consider and agree the next steps.

- **Switch council vehicles to low and zero-carbon fuels**

Work on the decarbonisation of the Park and Ride bus service and waste collection service can be found in the 'Greener Faster' work in paragraph 11 of this report.

Initial work is underway to explore using Hydrotreated Vegetable Oil (HVO) instead of Diesel Engine Road Vehicle (DERV) to decarbonise the current waste and recycling vehicles. Further information can be found in the Future of Waste and Recycling highlight report in Appendix 3.

- **Continue working with Hampshire County Council to deliver the City of Winchester Movement Strategy and prioritise walking, cycling and public transport throughout the district.**

Work is progressing on the district wide and city local cycling and walking infrastructure plans. Officers are considering funding sources and bids to support scheme implementation. Some smaller active travel schemes are planned to start towards the end of this year and spring next all of which have been consulted on. These include pedestrian improvements on Romsey Road and Worthy Road and some city centre cycle schemes aimed at making it easier for cyclists to traverse the one-way system.

- **Deliver the Air Quality Management Action Plan**

Commencement on work to develop and adopt a new Air Quality Strategy (AQS) - reviewing the impact of adopting more stringent air quality standards across the district in line with government policy [LAQM-Policy-Guidance-2022.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/104222/LAQM-Policy-Guidance-2022.pdf) ([defra.gov.uk](https://www.defra.gov.uk)). It is expected that a new AQS will be adopted by April 2024.

- **Agree a local plan which delivers low carbon homes, increased biodiversity and 20-minute neighbourhoods.**

Officers are in the process of finalising their recommendations on the comments that have been submitted on the draft Regulation 18 Local Plan that includes policies on low carbon homes, biodiversity net gain and 20-minute neighbourhoods.

Consultants were appointed to assist with analysing the technical comments that were submitted on Policy CN3 (Energy efficiency) and to recommend a way forward in terms of a Local Plan policy on embodied carbon. Once finalised, this will be shared with members.

- **Continue to roll out our Biodiversity Action Plan**

Full Council on 20 September unanimously voted to support a motion to declare a nature emergency, recognising the impact that the climate crisis is having on wildlife and nature. It recognised that Hampshire County Council has been appointed as the responsible authority under section 105 of the Environment Act 2021 for the Local Nature Recovery for Hampshire, but reiterated the city council's intentions to play as full a part as it can in nature's recovery.

58 TPO (82% within planning framework timescales) and 55 TPC (86% within planning framework timescales) applications responded to.

A new area of species rich grass (measuring 1,000 sq. m) has been created in Magdalen Hill Cemetery with Harebells growing due to the reduced cutting.

Another new species-rich grassland area was created at Gordon Avenue Play Area with the Community Group.

Natural England have signed off a Winchester's District Level Licensing scheme for Great Crested Newts – a new approach to protected species conservation.

Protected species - Dormouse - checks completed at Topfield, Kings Worthy and Deans Copse, Knowle. Woodland management plans for Topfield are being developed to ensure conservation and enhancement of habitat for dormice and other species.

Please refer to the Carbon Neutral programme highlight report at Appendix 3, the 'Greener Faster' work in section 11 and carbon neutrality objectives in the 'Homes for All' and 'Vibrant Local Economy' sections that follow.

Priority – Living Well

We want all residents to live healthy and fulfilled lives, to feel safe and secure in their neighbourhood, and enjoy the recreational and cultural opportunities that the district offers. We want to ensure the district offers the right facilities to support good physical and mental health for all ages and abilities.

What We Want To Achieve:

- Support for those most affected by the cost of living.
- Reduced health inequalities, tackling the environmental, financial and housing problems that most affect those with the biggest health challenges.
- Attractive public spaces where people feel safe and secure.
- Well-used and maintained public facilities and green spaces with space to play.
- A wide range of physical and cultural activities for all ages and abilities.
- Increased opportunities for active travel.
- Close work with local charities and voluntary organisations helping those most in need.

Over the last quarter we have achieved the following:

- **Focus on the most disadvantaged areas, communities and groups, supporting a greater diversity of residents.**

Homes for Ukraine Scheme

A further 40 Ukrainian families (55 individuals) moved to Winchester district. This brings the total of arrivals to 286 families (561 individuals), of which 185 guests remain with their hosts.

The Community Liaison Officer for Ukraine received and supported 107 enquiries, including 12 people through the independent support forum and 17 others through the biweekly online drop-ins during this quarter.

We continue to provide confidential advice, guidance and support via one-to-one assistance, online and face-to-face, for both hosts and guests. The most common enquiries were about professional qualifications, employment advice, language courses and children's activities.

On 19 July approximately 80 hosts on the Homes for Ukraine scheme attended a celebration event at Winchester College, to thank and recognise the continued support being provided to our Ukrainian guests.

At the celebration event we launched the Independent Support Fund, offering financial support of up to £500 per Ukrainian individual for a specific need that helps them with living independently and integrating with their local communities – whether that's removing language barriers, increasing employability, or providing digital connectivity. To date we have awarded 93 grants, totalling £46,500.

The peer-to-peer wellbeing support weekly pilot sessions provided by the Olive Branch came to an end. Following positive feedback from Ukrainian community and the facilitators, a further 4 sessions have been arranged for this cohort in order to provide closure and to ensure that they have the tools to assist them going forward. This support is anticipated to be rolled out again in November with a new cohort of attendees.

Grants to enable targeted support.

The district and town project grant schemes opened again this quarter and 27 applications were received totalling £110,270. Awards were made that total £61,289, enabling 16 organisations to deliver projects which include:

- *Autek CIC, supporting people with a disability to access the leisure centre through virtual and physical tours, videos and buddying to attend group sessions;*
- *Making Space for Craft, upskilling volunteers from the district's care homes and youth groups through a programme of craft sessions; and*
- *The Olive Branch Counselling Service, training volunteer counsellors to become clinical supervisors, increasing the capacity of the service.*

Health improvement

The Active Lifestyle programme of classes and bespoke activities for people with long-term health conditions continues to operate well in the hands of Winchester City Primary Care Network (PCN) and Everyone Active (EA). There were 50 referrals made to the PCN, and 81 made to EA, meaning that since the opening of the new leisure centre in 2021 there have been 657 referrals made. Community classes for people with long-term health conditions continues to operate, with a throughput of 990 attendees during the quarter.

The seasonal park yoga initiative at the Garrison Ground in Winchester and Meadowside recreation ground in Whiteley came to an end in September. We had 81 people registered for Winchester and 45 people registered for Whiteley, with a total throughput of 1,407 since the programme began in May.

Wellbeing walks continue to grow, with six regular walks in Colden Common, Weeke, Whiteley, Winchester City Centre and two in Bishops Waltham. There are now 292 people registered on the scheme, with a throughput of 1,420 this year to date. We have just delivered a walk leader training session and have recruited three more leaders with the aim of launching a new walk in Alresford, starting in January.

- **Support residents in need through our Cost of Living response and the distribution of new government funding, including Council Tax Support Fund payments, Energy Bills Support and Alternative Fuel Payment schemes.**

Please see full details under section 11 'Cost of Living support'.

- **Work closely with the police and other partners to address anti-social behaviour and improve community safety.**

The police have successfully applied for 4 Criminal Behaviour Orders (CBOs) within this quarter (8 in the year to date). CBOs are granted on the back of other criminal charges such as shoplifting and carry their own local sanctions.

Police and partners work together to tackle ASB and increase feelings of safety across the district using a variety of methods to address concerns. 5 Acceptable Behaviour Contracts (ABC's) are due to be issued within the next week, on the back of ASB incidents perpetrated within this reporting period (in the north of the district). Of 8 ASB interventions, there were 2 Breaches, 1 will be moved forward as a Community Protection Notice and the other resulted in no further action, due to mitigating circumstance.

The team worked in collaboration with partners across the district through 3 Street meets and 1 police and partner rough sleeper operation. The team (ASB lead and x2 Community Engagement Officers) carried out 274 patrols (121 town forum, 153 across the wider district) to provide a visible presence and safety reassurance to communities.

The city council employs a dedicated ASB lead within the Neighbourhood Services & Community Safety team to cover the Winchester district alongside the Housing Tenancy team who also deal directly with ASB related concerns for council tenants.

The Neighbourhood Services & Community Safety Team take a collaborated approach to partnership working and have supported the Estate Improvement Officer in 2 specific locations with the aim of designing out crime. In addition the team have supported housing tenancy in community reassurance activity, specifically for a tenancy related hot spot location. There are currently 3 ASB hot spot locations as opposed to 7 identified at the start of this reporting period.

- **Partner with the new NHS local bodies to address the health and well-being needs of priority communities and priority populations.**

As part of the Southampton Airport Health and Wellbeing Board, a Community Health and Wellbeing Fund is being developed to assist communities affected by noise and set out measures to promote the use of public outdoor spaces for outdoor recreation and physical exercise which can lead to improved physical activity and mental health. This forms part of the planning conditions for the airport runway extension and a small part of the district that falls within the area most affected by the airport flight path will be eligible to apply for grants when the scheme launches in the coming months.

Established a community wellbeing forum jointly with Hampshire ICB to meet quarterly and enable voluntary and community groups to link with each other and agencies to support and promote existing projects and to enable progress in new initiatives. This quarter's topic was mental health, suicide prevention & tackling loneliness.

- **Offering and supporting a wide range of inclusive and accessible activities across the district including investment in our leisure centres, sports grounds, parks and play areas.**

WSLP continued to perform well, with some new highs achieved during Q2. Health and fitness membership numbers exceeded 5,500 for the first time and swimming lessons were at a new high of 1,470 during September. The overall attendance during Q2 was 286,167 of which 24% were concessionary visits (67,693), with monthly visits exceeding 100,000 for the first time.

More than 200 people with learning and physical disabilities came together for the Paralympic Personal Bests one-day sporting event at Winchester Sport and Leisure Park and in the University of Winchester stadium. The event was jointly hosted by the council, University of Winchester and Winchester Go LD, with special guest Maisie Summers-Newton, a double Paralympic, World, European and Commonwealth champion swimmer, and offered the opportunity to take part in multiple sporting activities including squash, cricket, track athletics and yoga.

Construction of a new pavilion at KGV playing fields in Highcliffe has continued, with completion expected late 2023 / early 2024. The site was visited by the local MP and the CEO of the Football Foundation during September.

The refurbishment of the play area at River Park was completed ahead of the school summer holidays. New equipment at the park includes a wheelchair-accessible see-saw alongside other inclusive features. Local artist studios and gallery space The Colour Factory provided a mural on the brick flood defence wall depicting animals found in and around the River Itchen which runs along the southern boundary of the play area.

- **Make it more attractive to use active travel, with new cycle and walkways and secure bike parking.**

Secure bike parking has recently been completed in a variety of locations to provide a choice of stands for different bikes and needs. Work is progressing to enhance facilities in the market towns. New information about bike parking has been added to the council's website.

Our newly appointed active travel officer is working with a variety of groups to encourage and facilitate active travel options. The draft Local Cycling and Walking Infrastructure plan for the district is progressing and has been subject to stakeholder engagement.

- **Develop Local Plan policies that promote healthy lifestyles in healthy surroundings: giving access to green spaces, protecting countryside and controlling urban development.**

Following the draft Regulation 18 Local Plan consultation, ongoing work is being carried out by officers on analysing the feedback in respect of the policy on promoting Biodiversity and the Natural Environment.

Officers met with Natural England on 20 April, Environment Agency on 17 May and Historic England on 30 June to discuss their representations on the Regulation 18 Local Plan.

Priority - Homes For All

Housing in our district is expensive and young people and families often struggle to find and retain suitable accommodation they can afford, particularly at a time when costs are rising steeply. We are focused on providing homes for all in the Winchester district – homes that are affordable, sustainable, with low energy usage and low bills, and built in the right areas for our changing communities.

What We Want To Achieve:

- More young people and families living and working in our district.
- All homes to be energy efficient and affordable to run.
- Diverse, healthy and cohesive communities - not just homes.
- Increasing the availability of housing for young people and key workers.
- Support to help people stay in their homes.
- No-one sleeping rough, except by choice.

Over the last quarter we have achieved the following:

- **Building significantly more homes ourselves, with a target to build 1,000 new homes by 2030.**

The new homes scheme at Whiteley for 54 new homes was completed at the end of August. The 27 rented homes have all been allocated and sales are progressing well for the 27 shared ownership homes. The Winnall scheme is progressing well and is expected to be completed on the 30 November consisting of 73 flats and 3 houses. Over 100 expressions of interest have been received after the soft launch of the Shared Ownership flats and houses. The show flat will be available mid-October for viewings. The pilot Passivhaus scheme of 6 flats at Micheldever is on target to be completed in January 2024.

Tender documents are in preparation for a scheme of 5 dwellings at Woodman Close, Sparsholt.

Planning consent has been applied for Dyson Drive (8 homes) and Corner House (6 flats) following the nitrate and phosphate solution generated by the improvement of 2 council owned sewage treatment works.

Completion has occurred for 16 ex council properties subsidised by funding from the governments Local Authority Housing Fund (LAHF) programme. A further 7 ex council properties have been identified for purchase with contracts being prepared for exchange funded from a further allocation under the LAHF programme.

- **Strengthening our Local Plan to ensure the right mix of homes is built for all sectors of our society, including young people.**

Following the draft Regulation 18 Local Plan consultation, ongoing work is being carried out by officers on analysing the feedback in respect of the policy on promoting high quality and well-designed places.

On 15 June a Planning Inspectorate Advisory meeting took place with Officers and the Cabinet Member of Place and Local Plan. Officers raised several issues including the Regulation 18 Local Plan approach to the distribution of housing.

- **Creating a new Winchester Housing Company to address the limited supply of affordable private rented housing.**

On 20 September 2023 full Council approved:

- *The draft financial business plan, as recommended by Cabinet Committee: Housing (CAB3406(H), 10 July)*
- *A proposal to reduce the share capital of Venta Living Ltd (VLL) from £300,000 to £150,000*
- *The appointment of Fiander Tovell Ltd as external auditors, as recommended by Cabinet Committee: Housing (CAB3406(H), 10 July)*

The lease between the council and VLL of one block of 41 one-bedroom flats at Winnall is being drafted and will be available for review by the VLL board of directors and their legal advisors during October.

Operational processes are being developed in consultation with the board of directors, including the procurement of an appropriate property management software system. A VLL logo and strapline have been approved by the board ahead of the soft marketing of the units and website development.

A date for practical completion of the block at Winnall will be confirmed during October, which will allow the timeline for lease commencement, advertising and occupation to be finalised.

- **Providing support for our homeless and most vulnerable people by working directly and in partnership with the voluntary sector**

During the quarter the housing options service.

- *Accepted 28 prevention cases.*
- *Accepted 20 Relief cases.*
- *Closed 28 general advice cases.*
- *Prevented 32 cases from homelessness.*
- *Relieved 10 cases from homelessness*
- *Received 14 Duty to Refers*
- *2 Rough Sleepers at the end of quarter 2*

John Banks joined the service in August as our outreach worker who is working with those individuals at risk of becoming street homeless or who are already street homeless.

The HARM reduction bus and inclusion now visit Milford House on a weekly basis.

The council has secured further Local Authority Housing Funding (LAHF round 2) to secure 6 units of accommodation to assist supporting Afghan households and

providing additional temporary accommodation. 2 units will be for temporary accommodation and 4 units of accommodation for Afghan households who have exited the bridging hotels.

SWEP was called once this quarter this quarter, due to extreme heat, no one accessed it.

Update on Ukraine families

- *26 households moved on.*
- *5 returned to Ukraine.*
- *9 went into private rented accommodation.*
- *3 moved out of area.*
- *4 were housed into social housing (2 Abri Vivid, 2 WCC)*
- *2 Moved to University*
- *3 rematches to new hosts*

There are currently 5 Ukrainian Households threatened with homeless at the end of the quarter and 1 households in triage state.

- **Helping vulnerable residents struggling with the rising cost of living to stay in their homes.**

The council received £86,000 from HCC as part of the DWP household support fund to assist with exceptional housing circumstances and costs. £2954.16 was spent assisting 2 households with 8 applications waiting assessment.

There were no food vouchers sent this quarter. The next batch of vouchers will be sent in October 2023.

- **Using targeted Disability Facilities Grants to help people adapt their homes as their needs change.**

In quarter 2 the team received 37 new applications, 44 applications were assessed and approved, and 26 adaptations were started/completed.

- **Moving the energy efficiency of new and existing homes towards zero carbon**

The 'Retrofit Ready' programme was launched to all council tenants occupying traditionally constructed houses and bungalows with an EPC rating of 'D' or below. Due to the very high demand received, the resulting 800 Energy Assessments requested were split into two delivery and procurement programmes. Phases 1 and 2 have now seen 400 property assessments completed. Phase 1 is in its final stages of Assessments and Phase 2 will aim to complete by Christmas.

Progress with the delivery of energy improvement measures on the 'Retrofit Ready' initiative are monitored by the Retrofit Programme Board and specific numbers were provided earlier in this report in the section on 'Retrofit our council homes...' under the Priority – 'Tackling the climate emergency and creating a greener district.'

Priority – Vibrant Local Economy

Our urban and rural areas are home to a host of successful businesses and enterprises. Following the pandemic, employment levels remain high but fresh challenges now face our business community.

The changing face of the high street, increasing costs, labour shortages and tackling climate change are forcing businesses to quickly adapt.

What We Want To Achieve:

- A stronger, greener, more sustainable local economy.
- New and renovated offices and workspaces to meet changing business needs in areas with sustainable transport links.
- More young people choosing to live and work in the district.
- Our city, market towns and rural areas all have a distinctive and competitive offer.
- Existing businesses are supported and new and relocating businesses attracted.

Over the last quarter we have achieved the following:

- **Implement our Green Economic Development Strategy to deliver green growth.**

As part of the data gathering for the Green Economic Development Strategy (GEDS) the team have commissioned a quarterly economy dashboard. The third edition of the dashboard is published here:

www.winchester.gov.uk/business/economic-development. The preliminary estimate of economic growth suggests that the Winchester economy again outperformed both the UK and the Hampshire economies in the second quarter of this year. Estimated growth in Winchester in the second quarter was 0.3% compared to 0.2% growth in the UK.

The Co-Mentoring Scheme is launched with its pilot phase with three pairs of businesses taking part. It connects creative and non-creative enterprises to share expertise and innovation. The feedback from this first cohort has been very positive.

We have requested quotes for a local company to help support creative and tourism businesses to reduce their energy consumption and carbon emissions. Six bids were received, and a local provider has been selected.

Green project grants will be launched in the next quarter. The grants will help businesses to reduce their carbon emissions and fund projects that deliver the five pathways for carbon reduction set out in the revised Carbon Neutrality Action Plan. They will also encourage businesses to carry out the work recommended in the carbon audits such as measures to reduce energy consumption and increase renewable energy generation.

21 businesses attended an in person Sustainable Business Network event held at Marwell on Wednesday 27 September 2023 on the subject of B-corp and Social Impact. The businesses rated the event as excellent. The content is available online for other businesses to [download](#) here: carbonfootprint.com - [Sustainable Business Network Workshop](#).

The local plan has been updated to incorporate the need to develop green skills. Meetings have been held with Hampshire County Council to explore the use of UKSP funding for 2024/2025 to enhance the delivery of their Hampshire Retrofit Academy in the Winchester District with the possibility of Sparsholt College as a delivery partner.

In July, the Cultural Strategy stakeholder group met for a second time, to explore the themes and priorities for the emerging Cultural Strategy and explore asset mapping and benchmarking research. Since then, over 80 individuals operating within the arts, heritage, community, faith and creative industries have attended workshops to give their views on the priorities for the strategy.

More than £130,000 of this year's Rural England Prosperity Funding has been allocated to five rural businesses across the Winchester District. Design work has progressed on preparation for the opening of the funding call in the next quarter for 2024/25 projects.

£91,000 of the government's UK Shared Prosperity Funding has been allocated to seven internal and external projects to support businesses and community organisations across the district.

Take action to attract investment to:

- **Tackle run-down and derelict areas.**

During the first quarter a vacant property register was created to help match vacant spaces with businesses looking to start up or expand in the area. As a result of using this with businesses this has been further developed to make it more user friendly and are being dealt with. is now featured on the corporate website: www.winchester.gov.uk/business/invest-in-winchester The new register has been used to assist with eight investment enquires and there have been 80 hits to the updated web page..

- **Support new business and create new jobs.**

Employers and job seekers have been invited to a second Jobs and Opportunities Fair following the success of the first event held in February of this year. The free fair, run in partnership with Winchester Jobcentre, will take place at Winchester Sport and Leisure Park on Thursday 23 November 2023 28 local businesses have signed up to promote their vacancies and opportunities. The second fair will help local residents looking for new employment and provide information to support them with the rise of cost of living through the attendance of Winchester District Citizens Advice.

The council works closely with contractors to create employment and skills plans to help create employment opportunity for residents of the Winchester District. All large-scale planning applications (10 or more houses/1000sq.m plus floor space) require an employment and skills plan. The employment and

skills plan template has been updated to encourage and capture and encourage training in sustainable construction. Training www.winchester.gov.uk/business/employment/employment-and-skills-plans

Previous performance reports have included the number of jobs and opportunities created by Wates during the construction of the council's new council homes and flats in Winnall. Wates have also focused on supporting local businesses with an estimated spend of over seven million within 30 miles of the construction site.

- **Work with partners to promote and develop our unique cultural, heritage and natural environment assets.**

[Visit Winchester](#) marketing campaigns this quarter have promoted events and activities happening across the district over the summer holidays, festivals including Hat Fair, Winchester Heritage Open Days and Winchester Green Week, enjoy a greener visit to Winchester and Autumn breaks. A competition was launched across all Visit Winchester channels for two weeks in August to win an annual family Winchester trio ticket with Hampshire Cultural Trust. The competition received 36 entrants and had a total reach of 2,728 across Facebook and Instagram and 545 impressions on Twitter. Previous competitions have attracted more reach when the partner also promotes via their channels. These multi-channel marketing campaigns along with tailored promotional activities for partners have been promoted via the Visit Winchester website (over 98,000 users in Quarter 2, up 14% compared with Q2 in 2022) and Visit Winchester's social media platforms, (over 19.6k followers across Facebook, Instagram, Threads, LinkedIn, TikTok and YouTube).

The above campaigns have also been featured in three Visit Winchester business to consumer e-newsletters this quarter (19 July '[School's out for the summer \(mailchi.mp\)](#)', 18 August '[Win an annual family Winchester trio ticket \(mailchi.mp\)](#)' and 21 September '[Autumn colours, tips for a greener visit, plus upcoming events \(mailchi.mp\)](#)') with an average open rate of 38%.

www.christmasinwinchester.co.uk continues to be populated with partner events and the Council recently provided content on Christmas events across the district for Tourism South East's Group Friendly Events newsletter which went out to 2.5k Group Travel Organisers and coach operators.

[The latest industry news from Visit Winchester \(mailchi.mp\)](#) business to business e-newsletter was issued on 24 August. The e-newsletter detailed latest results from Visit Winchester campaigns, PR coverage and updates from the Council including the Workplace Travel Network and Jobs and Opportunities Fair.

Winchester Attractions and Discover Winchester PR meeting partnerships have taken place this quarter co-ordinated by Winchester City Council. The guest speaker for Attractions Partnership spoke about the Tourism South East Excursions Group Travel Show 2024 and International marketing campaigns. Over 16 attractions were represented at the most recent attractions meeting at Winchester Cathedral.

PR coverage achieved this quarter has included a double page editorial spread about in My Weekly, July/August printed edition of National Geographic Traveller and the Daily Express. BBC South Today's Jon Cuthill also covered cycling the King Alfred's Way.

The council has partnered with Tourism South East to feature in their North America Marketing campaign activity - recent data continues to show North America as the UK's no.1 inbound market for volume and value. As part of this activity, Visit Winchester was represented at VisitBritain's Destination Britain North America sales mission to New York in September – over 60 US operators were in attendance and direct contacts made with over 35 operators. Each region attending was given a mention by VisitBritain in their presentations. Winchester was the only destination mentioned in Tourism South East region's summary.

Winchester was also represented by Tourism South East at UKinbound in Ireland.

Three issues of Arts News were sent to 445 subscribers. The September issue attracted 58.3% opens and 14.6% clicks. As well as regular what's on and jobs and opportunities the issues promoted: Made in Winchester, peer mentoring programme, new art murals, Hampshire Open Studios, archaeology at Central Winchester Regeneration as well as individual artists and organisations. Cultural Networking events have been planned for November and January.

An experienced management company has been appointed to lead on the renewed Public Art programme at the West of Waterlooville / Newlands Parish development in the South East of the district. A site visit has been completed and stakeholder and community engagement are about to begin.

A final mock-up for the St Maurice's war memorial has been produced and proofread. Planning for the 2024 'light event' has commenced and an application for funding to support new interpretation panels at the Nunnaminster has been submitted.

- **Work with businesses, local universities and colleges to position Winchester as a centre for digital, creative and knowledge based industries.**

Meetings have taken place with Winchester University to agree the council's support in delivering Global Entrepreneurs week and how this opportunity can support the digital, creative and knowledge-based industries.

Working with our partners Partnerships & Places t/a Jigsaw Consortium to design in and plan for affordable homes for young people and key workers.

- **Use Local Plan policies, our own housing programme and developments such as Central Winchester Regeneration to help provide homes attractive and affordable to younger workers.**

See Local Plan, New Homes Programme and Central Winchester Regeneration highlight reports in Appendix 4 for more information.

- **Increase the attractiveness of all our high streets.**

A new operating policy, to align the operation of the city street market with the policies outlined in the council plan and the recommendations of an independent review, has been considered at Winchester Town Forum and the Business and Housing Policy Committee. This will improve the offer for both residents and visitors, improving the reputation and influencing dwell time, spend and impact on the overall local economy.

A tender for the procurement of an operator for the Winchester Street Markets Management Company will be prepared in the next quarter.

The street dressing that was deployed for the King's Coronation was replaced with festival bunting based on the colour palette of the St Maurice's Covert mural to celebrate Winchester's summer season of festivals. The Kings Walk Festival designed to promote the eclectic mix of independents and celebrate the renovations was promoted to locals and residents via Visit Winchester's digital marketing channels.

Provide tailored, sector specific business support.

Three editions of the regular Winchester Business Bulletin have been produced and circulated. These provided information for businesses to access funding, intelligence from the Economic Dashboard, advice on carbon reduction measures along with a range of business opportunities offered by the council.

- **Promote independent businesses and encourage start-ups.**

The Winchester Business Bulletin also includes a 'Business of the Month' feature which in the last quarter has promoted independent businesses such as the Handlebar Café, Jude's ice-cream and Open House Deli.

Independent Business Month was promoted throughout July via Visit Winchester's digital marketing channels (social media, e-newsletters and web content). Total page views across nine dedicated blogs and the associated landing page reached over 3,000 for the month. As well as highlighting independent businesses in the district's market towns with a blog for each (Alresford, Bishop's Waltham, Wickham and Denmead), the Council featured content from the BID and celebrated independent shopping and dining businesses in the High Street.

Work has continued to promote local makers as part of the Made in Winchester campaign (funded by UKSPF) via paid for Facebook boosted adverts which resulted in an average reach increase of 1,116% across Facebook and Instagram.

- **Work with partners to help disadvantaged groups including the homeless and refugees access work.**

A new post has been approved for a Ukrainian support officer whose role will be to support our Ukrainian guests to smoothly transition into living independently and sustainable employment. Support will also be offered at the Jobs and Opportunities Fair in November to those who have recently settled in the district.

Priority – Your Services, Your Voice

We will continue to provide high quality, good value, resilient services that are continuously improving to address the changing needs and expectations of residents, tenants, visitors, businesses and not-for-profit organisations across our district – and are accessible to all whatever their circumstances.

We will give all our residents the opportunity to make their voice heard and be able to understand how the council makes its decisions.

What We Want To Achieve:

- An open, transparent, inclusive and enabling council.
- Improved satisfaction for our services.
- Good value compared to other similar authorities.
- Continuous improvement in cost-effectiveness.
- High accessibility and usage of our services.
- Constructive and effective partnerships across the district.
- A balanced budget and stable council finances.

Over the last quarter we have achieved the following:

- **Continuously improving processes that:**
 - **Involve the public, businesses, stakeholders and ward councillors earlier in the design, deliberation and decision-making process.**

The Neighbourhood Services and Community Safety team carried out a consultation on reducing the fear of crime and the incidence of crime and disorder.

A consultation opened on 29 June asking residents for their views on the options for how to generate more renewable energy in the district. It ran until 31 July and attracted 388 responses which were overwhelmingly positive. In addition residents were invited to meet with the sustainability teams panel of experts to discuss the expansion of renewable energy generation within the district.

An introduction to Carbon Literacy training was held for parish councillors on Saturday 16th September as part of Winchester Green Week. Nine councillors attended and took part in several carbon literacy activities which were positively received.

The Water Lane Water safety awareness day took place on 26 July 2023 inviting residents to meet with the Neighbourhood Engagement team, the Winchester Fire & Rescue Service and the Water Safety Officer who provided water safety awareness tips and Anti-Social Behaviour reporting advice.

- **Effectively respond to and learn from complaints and feedback to drive service improvement.**

In relation to the data reported against YSYV5 shown in Appendix 4, the percentage of closed complaints either partially or fully upheld increased from 54% in Q4 to 68%.

- **Embed effective partnership working with the community, voluntary groups and organisations, local businesses, our suppliers and other public bodies.**

Monthly representation at the Winchester Business Improvement District Board and the Hampshire Chamber of Commerce Winchester Business Strategy Group ensures the business voice is embed into emerging priorities, such as the revised local plan, and encourages effective partnership working.

Engagement in partnership groups has included attendance at Tourism South East AGM, Festivals in Winchester, Creative Network South, Hampshire Arts Officers Network and Hampshire Cultural Education Partnership. Individual engagement with stakeholders continues along with attendance at events to ensure the district is represented.

Winchester City Council is also represented on a pilot Visitor Economy Leadership training programme run by the Local Government Association and delivered in partnership with the Tourism Management Institute.

- **Cut cost and focus spending where it makes the biggest difference.**

A Project Manager has been recruited to join the Transformation Challenge 2025 Programme (TC25) team. A dedicated TC25 email in-box has been set up for staff to share their ideas on ways to save money and improve services and several drop-in sessions have been held for staff to learn more and share ideas.

Approval to recruit an Energy Manager to scrutinise energy and gas spending has been obtained and the position advertised.

- **Successfully establish a new Equality, Diversity & Inclusion Forum**

The forum met for the fourth time on the 13 September and welcomed guest speakers from the National Autistic Society South Hampshire branch and the Office of the Police and Crime Commissioner Youth Engagement Team. Both guests delivered engaging presentations on their work and opened up insightful discussions with members on how to incorporate this good practice into the work of the council. The meeting also involved an update from officers including a preview of the upcoming Annual Equality, Diversity and Inclusion Report. An update was also provided on the council's work to become Dementia Friendly.

- **Transparent and publicly visible performance measures which drive improved satisfaction and performance.**

The member led Performance Panel reviews this quarterly performance report and the notes from these meetings are presented to The Scrutiny Committee and available to the public via publication on the council's website.

This report provides data against the new set of strategic key performance indicators that were approved by Cabinet in December 2022 (Report CAB3370 refers).

Each of the quarterly performance indicator reports are published on the council's website under the Open Data heading - [Strategic Key Performance Indicators - Winchester City Council](#).

- **More effective use of technology to make it simpler and easier to deal with the council and its delivery partners while reducing cost.**

In February 2023 a budget of £400k was approved for digital transformation to continue the drive to increase digital platforms to offer 24/7 services. (CAB3388 refers). The TC25 continue to work with Corporate Heads of Service on ways to increase digitisation.

- **Focus on accessibility and inclusiveness to ensure our decision-making and services are accessible to and usable by all.**

During this quarter, 11 equality impact assessments (EIAs) were completed and published on our website as evidence of the consideration of equality in the council's decision-making process. EIAs were completed and considered on several high-profile decisions this quarter including the refreshed Licensing Policy, Carbon Neutrality Action Plan, Public Toilets Improvement Strategy and the Town Forum Community Grants.

The council continues to ensure the services it provides are accessible to all. This has included further promotion of the Dementia Friendly training and a cross-departmental review of the Equality, Diversity and Inclusion Policy.

- **A wider diversity of residents and businesses involved in ensuring our services work for all.**

The Equality, Diversity and Inclusion Forum continues to act as a successful platform for diverse members of our community to share their experiences of equality and diversity within and beyond the services we provide.

For example, the September meeting welcomed the local Branch Chair of the National Autistic Society to magnify the voices of the neurodiverse community on Winchester.

- **Investing in our staff and making the most of their skills and talents**

The 2023 Employee Attitude Survey ran for 4 weeks from 12 June to 7 July to find out how employees feel about various aspects of their working lives. The results were reported to Audit and Governance Committee on 28 September. Results will be published on the intranet and in City Voice in October.

The HR Officer (Learning and Development) has met with managers to plan training in project management; climate change; Health and Safety (H&S) and service-related topics over the 2023/24 training period.

Employees have used the 'Skill gate' learning system to access on-line training.

HR has successfully implemented an improved appraisal process.

- **Keeping Council Tax increases below inflation.**

The Council Tax increase for 2023/24 was approved by Council at 2.65% in February 2023 (CAB3388 refers).

FINANCIAL UPDATE

As of 30 September 2023

This section presents a summary of the council's financial position as of 30 September 2023 regarding the General Fund and Housing Revenue Account budgets.

General Fund Revenue

Summary

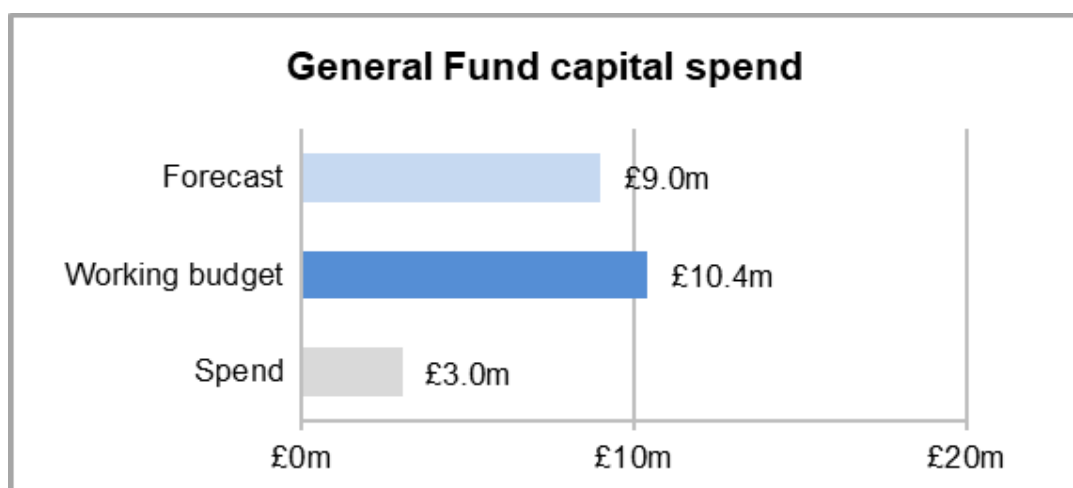
1. A balanced 2023/24 budget was set by Council in February 2023 (CAB3388 refers).
2. Inflation has continued to remain 'sticky' in recent months, with September CPI remaining at 6.7%, and work is underway to review and update the current Medium Term Financial Strategy (MTFS) assumptions. As inflation was forecast at 10% for 2023/24 this is not expected to impact on the current year.
3. Given the significant uncertainty during budget setting 2023/24 and year-end 2022/23 a number of prudent assumptions were made based on the best available information at that time. This was particularly so in relation to investment property where it was estimated that rental income may reduce by £300k and that some rent reviews may not be achieved. Close management and monitoring of this position have led to a revised favourable forecast of £650k for 2023/24 (£300k of this is baseline and £350k one-off).
4. NNDR appeals on WCC properties (notably the RPLC site) have successfully reduced NNDR costs by a baseline £300k.
5. Net interest receivable is subject to potentially significant variance against budget. The latest forecast, taking into account item 8 interest to the HRA, shows a forecast general fund interest of c£0.5m for 2023/24 compared to a budget of £0.9m. This forecast takes into account latest balance and interest rate forecasts and the high proportion of overall forecast interest going to the HRA based on HRA cash forecasts.
6. A number of income forecasts have now been revised for 2023/24 which are showing lower than budgeted income in relation to: Planning Fees, Building Control, Pest Control, Market Income, and Land Charges Income. However slightly higher than budgeted income is forecast for Car Parks and Garden Waste Income.
7. The above updated forecasts give a total forecast 2023/24 favourable budget variance of £0.41m. It is important to note that only £0.21m of this is expected to become part of baseline forecasts and the other £0.20m is only available on a one-off basis.

General Fund Budget Forecast 2023/24 (£000)

	<u>Expenditure</u>	<u>Income</u>	<u>NET</u>
Environment	18,046	(11,457)	6,588
Living Well	5,889	(1,251)	4,638
Homes for All	2,332	(145)	2,186
Vibrant Local Economy	1,951	(634)	1,317
Your Services, Your Voice	9,084	(2,027)	7,057
TOTAL before funding	37,301	(15,515)	21,786
TOTAL funding			(22,196)
FORECAST BUDGET UNDERSPEND			(410)
of which:			
Baseline			(210)
One-off			(200)

General Fund Capital

1. General Fund capital expenditure to the end of September was £3.0m of which the majority relates to the following: KGV Pavilion (£0.92m) and Disabled Facilities grants (£0.88m). In addition, improvements were made to King's Walk (£0.29m), works commenced on Friarsgate demolition (£0.3m), the North Walls play area refurbishment was completed (£0.15m), and stabilisation works were completed to St Giles Hill (£0.16m). There were small amounts of expenditure on several other projects.
2. Capital budgets for 2023/24 were revised for brought forward balances and other changes, such as reforecasting, as part of the General Fund 2022/23 outturn reported to September cabinet (CAB3416 refers). Due to the nature of capital expenditure, there is risk of programme slippage particularly in respect of projects that have yet to commence. There have been further revisions to the forecast such as a reforecast of the drawdown of CIL funded community grants.
3. The full year budget and forecast below excludes £4m in respect of the Strategic Asset Purchase scheme (SAPS). This budget will only be spent if suitable assets are identified. There have been no SAPS purchases to date in 2023/24.



4. Key items of expenditure in Q1-Q2 2023/24:

- **King George V (KGV) Pavilion**

Total Budget: £3.3m

Exp: Prior years £0.79m

Q1-Q2 £0.92m

Total £1.71m

Work on the new pavilion is well underway and is expected to be complete by December 2023/January 2024. It replaces two out-dated, underused, and inaccessible pavilions with a single larger, accessible, modern facility designed with sustainability and carbon saving measures. The new pavilion will benefit communities across the city and district and looks to support the

development of 'grass roots' football, with a particular focus on women's, girls', and youth football.

- **Disabled Facilities Grants** *Total Budget: £1.23m*

Expenditure: recurring annually Q1-Q2 £0.88m

During the period 1 April to 30 September £875,000 of grants were paid over.

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. 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 into residential care.

- **King's Walk improvements** *Total Budget: £385,000*

Exp: Prior years £68,000 Q1-Q2 £289,000 Total £357,000

Enhancements have been made to King's Walk to improve the experience for shoppers and to increase footfall. The work included improving the appearance of the façade and entrance as well as enhancing open spaces. The exterior has been painted and lighting improved, and a new sign has been installed at the entrance.

- **St Giles Hill stabilisation works** *Total Budget: £180,000*

Exp: Prior years £nil Q1-Q2 £158,000 Total £158,000

Works to stabilise the chalk face backing on Matley's Yard have been completed. Matley's Yard is the site of light industrial units owned by the council and the work has become necessary following a partial collapse in December 2022.

Housing Revenue Account 2023/24
Forecast as at September 23

Housing Revenue Account					
	Budget		Forecast		Notes
Income	Expenditure	Net contribution / (spend)	Full Year Forecast	Full Year Variance	
£'000	£'000	£'000	£'000	£'000	
<u>HRA Revenue</u>					
Rent, Service Charges and Other Income	31,406	0	31,406	31,354	(52) 1).
Housing Management General	164	(6,507)	(6,343)	(6,028)	315 2).
Housing Management Special	1,155	(3,567)	(2,412)	(2,399)	13
Repairs (including Administration)	101	(8,002)	(7,901)	(6,866)	1,035 3).
External Interest	0	(6,857)	(6,857)	(7,067)	(210) 4).
Contribution to Major Repair Costs (depreciation)	0	(8,821)	(8,821)	(9,340)	(519) 5).
Surplus / (Deficit)	32,826	(33,753)	(927)	(345)	582
Working Balance at 1 April 2023			15,354	15,354	0
Add Surplus / (Deficit)			(927)	(345)	582
Forecast Working Balance at 31 March 2024			14,427	15,009	582

Summary

The HRA revenue budget for 2023-24 was approved in February and is a deficit budget with a budgeted call on HRA Reserves of £0.909m. The forecast position at period 6 is a positive variance of £0.582m, largely in line with quarter 1, with an anticipated reduction in the call on reserves £0.345m, resulting in forecast HRA year-end general reserves now decreasing from £15.354m to £15.009m.

However, as previously explained in closing the 2022-23 accounts it was necessary to recognise a one-off accrual of £1.394m, this has now been reversed in the first period of 2023-24 and is not expected to result in any corresponding revenue charge.

Although the headline performance reported above is a positive variance, excluding the reversal of the accrual the actual underlying performance is a forecast adverse variance of £0.812m.

At Period 6 the following major variances are reported: -

[1] Rent, Service charges and other income – an adverse variance of £0.052m – this is made up of two items an improved performance on rental income £0.060m offset by an adverse variance on interest on balances £0.112m (see 4 below)

[2] Housing Management General – As a result of the high level of vacant posts the employee budget is currently forecast to underspend by £0.129m, in addition the contingency £0.100m and other budget underspends £0.086m.

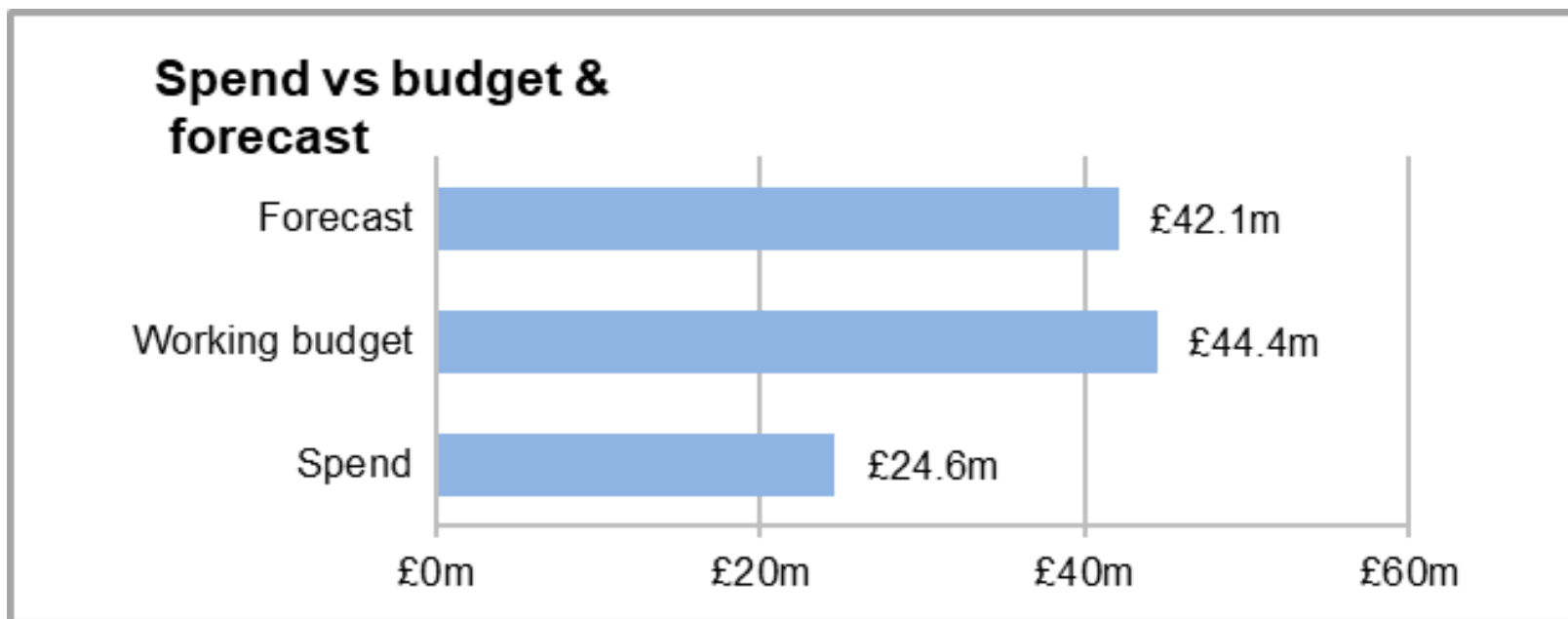
[3] Repairs – Overall there is a projected underspend of £1.035m. Underlying this are several material variances - a projected overspend of £0.189m on responsive revenue repairs, £0.160m overspend on Void repairs and £0.200m on cyclic repairs. There has been a change in management arrangements in this area and these variances are being reviewed to ascertain if correct and whether management action can be taken to bring the budget back into balance. These adverse variances are currently offset by an unbudgeted insurance claim settlement of £0.189m and the before mentioned accrual of £1.394m.

[4] External Interest - There is a forecast adverse variance here of £0.200m. The forecast outturn on the approved capital programme for 2023-24 is now c.£42.1m and the requirement to borrow is £20.8m with current interest rates for long term PWLB HRA borrowing at c.4.75% (12 Oct 2023). The intention at present is to fund this in the short term from internal borrowing from HRA cash backed reserves unless interest rates fall to more affordable levels. The impact overall is anticipated to be an overspend of £0.200m on the cost of borrowing and £0.112m on the loss of interest on internal reserves now applied temporarily to fund the need to borrow.

[5] Contribution to major repairs costs (depreciation) – This is the required depreciation charge to revenue that in turn creates the funding pot for major repairs. Following the closing of accounts for 2022-23 it is apparent that there has been a material increase in the likely replacement cost of components that drives the calculation of depreciation. This variance will set aside the same amount of funding as was required in 202-23 to fund depreciation.

HRA Capital Spend

The revised HRA Capital budget for 2023/24 is £42.2m and includes additional budget provision brought forward from future years new homes unallocated budget towards the LAHF property acquisitions approved by CAB3402 and CAB3420. At period 6 the spend to date against the HRA revised budget was £24.6m or 58%. The revised forecast is £42.1m reflecting the fact that the property acquisitions have been made within the grant envelope, that one potential property is in the General Fund, and that two acquisitions will be exchanged in 2024/25.



HRA Capital Programme			
Budget	Forecast	Variance	Notes

£'000 £'000 £'000

HRA Capital Programme

Housing Major Works	(6,102)	(6,102)	0	
Improvements and Upgrades	(370)	(370)	0	
Other Capital Spend	(4,623)	(4,623)	0	
New Build Programme	(33,344)	(30,964)	2,380	1).
Total Capital Spend	(44,439)	(42,059)	2,380	

New Build Programme

The reported variance of £2.380m is largely the result of three scheme variances - Winnall +£0.673m, and LAHF property acquisitions (3.198m) and Dyson Drive £0.151m where the scheme has now moved on to the planning stage now that the nutrients issue has been resolved.

STRATEGIC KEY PERFORMANCE INDICATORS REPORT

This table provides the data against the set of strategic key performance indicators that were approved by Cabinet in December 2022.




This set includes a combination of long-range trackers and real time measures and gives an overview of how the council is performing.

Where targets or standards have been set, a RAG status has been included and a commentary is given at the end of each priority section.

Several indicators capture activity or throughput during each quarter and a target for these has not been set. Consequently, a status for these indicators is not given, however comparisons can be made with the data for previous quarters and the same quarter 12 months ago to identify trends.

Where this is the case, the words “Measure Only” have been included in place of a target.

RAG Parameters:

	This actual data for this performance indicator is meeting or exceeding target
	The actual data for this performance indicator is below target but within 5% of the target
	The actual data for this performance indicator is below target by more than 5%



Figures and percentages are representative of status at end of the reporting quarter, either as a total at end of quarter; cumulative total; or percentage average across that quarter.

PRIORITY: TACKLING THE CLIMATE EMERGENCY & CREATING A GREENER DISTRICT

Long range trackers (Annual)

No.	Performance measure	Cabinet member (Cllr)	Lead Director	2019-20	2020-21	2021-22	2022-23	Target 22/23	Status
TCE1	Carbon emissions for the council (tonnes)	Learney	Dawn Adey	4,268	2,810	4,147	Not yet available	1,873	
TCE2	Carbon emissions for the district (tonnes)	Learney	Dawn Adey	579,700	506,900	456,210	Not yet available	2022: 405,520	

Practical real-time measures (Quarterly)

No.	Performance measure	Cabinet member (Cllr)	Lead Director	Q2 - 22/23	Q3 - 22/23	Q4 - 22/23	Q1 - 23/24	Q2 - 23/24	Target 23/24	Status
TCE3	% of household waste sent for reuse, recycling and composting	Learney	Simon Hendey	39.01%	38.70%	35.07%	42.38%	42.70%	35.87%	
TCE4	Residual household waste kg / household	Learney	Simon Hendey	103.43	105.01	106.37	104.87	100.54	<450 kg/hh pa	
TCE5	Energy usage (kWh) corporate buildings: Electricity	Learney	Simon Hendey	124,712	161,866	130,336	131,647	125,340	Measure only	n/a
TCE6	Energy usage (kWh) corporate buildings: Gas	Learney	Simon Hendey	8,575	163,404	254,925	84,981	26,644	Measure only	n/a
TCE7	Retrofit adjustments – total number of houses	Westwood	Simon Hendey	Programme commenced 2 May 2023			See comments	See main report for updates	522	n/a
TCE8	Retrofit adjustments – total number of measures completed	Westwood	Simon Hendey	Programme commenced 2 May 2023			See comments	See main report for updates	898	n/a
TCE9	Renewable energy generated (kWh) from solar panels	Learney	Simon Hendey	116,398	32,042	44,148	158,836	121,809	Measure only	n/a

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INSIGHTS & COMMENTS – Tackling the Climate Emergency & Creating a Greener District

TCE1/TCE2

Emissions of 4,147 tCO₂e for the council in 2020/21 were significantly lower than expected due to the impact of the COVID-19 pandemic, therefore an increase in 2021/22 was unavoidable as activity returned to normal; Data is released annually in arrears.

TCE5/TCE6

Actual consumption figures relate to electricity and gas usage at the City Offices complex (City Offices, main Guildhall plus West Wing); West Wing meter however is not separated so includes all usage in that building, therefore will also incorporate the university usage. We recharge them a percentage for the cost of this, but for metering purposes it is all currently one meter. City Offices reading also includes the CAB and NHS offices who are recharged a percentage for the costs, but the metering includes all usage. Central Depot figures were also included up until May 23 but have been zero since. As the council moves towards to achieve net zero carbon emissions, energy saving measures will continue to be pursued for our buildings and target reductions implemented. (Q2 22/23 gas figures are an anomaly as not all meter data was provided and isn't available online)

TCE7/ TCE8

The 'Retrofit Ready' programme was launched to all council tenants occupying traditionally constructed houses and bungalows with an EPC rating of 'D' or below.

Due to the very high demand received, the resulting 800 Energy Assessments requested were split into 2 delivery and procurement programmes. Phase 1 has now seen 230 property assessments completed.

For the 400 Energy Assessments in Phase 2, the procurement exercise is due to be completed early July and successful contractor appointed for delivery through to the late autumn. Further details are provided in Appendix 1 of this report.

TCE9

Data reported relates to the following sites; City Offices, Cipher House, Winchester Sport and Leisure Park, Winchester Depot and Marwell Zoo. Unseasonable weather in July, along with reduced sunlight hours as the quarter progressed, have contributed to lower than expected. Generation, although higher than when compared with the same period a year ago.



PRIORITY: LIVING WELL

Long range trackers (Annual)

No.	Performance measure	Cabinet member (Cllr)	Lead Director	2019-20	2020-21	2021-22	2022-23	Target 23/24	Status
LW1	% of adults participating in 150+ mins of sport or physical activity per wk within the Winchester district	Becker	Dawn Adey	71%	73.7%	73.0%	Not yet available	73%	
LW2	Number of unemployed (source: Economic Activity data)	Thompson	Dawn Adey	n/a	1,800	1,700	1,235	1,700	

Practical real-time measures (Quarterly)

No.	Performance measure	Cabinet member (Cllr)	Lead Director	Q2 - 22/23	Q3 - 22/23	Q4 - 22/23	Q1 - 23/24	Q2 - 23/24	Target 23/24	Status
LW3	Winchester Sport and Leisure Park - total number of visits	Becker	Dawn Adey	189,247	164,282	203,110	262,177	286,167	1,012,724	
LW4	Winchester Sport & Leisure Park - number of concessionary rate visits	Becker	Dawn Adey	61,420	53,396	60,092	56,388	84,947	360,000	
LW5	Meadowside - total number of visits	Becker	Dawn Adey	15,720	16,138	17,706	18,052	14,367	71,000	
LW6	Meadowside - number of concessionary rate visits	Becker	Dawn Adey	665	664	743	953	884	2,800	
LW7	Number of housing benefit claimants (rolling total)	Cutler	Sharon Evans	3,087	3,026	3,026	2,955	2,916	Measure only	n/a
LW8	Number of Council tax reduction claimants (rolling total)	Cutler	Sharon Evans	5,711	5,752	5,752	5,776	5,757	Measure only	n/a
LW9	Average time taken to process new housing benefit claims (days)	Cutler	Sharon Evans	29	28	25	25	24	24 days	
LW10	Number of housing tenants in arrears owing 4 months or more	Westwood	Simon Hendey	151	123	94	53	47	45	
LW11	Number of reported fly-tips (actual incidents)	Cutler	Sharon Evans	264	226	403	255	200	<1,178	

LW12	Number of reported graffiti incidents (online form totals)	Cutler	Sharon Evans	74	31	20	30	18	<169	
LW13	Number of reported litter incidents (online form totals)	Cutler	Sharon Evans	26	32	58	31	39	<144	

INSIGHTS & COMMENTS – Living Well

LW1
Sport England have changed the reporting period to calendar year and will released next in April. The current reporting period in the table above is for the 12 months December 2021 - November 2022, this being the latest available.

LW3/ LW4
Data from Q1 23/24 expected to show an increase due to inclusion of non-gated visits to both Winchester Sport & Leisure Park and Meadowside Leisure Centre.

LW5/LW6
Data from Q1 23/24 expected to show increase owing to the inclusion of non-gated visits to both Winchester Sport & Leisure Park and Meadowside Leisure Centre.

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LW11
The number of fly tipping incidents reported have dropped by around 30% during the period April to June when compared with the previous quarter, however, is more in line now with earlier numbers. There are currently 7 cases pending prosecution with Legal Services, with 1 previous prosecution achieved in September.






Figures will always be in fluctuation, as they are based on total forms received (less any that have been identified as duplicates, out of district, private land etc.) but if any are in an 'open' status still at time of figure collation then they will be added to the numbers. It may be that once they have been actioned they turn out to be a duplicate/private land etc. and so come off the totals.

PRIORITY: HOMES FOR ALL

Long range trackers (Annual)

No.	Performance measure	Cabinet member (Cllr)	Lead Director	2020-21	2021-22	2022-23	2023-24	Target 23/24	Status
HFA1	% of all WCC homes achieving energy efficiency rating of C or above	Westwood	Simon Hendey	62%	63%	65%	Not yet available	70%	
HFA2	Net total new home completions across the district (rolling total)	Westwood	Simon Hendey	Not available	121	139	157 to date	1,000 by 2030	

Practical real-time measures (Quarterly)




No.	Performance measure	Cabinet member (Cllr)	Lead Director	Q2 - 22/23	Q3 - 22/23	Q4 - 22/23	Q1 - 23/24	Q2 - 23/24	Target 23/24	Status
HFA3	Homelessness – numbers recorded as rough sleepers (as at period end)	Westwood	Simon Hendey	2	4	2	4	2	0	
HFA4	Number of new homes started by the council (active total at end of quarter)	Westwood	Simon Hendey	130	118	118	100	82	37	
HFA5	Number of new homes completed by the council (during quarter)	Westwood	Simon Hendey	0	12	6	18	18	135 for year	
HFA6	Number of households in temporary accommodation (at month close)	Westwood	Simon Hendey	54	55	55	55	62	50	
HFA7	Numbers on housing waiting list	Westwood	Simon Hendey	1,480	1,537	1,584	1,468	1,539	Measure only	n/a
HFA8	Voids cumulative re-let time (general/older persons) (days)	Westwood	Simon Hendey	17.21	16.30	15.74	12.52	13.52	13	

PRIORITY: VIBRANT LOCAL ECONOMY

Long range trackers (Annual)

No.	Performance measure	Cabinet member (Cllr)	Lead Director	2019	2020	2021	2022	Target 23/24	Status
VLE1	% of economically active people in employment (aged 16-64 - source: NOMIS)	Thompson	Dawn Adey	75.7%	77.4%	83.7%	75.1%	75%	
VLE2	Business counts (micro, small, medium, large – source: NOMIS)	Thompson	Dawn Adey	8,010	8,035	8,110	8,165	8,200	

Practical real-time measures (Quarterly)

No.	Performance measure	Cabinet member (Cllr)	Lead Director	Q2 - 22/23	Q3 - 22/23	Q4 - 22/23	Q1 - 23/24	Q2 - 23/24	Target 23/24	Status
VLE3	% of WCC revenue spend with local suppliers	Cutler	Dawn Adey	22.73%	22.31%	21.60%	26.44%	23.43%	Min 25%	
VLE4	% residents claiming out-of-work benefits	Thompson	Dawn Adey	1.8%	1.9%	2.0%	2.0%	2.0%	1.90%	
VLE5	City centre high street footfall metrics	Thompson	Dawn Adey	404,605	566,086	551,890	2.73 million*	2.70 million	1.3 million	

INSIGHTS & COMMENTS – Vibrant Local Economy

VLE4

Data provided by ONS – “CC01 Regional labour market: Claimant Count by unitary and local authority”.

VLE5







Data provided by the Winchester BID – *reporting system used and calculations have now changed so from Q1 23/24 figures are for total footfall (previous recording was estimated visitors). Target to be reviewed in light of the revised reporting and calculations.

PRIORITY: YOUR SERVICES, YOUR VOICE

Long range trackers (Annual)

No.	Performance measure	Cabinet member (Cllr)	Lead Director	2019/20	2020/21	2021/22	2022/23	Target	Status
YSYV1	Residents' satisfaction with the way the council runs things (Residents' Survey)	Becker	Sharon Evans	79% (SE 65%)	n/a	75% (SE 62%)	n/a	79%	n/a
YSYV2	% of Residents' Survey respondents that feel the council involves residents when making decisions	Becker	Sharon Evans	69%	n/a	58%	n/a	60%	n/a
YSYV3	Value for Money - total net expenditure per head (via: LGA Value for Money toolkit)	Cutler	Sharon Evans	£353	£406	£341	£315	Target not set	n/a

Practical real-time measures (Quarterly)

No.	Performance measure	Cabinet member (Cllr)	Lead Director	Q2 - 22/23	Q3 - 22/23	Q4 - 22/23	Q1 - 23/24	Q2 - 23/24	Target 23/24	Status
YSYV4	% complaints responded to within 10 working days	Becker	Sharon Evans	81%	73%	67%	57%	62%	90%	
YSYV5	% of upheld and partially upheld complaints	Becker	Sharon Evans	49%	44%	54%	68%	58%	< 58.75%	
YSYV6	Number of residents digitally interacting with the council - number of online reports submitted on My Council Services platform	Becker	Sharon Evans	7,981	5,937	18,140	10,195	9,429	40,000	
YSYV7	Number of respondents to consultations	Becker	Sharon Evans	716	2,001	653	998	734	5,000	
YSYV8	% of major planning applications decided within time (WCC / SDNP)	Porter	Dawn Adey	100% / 100%	100% / ~	100% / ~	100% / ~	100% / ~	80%	
YSYV9	% of non-major planning applications decided within time (WCC / SDNP)	Porter	Dawn Adey	93% / 84%	92% / 84%	92% / 84%	96% / 83%	93% / 82%	80%	

INSIGHTS & COMMENTS – Your services. Your voice.

YSYV4/YSYV5

During the reporting period July to September a total of 77 complaints were closed of which 48 were closed in 10 working days. Of the 29 that were closed later than 10 working days, 17 were related to Housing (Property Services, contractor / service failure and repairs, etc.) and 11 to Waste.

Reports containing details of complaints are regularly sent to corporate heads of service to enable the close monitoring of how long is being taken to respond to complaints. Reminder notifications are automatically sent to managers of complaints several days before the due date. Programme and Capital Board, which also monitors performance, receives detailed monthly reports covering complaints.

Internal communications have been circulated via City Voice newsletters to remind staff of the standard that the council has set that is to respond to all complaints within 10 working days; there is also work going on to help in identifying any trends with complaints and if improvements to processes can be put in place to minimise them.

YSYV6

Figures are inclusive of website and My Winchester app totals; they also include payments forms in My Council Services.

The total forms amount is also inclusive of garden waste form submissions and renewals which is the reason behind the figures being higher in January – March (Q4) owing to this being the period for renewals, and then scaling back proportionately in the following quarters.

YSYV7

This data is extracted from the council's consultation and engagement platform; 'Citizen Space' and reports the number of responses received within the given period. Fluctuations between quarters is expected with numbers of responses dependent on the number of consultations and the topic being consulted on, therefore if there are no or limited consultations in a quarter then the response number will be lower; similarly, if the consultation is for a limited audience number rather than open to all (e.g. housing tenants).

Tier 1 Programmes and Projects

Reporting Period Q2 – 1 July 2023 to 30 September 2023

This report provides an update on the progress of the council's Tier 1 projects for Q2 2023/24 (June to September 2023). Below is a summary of each project and their current RAG Status.

Project Name	RAG Status	
	Timeline	Budget
Bar End Depot		
Carbon Neutral Action Plan (WCC)		
Carbon Neutral Action Plan (District)		
Central Winchester Regeneration		
Future of Waste and Recycling		
Local Plan		
New Homes Programme		
Station Approach		
Winchester Movement Strategy Programme		

RAG Status Key

	"Normal level of attention". No material slippage. No additional attention needed
	"Minor concern – being actively managed." Slippage less than 10% of remaining time or budget, or quality impact is minor. Remedial plan in place
	"Major concern - escalate to the next level". Slippage greater than 10% of remaining time or budget, or quality severely compromised. Corrective Action not in place, or not effective. Unlikely to deliver on time to budget or quality requirements

Bar End Depot

Reporting Period: Quarter 2 2023/24 (1 June 2023 to 30 September 2023)

LEAD CABINET MEMBER: Cllr Martin Tod




PROJECT SPONSORS: Dawn Adey / Simon Hendey

PROJECT LEAD: Geoff Coe

PROJECT MANAGERS: Geoff Coe

PROJECT TIER: 1

REPORT DATE: October 2023

Project RAG Status:	Timeline		Budget	
	"Normal level of attention". No material slippage. No additional attention needed			
	"Minor concern – being actively managed". Slippage less than 10% of remaining time or budget, or quality impact is minor. Remedial plan in place			
	"Major concern - escalate to the next level". Slippage greater than 10% of remaining time or budget, or quality severely compromised. Corrective Action not in place, or not effective. Unlikely to deliver on time to budget or quality requirements			

Project Description and Outcome

The Bar End Depot project is a land transaction and forms part of the wider Bar End regeneration area.

There has been extensive previous engagement to develop a design framework for Bar End and these consultations led to a Community Plan and adoption of the Bar End Design Framework.

As part of this framework a shared vision for the site was developed which allows for the provision of:

- An area for sport and recreation, leisure, wellbeing and enjoyment.
- High quality, highly valued and accessible facility for the community.
- Complementary uses and facilities such as hydrotherapy, treatment, and recovery alongside recreational, sporting and competitive activities.

Project Managers Progress Report for Q2

The development site is now on the market with a bid deadline in November 2023. Bidders will need to demonstrate how their schemes will meet Council Plan objectives and planning policy.

A successful public presentation was held on 4 September 2023 with over 40 members of the public in attendance.

Project gateways

Stage	Duration	Start Date	Planned End Date	Projected End Date	Outcome
Marketing appointment		April 2022	June 2022	June 2022	Appointment of Selling Agent – Vail Williams
Public Engagement		March 2022	November 2022		Feedback on marketing plan and subsequent feedback on use type preferences
Marketing for Bids		August 2023	October 2023	November 2023	Marketing for Formal Bids
Developer selection and Planning application		November 2023	September 2025		Selection of Developer(s): Planning Application Submitted
Construction Start		September 2026			Subject to planning
Handover & Review		December 2026			Depends upon whether WCC retains an active development role.

Upcoming milestones for current project stage

Stage	Original Target	Current Target	Milestones and Actions	Outcome
Feasibility		Mar 2022	Public consultation	Positive feedback on Hobb's scheme. A food retail use would be welcome by the community.
Feasibility		Jul 2022	Appointment of Selling Agent	Vail Williams appointed
Transport Feasibility		August 2023	Transport planning advice	Further transport planning advice and pre-app being sought
Stage One Marketing – Expressions of Interest		Sept 2022	47 Expressions of Interest from market to identify potential market demand were received.	Uses included: residential; retail; leisure; industrial; Food and Beverage
Community Engagement		Nov 2022	Community Engagement re mix of uses proposed	Feedback concluded that the local community's first preference is for a new food store. The wider population of respondents (extending from Basingstoke to Southampton) had a first preference for more leisure including an ice rink. Feedback to be published in May/June 2023
Stage Two Marketing – Formal Bids		August 2023	Request for formal bids	
Preferred Bidder Evaluation and potential request for		November to December 2023	Review and evaluation of bids. Possible request for best and final bids.	

Stage	Original Target	Current Target	Milestones and Actions	Outcome
best and final offers				
Cabinet		June 2024	Cabinet Approval	
Contract documentation		July 2024	Contract documents issued	
Exchange		March 2025	Contract exchange	Purchaser to progress with planning application
Planning Application		September 2025	Submission of planning application	
Planning approval		March 2026	Planning approval	
Legal Completion		June 2026	Legal completion of sale	
Construction		Sept 2026	Construction starts on site	
Project Completion and Close		Dec 2026	Completion of works on site	Depends upon whether WCC are to retain an active role in development.

Carbon Neutrality Action Plan (WCC)

Reporting Period: Quarter 2 (1 June to 30 September 2023)

LEAD CABINET MEMBER: Cllr Kelsie Learney

PROJECT SPONSORS: Dawn Adey

PROJECT LEAD: Susan Robbins




PROJECT MANAGER: Steve Lincoln

PROJECT TIER: 1

REPORT DATE: October 2023

Programme RAG Status

Project RAG Status:	Timeline		Budget		Carbon	
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	On track
	30% off track but likely to hit target
	60% off track and unlikely to hit target

Project Description and Outcome for Council Actions

WCC declared a Climate Emergency in 2019, setting the ambitious aim of being a carbon neutral council by 2024.

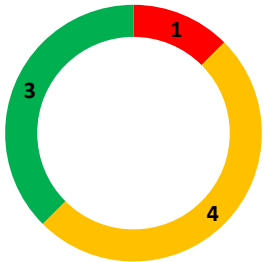
In response to the declaration, a Carbon Neutrality Action Plan (CNAP) was adopted by the council in December 2019, which set out the actions the council should deliver, the way it will work and the collaborations it would seek in order to achieve its aims. This has now been supplemented by the advice contained in the Carbon Neutrality Roadmap for the Winchester District adopted in January 2023 as the primary advice and the adoption of the ‘Greener Faster’ priority with the Council Plan 2020-2025 which puts the climate emergency at the heart of its agenda. Delivery of the Carbon Neutrality action plan will focus efforts and prioritise actions based on the following five pathways, this will be used to frame the actions and interventions needed.

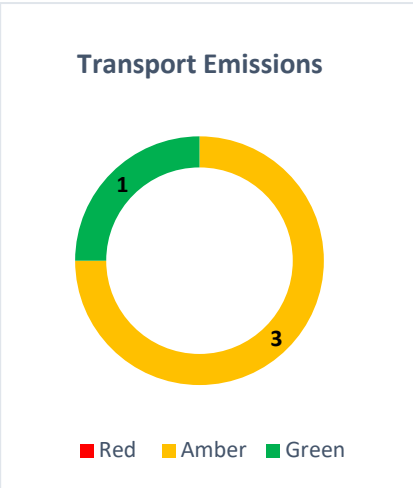
1. Reduce Energy Consumption
2. Reduce Transport Carbon Emissions
3. Increase Renewable Energy Generation
4. Carbon Sequestration / Nature Based Solutions
5. Support local carbon credit creation

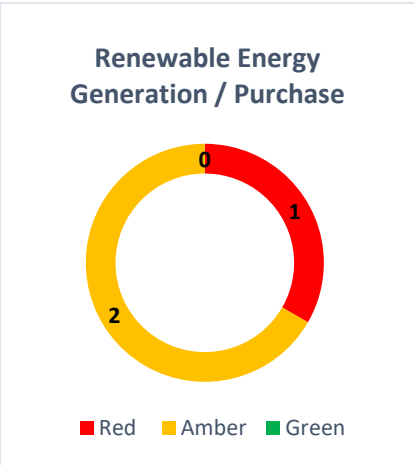
This programme update will report on the 19 projects which have the greatest carbon impact and are key to helping the Council achieve its carbon neutrality target of 2024.

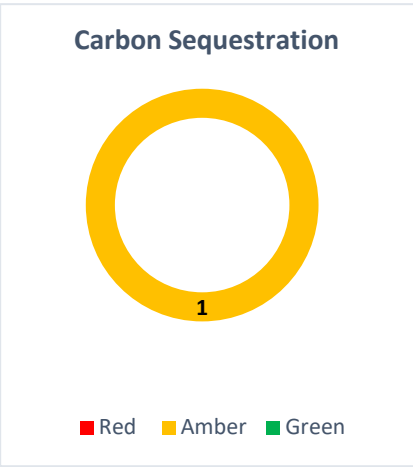
Carbon Emission Target	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Council by 2024 Target (tCO2e)	N/A	3,201	1,873	3,750	3,000	0	0
Actual (tCO2e) Market Based	4,268	2,665	4,147	3,837			

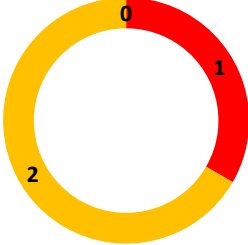
Programme Update Summary of Pathways and Council Actions

Pathway	RAG Project Status	Quarterly update	
<p>1. Reduce energy consumption</p>	<p>Energy Consumption</p>  <p>■ Red ■ Amber ■ Green</p>	<p><u>Quarter 2 Update</u></p> <p>Red:</p> <p>Tender for solar PV panels and ASHP at Meadowside came back 250% over budget. Current CIL funding of £60K and PSDS funding of £64K is insufficient. The project is now on hold while options are assessed.</p> <p>Amber:</p> <p>Approval obtained to recruit an Energy Manager to monitor and target energy consumption in corporate assets.</p> <p>Submetering of the Guildhall West Wing would require extensive electrical rewiring and alterations to plumbing at significant cost and disruption, so is not financially viable at present.</p> <p>Installation of AMR's in sheltered and cared for homes continued and will allow for a better understanding of energy usage to develop targeted behavioural change campaigns.</p> <p>Green:</p> <p>4 of the 5 decarbonisation reports for council owned and occupied buildings</p>	<p><u>Actions for next quarter</u></p> <p>Decision on the preferred option for decarbonisation of Meadowside Leisure Centre.</p> <p>Recruit and appoint Energy Manager. Move forward AMR installation across all sites.</p> <p>Scope and assess the viability of offering staff discounts for switching to renewable energy at home.</p> <p>Move forward AMR installation across all sites, including sheltered and cared for homes, and confirm viability of sites for submetering.</p> <p>Review decarbonisation proposals for owned and occupied property and</p>

Pathway	RAG Project Status	Quarterly update	
		<p>have been received and will inform decarbonisation plans.</p> <p>Retrofit and energy efficiency work is progressing on Magdalen Cemetery House.</p> <p>Appointment of a contractor to segregate Special Maintenance skip waste offsite has achieved a 99% carbon saving.</p>	<p>shortlist viable projects to be put forward for a more detailed design stage.</p> <p>Magdalen Cemetery House works should be completed by end of December.</p>
<p>2. Reduce transport carbon emissions</p>	<p>Transport Emissions</p>  <p>■ Red ■ Amber ■ Green</p>	<p>Quarter 2 Update</p> <p>Red: n/a</p> <p>Amber: Cabinet decision in July, approved move to HVO fuel for waste vehicles (Biffa Contract). Special Maintenance have been working with contractors to determine if their vehicles are HVO compatible. Series of sustainable travel staff engagement events including bike doctor, love to ride workplace challenge and launch of carshare scheme.</p>	<p>Actions for next quarter</p> <p>Monitoring of price of HVO to determine if Biffa transition to HVO is viable.</p> <p>Business case for replacing 6 Special Maintenance vehicles with electric alternatives and replacement 2 existing council pickups with HVO diesel dual fuel alternatives.</p> <p>Anticipated delivery of 5 electric vehicles for housing and communities.</p> <p>Workplace Travel Plan due in late Autumn and promote car sharing to staff.</p>

Pathway	RAG Project Status	Quarterly update	
		<p>Green:</p> <p>Tenders have returned for supplying HVO fuel to Park and Ride buses for minimum of 3-year contract.</p> <p>EM3 Future Fund bid submitted for £1.2M towards the £2.6M cost of solar canopies at two Park and Ride sites. It would deliver EV and bus charging infrastructure with a battery storage solution and is estimated to make a carbon saving 1357t CO2e.</p>	<p>Evaluation of tenders for HVO fuel Park and Ride contract and report to Cabinet in December for approval to award the contract.</p> <p>Anticipated outcome from EM3 Future Fund application.</p>
<p>3. Increase renewable energy generation / purchase</p>	<p>Renewable Energy Generation / Purchase</p>  <p>■ Red ■ Amber ■ Green</p>	<p>Quarter 2 update</p> <p>Red:</p> <p>Solar potential of City Offices and car parks have been reviewed. GIS analysis of our potential sites has been completed and discussions had with HCC on potential for P&R sites, linked to the EM3 Future Fund application.</p> <p>Amber:</p> <p>Discussions with leisure centre operators Everyone Active to move to 100% green electricity tariff by end 2024. Discussions around green gas have been more challenging with the need to understand the technical implications.</p>	<p>Actions for next quarter</p> <p>Develop Renewables Strategy to cover car parks, roofs and large-scale ground-mounted to meet council target of increased generation.</p> <p>Renewable energy paper to HEP in December 2023.</p> <p>Progress discussions with Everyone Active on feasibility of using green energy at WSLP.</p> <p>Further appraisal of sites with solar PV potential outside WCC/HCC ownership and of solar canopies on P&R sites.</p>

Pathway	RAG Project Status	Quarterly update	
		<p>388 responses to the renewable energy attitude survey, of which the majority of these were supportive of renewable energy projects in the district. Consultants Buro Happold have provided a detailed review of all sites and engaged with DNO to understand grid capacity potential.</p> <p>Green: n/a</p>	
<p>4. Carbon sequestration through nature based solutions</p>	 <p>Carbon Sequestration</p> <p>1</p> <p>■ Red ■ Amber ■ Green</p>	<p><u>Quarter 2 Update</u></p> <p>Red: n/a</p> <p>Amber: This is a new action from revised CNAP - there has been no progress on this action for this quarter.</p> <p>Green: n/a</p>	<p><u>Actions for next quarter</u></p> <p>Scope and research best practise to gain a better understanding of options and move this forward.</p>

Pathway	RAG Project Status	Quarterly update	
<p>5. Support creation of local carbon credits</p>	<p style="text-align: center;">Carbon Credits</p>  <p style="text-align: center;"> ■ Red ■ Amber ■ Green </p>	<p><u>Quarter 2 Update</u></p> <p>Red: Smart Export Guarantee (SEG) payments not progressed due to lack of DNO permission evidence.</p> <p>Amber: Quotes obtained from Total Gas in relation to procuring Green Gas for the council.</p> <p>Green: n/a</p>	<p><u>Actions for next quarter</u></p> <p>Complete SEG payment agreements.</p> <p>Consideration of options for purchase of green gas.</p> <p>Progress work with SDNPA on carbon credits scheme.</p>

Carbon Neutrality Action Plan (District)

Reporting Period: Quarter 2 (1 June to 30 September 2023)

LEAD CABINET MEMBER: Cllr Kelsie Learney

PROJECT SPONSORS: Dawn Adey

PROJECT LEAD: Susan Robbins




PROJECT MANAGER: Steve Lincoln

PROJECT TIER: 1

REPORT DATE: October 2023

Programme RAG Status

Project RAG Status:	Timeline		Budget		Carbon	
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	On track
	30% off track but likely to hit target
	60% off track and unlikely to hit target

Project Description and Outcome for District Actions

WCC declared a Climate Emergency in 2019, setting the ambitious aim of being a carbon neutral district by 2030.

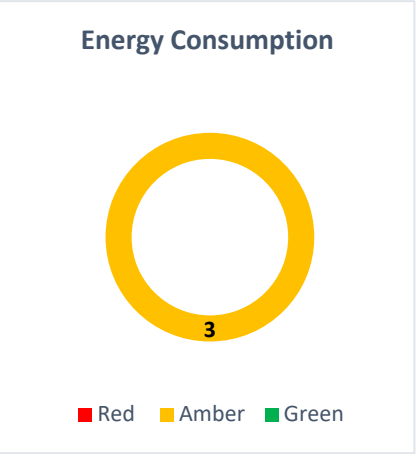
In response to the declaration, a Carbon Neutrality Action Plan (CNAP) was adopted by the council in December 2019, which set out the actions the council should deliver, the way it will work and the collaborations it would seek in order to achieve its aims. This has now been supplemented by the advice contained in the Carbon Neutrality Roadmap for the Winchester District adopted in January 2023 as the primary advice and the adoption of the ‘Greener Faster’ priority with the Council Plan 2020-2025 which puts the climate emergency at the heart of its agenda. Delivery of the Carbon Neutrality action plan will focus efforts and prioritise actions based on the following five pathways, this will be used to frame the actions and interventions needed.

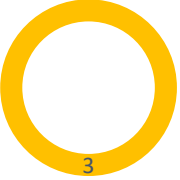
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3. Increase Renewable Energy Generation
4. Carbon Sequestration / Nature Based Solutions
5. Support local carbon credit creation

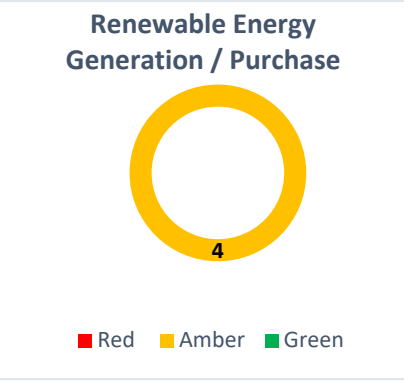
This programme update will report on the projects which have the greatest carbon impact and are key to helping achieve the district carbon neutrality target of 2030.

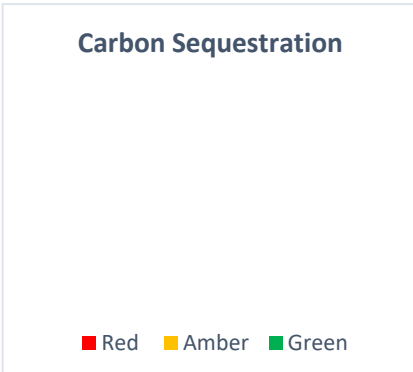
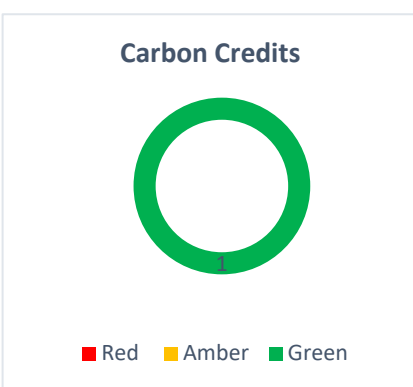
Carbon Emission Targets	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
District by 2030 Target (tCO2e)	N/A	527,000	456,210						
Actual	579,700	506,900							

Programme Update Summary of Pathways and Council Actions

Pathway	RAG Project Status	Quarterly update	
<p>6. Reduce energy consumption</p>	<p style="text-align: center;">Energy Consumption</p>  <p style="text-align: center;">■ Red ■ Amber ■ Green</p>	<p><u>Quarter 2 Update</u></p> <p>Red: n/a</p> <p>Amber: <u>Private sector homes:</u> HUG1 ended in July 2023 with 43 measures installed for off gas properties in Winchester totalling £369k. LAD3 ended in September 2023 with 39 measures installed for on-gas properties in Winchester totalling £232k. HUG2 launched in July 2023 and Warmer Homes consortium have sent 2800 letters to private homeowners and landlords. 30 properties registered to date.</p> <p><u>Council housing:</u> There have been 380 retrofit ready energy assessments. Development of 6 Passivhaus units at Southbrook Cottages in Micheldever and Passivhaus Units at Winnall is progressing. Completion of 7 Association for Environment Conscious Building (AECB) homes at North Whiteley to WCC.</p> <p><u>Commercial property:</u> Commissioned a consultant to help businesses measure their carbon footprint and provide decarbonisation advice.</p>	<p><u>Actions for next quarter</u></p> <p><u>Private Sector homes:</u> Deliver marketing plan for HUG2 in partnership with Warmer Homes Consortium. Ecofurb national retrofit offer (Parity Projects) to be explored.</p> <p><u>Council housing</u> Retrofit ready insulation will commence in Autumn, as will replacement of single glazed windows and doors. On track to receive all retrofit ready energy assessments by end of December. Swedish Cottages retrofit will commence at the end of October. New homes scheme at Southbrook Cottages expected to complete in January. Completion of 3 shared ownership units and 73 flats at Winnall Flats expected in November.</p> <p><u>Commercial property:</u> Appoint consultant and implement grant assistance programme to assist businesses with retrofit measures to reduce their carbon footprint.</p>

Pathway	RAG Project Status	Quarterly update	
		Green: n/a	
7. Reduce transport carbon emissions	<p data-bbox="613 421 864 448">Transport Emissions</p>  <p data-bbox="613 715 882 735">■ Red ■ Amber ■ Green</p>	<p data-bbox="981 389 1218 416">Quarter 2 Update</p> <p data-bbox="981 443 1093 470">Red: n/a</p> <p data-bbox="981 497 1570 662">Amber: New EVCP installation at the Coach Park of a second rapid charger. Alresford Station car park also had a rapid and a fast charger installed.</p> <p data-bbox="981 703 1496 762">12 large businesses attended the online sustainable travel business event.</p> <p data-bbox="981 804 1570 933">Promoted a series of sustainable travel initiatives, including 'Love to ride', car free day and £2 bus fare cap, through Winchester business networks.</p> <p data-bbox="981 943 1570 1002">Advised and Supporting the Leisure centre to run a travel survey for staff and visitors</p> <p data-bbox="981 1043 1547 1134">EM3 Future Fund bid submitted for £1.2M towards the £2.6M cost of solar canopies at two Park and Ride sites was unsuccessful.</p> <p data-bbox="981 1161 1122 1189">Green: n/a</p>	<p data-bbox="1599 389 1935 416">Actions for next quarter</p> <p data-bbox="1599 491 2092 518">Public consultation for district LCWIP.</p> <p data-bbox="1599 560 2168 619">Promotion of under-used EVCPs at Barfield 2.</p> <p data-bbox="1599 660 2145 719">Discussions with HCC on accessing LEVI funding to install EVCPs in 2025/26.</p> <p data-bbox="1599 761 2181 959">Promotion of sustainable travel initiatives, including staff car share scheme and Breeze app (sustainable travel planning and payment app). Develop business case to promote 'My Journey' new car share platform with Winchester workplaces.</p>

Pathway	RAG Project Status	Quarterly update	
<p>8. Increase renewable energy generation / purchase</p>	<p style="text-align: center;">Renewable Energy Generation / Purchase</p>  <p style="text-align: center;">■ Red ■ Amber ■ Green</p>	<p><u>Quarter 2 Update</u></p> <p>Red: n/a</p> <p>Amber: HCC solar together scheme launched in August. In its first week, Winchester district received 82 registrations.</p> <p>Planning applications received:</p> <ul style="list-style-type: none"> - Denmead 50MW solar farm and battery storage facility - Crabwood (Sparsholt Lane) 50MW - Instavolt at Littleton Development of an Electric Vehicle Charging Station <p>WinACC has been awarded an SPF funded contract to deliver community solar support scheme (CSSS) to increase solar capacity at community halls.</p> <p>Green: n/a</p>	<p><u>Actions for next quarter</u></p> <p>Continue to promote HCC Solar Together scheme ahead of final registration period ending 27th October.</p> <p>Share GIS mapping on website to allow public to access information and identify sites for potential for solar PV generation.</p> <p>Work with Community Energy South to provide support to South Wonston to run a community energy workshop.</p> <p>Through our CSSS 3 community buildings will have business plans approved for installation of roof mounted solar PV by end of December.</p>

Pathway	RAG Project Status	Quarterly update	
<p>9. Carbon sequestration through nature based solutions</p>	<p>Carbon Sequestration</p> 	<p><u>Quarter 2 Update</u></p> <p>Currently no actions relating to this pathway in district action plan.</p> <p>Red: n/a</p> <p>Amber: n/a</p> <p>Green: n/a</p>	<p><u>Actions for next quarter</u></p>
<p>10. Support creation of local carbon credits</p>	<p>Carbon Credits</p> 	<p><u>Quarter 2 Update</u></p> <p>Red: n/a</p> <p>Amber: n/a</p> <p>Green: SPF funded project with SDNPA continues to develop carbon credits from tree planting within Winchester farm cluster via its Revive platform.</p>	<p><u>Actions for next quarter</u></p> <p>Launch of Go Greener Faster grant will include opportunity for local organisations to apply for funding to develop carbon credits, as well as other green measures.</p> <p>Council will continue to explore options for purchase of local carbon credits.</p>

Central Winchester Regeneration (CWR)

Reporting Period: Quarter 2 2023/24 (1 June 2023 to 30 September 2023)

LEAD CABINET MEMBER: Cllr Martin Tod






PROJECT SPONSORS: Dawn Adey & Ken Baikie

PROJECT LEAD: Veryan Lyons

PROJECT MANAGERS: Rachel Robinson

PROJECT TIER: 1

REPORT DATE: October 2023

Project RAG Status:	Timeline		Budget	
	"Normal level of attention". No material slippage. No additional attention needed			
	"Minor concern – being actively managed." Slippage less than 10% of remaining time or budget, or quality impact is minor. Remedial plan in place			
	"Major concern - escalate to the next level". Slippage greater than 10% of remaining time or budget, or quality severely compromised. Corrective Action not in place, or not effective. Unlikely to deliver on time to budget or quality requirements			

Project Description and Outcome

Central Winchester Regeneration (CWR) is a major regeneration project in the centre of the city. The Central Winchester Regeneration Supplementary Planning document was adopted in June 2018. The vision is for the delivery of a mixed use, pedestrian friendly quarter that is distinctly Winchester and supports a vibrant retail and cultural/heritage offer which is set within an exceptional public realm and incorporates the imaginative re-use of existing buildings.

Development within the Central Winchester Regeneration area should meet the following objectives:

1. Vibrant mixed-use quarter
2. Winchesterness
3. Exceptional Public Realm
4. City Experience
5. Sustainable Transport
6. Incremental Delivery
7. Housing for all
8. Community
9. Climate change and sustainability

Project Managers Progress Report for Q2

The CWR Development Proposals were approved at Cabinet on 10 March 2021 following public consultation. The options for delivery of the CWR site were then explored through the Strategic Outline Case and the preferred delivery option, '*to enter into a contractual agreement with a single development partner across the defined site*' was approved at Cabinet on 21 July 2021, and approval for officers to progress to and develop the Outline Business case was granted.

The Outline Business case was developed alongside the procurement documentation and approved at Cabinet on 22 December 2021. At Full Council on 12 January 2022 authorisation was given to initiate and conduct the procurement process for the selection of a development partner. Final tenders were submitted on 09/12/22. A decision on the recommended development partner was approved by Cabinet on 6 March 2023.

Following Cabinet approval and completion of the 10-day standstill period, the council announced the appointment of Jigsaw. The council and Jigsaw have been working together to finalise the Development Agreement and work towards the first project milestone – Development Delivery Plan is underway.

Alongside this, officers are also tasked with:

- Implementing further archaeology investigations across the site. Works have commenced on site. Estimated to complete in December 2023.
- The demolition of Friarsgate Medical Centre (FGMC) and replacement space.
- Improvements to Kings Walk ground floor and surrounding public realm sitting with the CWR portfolio.

Key Documents

Latest Cabinet Decision / Report: [Cabinet 6 March 2023](#)

Project Plan: [CWR Project Plan 2023 - CURRENT](#)

Latest Project Team Meeting Minutes: [CWR Project Team Meeting Minutes 06 07 23](#)

CWR Risk Register: [CWR Risk Register - Strategic](#)

CWR Archaeology Evaluation (Trial Trenching) Risk Register: [CWR Archaeology Evaluation \(Trial Trenching\) Risk Register](#)

Joint Project Board Meeting Minutes: [CWR Joint Project Board Minutes 14 09 23](#)

Project gateways

Stage	Duration (months)	Start Date	Planned End Date	Projected End Date	Outcome
Roadmap Review	5	Jun 19	Sept 19	Nov-19	Review of CWR project to inform: - Land uses / mix - Delivery options and associated timeline - Key risks, constraints, and opportunities
Scenario Options	6	Sept 10	Jan 20	Mar 20	Test different land uses / mix to determine priorities
Development Proposals	3	Jan 20	Jan 20	Apr 20	Generate development framework (preferred option)
Development Proposals & Delivery Strategy	5	Mar 20	Jul 20	Nov 20	Agree solution for bus operations and carry out soft market testing to further inform the development proposals and delivery strategy
Delivery Strategy	13	May 20	Dec 20	July 21	Assessment of delivery models and appetite for risk and control, refinement of development proposals Approval of delivery strategy
Market Preparation	5/6	July 21	Dec 21	Jan 22	Prepare a marketing and procurement strategy, associated documents, and the Outline Business Case. Seek approval to procure a single development partner for the CWR site.
Market Launch and Procurement Process for	13	Jan / Feb 22	Dec 22	Mar 23	Data room set up, market launch, market engagement with potential developers, carry out the procurement process including

Stage	Duration (months)	Start Date	Planned End Date	Projected End Date	Outcome
Development Partner					evaluations. Identify preferred development partner and seek approval to appoint.
Development Delivery Plan	6	Apr 2023	Sept 2023*	Jan 2024	<p>On signing the Development Agreement, there will be an initial version of the draft Development Delivery Plan drawn from the Jigsaw's tender submission.</p> <p>The draft Development Delivery Plan is to be in accordance with the Development Objectives. The content will describe and enable further work by Jigsaw to support a planning application.</p> <p>Following the signing of the Development Agreement, Jigsaw will update the draft Development Delivery Plan and the projected dates will be amended.</p> <p>The updated Development Delivery Plan will be approved by Cabinet. The Development Agreement Long Stop date for the updated draft Development Delivery Plan is 6 months from signing of the Development Agreement.</p>
Planning Application	18	Sept 2023*	Q3 2025*		<p>Work up detailed scheme, carry out financial modelling, prepare Full Business Case and planning application for Cabinet approval prior to submission - a hybrid application is required, seeking a detailed Planning Permission for Phase 1 and an outline Planning Permission for the remainder of the Development.</p> <p>The Development Agreement Long Stop date for the submission of the planning application is 24 months from the date on which the council approves the Development Delivery Plan.</p>
Planning	18	Q3 2025*	Q2 2027*		<p>Planning permission granted - the Development Agreement Long Stop date for the Planning Decision is 42 months from the date on which the council approves the Developer's Development Delivery Plan</p>

Stage	Duration (months)	Start Date	Planned End Date	Projected End Date	Outcome
Phase 1 Primary Condition Satisfaction	6	Q2 2027*	Q4 2027*		Jigsaw is required to satisfy the Primary Conditions in order to take a Phase 1 Building Lease and commence Development. Phase 1 Primary Conditions to be approved by Cabinet prior to start on site. The Development Agreement Long Stop date for the Phase 1 Primary Conditions to be satisfied is 48 months from the date on which the council approves the Developer's Development Delivery Plan.
Start on Site	3	Q1 2028*			Subject to Cabinet approval of Phase 1 Primary Condition satisfaction. The Development Agreement Long Stop date for start on site is 3 months from the date on which the relevant Phase Building Lease is granted.

**once the Development Delivery Plan has been agreed these dates will be updated.*

Upcoming milestones for current project stage

Task/Milestone	Start Date	End Date	Current End Date	% Complete	Comments / Actions	Outcome
Development Agreement	April 23	April 23	November 23	95%	<p>The council and Jigsaw are working together to finalise the Development Agreement, this includes:</p> <ul style="list-style-type: none"> • Finalising the drafting • Templates for Building Lease and Long Lease HoTs • Schedules and appendices 	<p>Once the Development Agreement has been signed:</p> <p>Jigsaw will continue to update and finalise the draft Development Delivery Plan.</p> <p>Formal Project Board meetings and Quarterly Review meetings can commence.</p>
Development Delivery Plan	April 23	Sept 23	Jan 24	25%	<p>The Development Delivery Plan will be approved by Cabinet. The Development Agreement Long Stop date for the updated draft Development Delivery Plan is 6 months from signing of the Development Agreement.</p>	<p>On signing the Development Agreement, there will be an initial version of the draft Development Delivery Plan drawn from Jigsaw's agreed submission.</p> <p>The draft Development Delivery Plan is to be in accordance with the Development Objectives. The content will describe and enable further work by Jigsaw to support a planning application.</p>
Archaeology Evaluation (trial trenching)	July 23	Site works – Oct 23	Site works – Dec 23	45%	<p>Pre-Construct Archaeology started on site on 3 July 23.</p> <p>Initial estimate for the site works was 4 months,</p>	<p>Further archaeology investigations to build on the current understanding of archaeological potential on the site will help inform and guide proposals for the</p>

Task/Milestone	Start Date	End Date	Current End Date	% Complete	Comments / Actions	Outcome
		Reporting – Mar 24	Reporting – May / June 24		<p>followed by a high-level summary report one month after completion and a full report 6 months after completion.</p> <p>Estimated completion date has been extended to account for delays incurred which include staff sickness, adverse weather and discovery of a service pipe running through one of the trenches. Which in turn has resulted in delays to the reporting.</p>	<p>development and archaeological mitigation strategies.</p> <p>The council has the opportunity to progress this now - in doing so the implications this may have for how the development is brought forward can be gained sooner, helping to progress plans for the site and move towards a planning decision.</p>

Deliverables	Expected Date of achievement	On target (Y/N)	Expected Date of achievement (Revised)	Comment
Finalise and sign the development Agreement	June 2023	N	November 2023	The council and Jigsaw are working together to finalise the Development Agreement. This has taken slightly longer than initially anticipated.
Agree and implement governance arrangements	June 2023	N	September 2023	A joint Board meeting took place on 14 September 23 with key officers, Members and Jigsaw to make sure everyone is aware of the priorities (which need to be agreed), understand roles and responsibilities and start the working relationship that will steer the project in the crucial early months and years.
Agree stakeholder engagement approach and messaging.	June 2023	Y		Stakeholder engagement strategy was shared at Cabinet Committee: Regeneration on 7 June
Implement stakeholder engagement strategy	Q3 2023	N	Q4 2023	Key tasks include: <ul style="list-style-type: none"> • Continue engaging key stakeholders. • Prepare for and identify individuals to be involved in workshops. • Hold workshops. • Prepare for and identify individuals to be involved in youth and futures groups. • Establish youth and futures groups. • Co-creation workshops with Team, Members, Officers and community

Deliverables	Expected Date of achievement	On target (Y/N)	Expected Date of achievement (Revised)	Comment
Progress the Archaeology trial trenching	Site works – Oct 2023	N	Site works – Dec 2023	Works started on site on 3 July 23. Estimated completion date has been extended to account for delays incurred which include staff sickness, adverse weather and discovery of a service pipe running through one of the trenches. Which in turn has resulted in delays to the reporting.
	Reporting – Mar 2024	N	Reporting – May / June 2024	
Hold public Archaeology Event with CWR Archaeology Panel x2	June 2023	N	July 2023	Opportunity to introduce the winning bidder for the archaeology trial trenching works, provide details of the works and hold discussion regarding Jigsaw long term approach. Recap on the trial trenching investigations, present initial findings, explain how the findings will be used going forward and implications for the redevelopment.
	Oct 2023	N	Mar 2024	There was a slight delay to the first event due to existing diary commitments – the first event took place on 26 July 23. Current delays to the second event, where the public will be given an update on the findings and implications for the development as it is progressed, are a result of the delays to the completion date for the works.
Agree options for the bus solution	Q1 2024	Y		There is a need to pick up on previous discussions with HCC and the bus operators, to introduce Jigsaw and begin conversations in

Deliverables	Expected Date of achievement	On target (Y/N)	Expected Date of achievement (Revised)	Comment
				<p>relation to their revised thinking regarding the CWR bus solution whilst ensuring alignment to the wider Winchester Movement Strategy. An initial meeting with HCC took place on 2 May 23, followed by a second meeting joined by the bus operators on 17 July 23.</p>
<p>Investigate the option of taking Coitbury House as the Jigsaw base on site</p>	<p>Jan / Feb 2024</p>	<p>Y</p>		<p>Jigsaw have expressed an interest in using Coitbury House as their permanent base in Winchester – somewhere located with the site where officers, Members and the community can easily access them.</p> <p>Jigsaw have put a proposal together which will need to go to WCC Property Board.</p>

Future of Waste and Recycling

Reporting Period: Quarter 2 2023/24 (1 July to 30 September 2023)

LEAD CABINET MEMBER: Cllr Kelsie Learney




PROJECT SPONSORS: Simon Hendey

PROJECT LEAD: Andy Hickman

PROJECT MANAGERS: Judith Harper

REPORT DATE: October 2023

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Project RAG Status:	Timeline		Budget	
	"Normal level of attention". No material slippage. No additional attention needed			
	"Minor concern – being actively managed". Slippage less than 10% of remaining time or budget, or quality impact is minor. Remedial plan in place			
	"Major concern - escalate to the next level". Slippage greater than 10% of remaining time or budget, or quality severely compromised. Corrective Action not in place, or not effective. Unlikely to deliver on time to budget or quality requirements			

Project Description and Outcome

As a council, Winchester has seen the fastest growing recycling performance in the County since 2019. It is one of the best performing authorities in Hampshire in terms of waste and recycling and has an ambition to become one of the best nationwide; minimising its carbon emissions, increasing the amount recycled and reducing the amount of waste produced in the fastest and most cost-effective way possible.

There are significant proposed changes around waste and recycling; mostly driven by national requirements, and as a Waste Collection Authority (WCAs), Winchester City Council wants to take this opportunity to improve its household waste and recycling collections. These changes and how they impact on Winchester's residents will inform the new waste strategy. The outcome of this strategy is the core of Future of Waste and Recycling project.

The project includes a public insight and engagement exercise, in progress, that will help inform the new waste strategy for household properties. The outcomes of this will help us:

- A) Develop service options based on the outcome of the engagement, environmental factors and affordability;
- B) Implement any changes.

In part-response to the national changes, Hampshire County Council is proposing to build a new Material Recovery Facility, which will require partners, including Winchester, to make changes to the way we collect dry recycling from households. Hampshire County Council and its partners are discussing an Inter-Authority Agreement (IAA) to act as an overarching agreement to set out how the new arrangements will work. The development of the IAA is a key work stream. Future of Waste and Recycling is also about decarbonising the waste and recycling collections.

The next stage is to analyse the public engagement responses, the modelling of options, consider the feasibility of the use of Hydrotreated Vegetable Oil (HVO) and to progress the Inter-authority Agreement.

Proposals will be taken to Cabinet in January 2024

Project Managers Progress Report

Timeline and Finance

Local authorities are still awaiting the details of the national changes, including how these changes will be funded. Government originally started consulted on consistent collections in 2019 with a final response due in 2021. This response has since been delayed and Government has remained silent on further intentions. The lack of clarity has delayed Winchester from delivering its ambitions as quickly as it would have liked. The ongoing delay with forthcoming information around government requirements and funding may impact on the development of the new waste strategy and how and when to implement any national and regional changes. This is being managed through regular engagement with external stakeholders to understand when any forthcoming information from government will be available. As this is still unknown the rag rating for timing is currently amber.

Cabinet in July approved recommendations, mainly to undertake a consultation, start negotiations to introduce HVO initially and progress work around the Inter-Authority Agreement. We have commissioned external specialists to undertake the consultation, financial, technical and operational modelling and provide external legal support. There is an existing project budget of £400k which c.£300k has been provisionally allocated based on assumed resource requirements. There is also a further £500k project reserve. It is likely that costs will increase above the forecast and the reserves will be used to offset these costs.

Costs will be budgeted once external support has been commissioned. It is anticipated that there are sufficient funds to continue to develop the strategy. Any mobilisation of changes will require additional funds including capital and will be requested as part of the governance sign-off process. As a result, the budget rag rating is green.

Public Insight & Engagement

The first part of the consultation is an engagement and information gathering exercise addressing residents recycling habits and understanding. This commenced on 16th October; outcomes from this will be used to inform alternative options that meet the government and local requirements and take into account the feedback, environment and affordability. This will be brought back to Cabinet in 2024.

Following this it is anticipated that a consultation around the detail of any proposed changes to the recycling services will be carried out in Q4. It would set out what is required by government as mandatory requirements and regional requirements by Hampshire County Council i.e. introducing a separate food waste collection to households, introducing a twin-stream collection that collects fibres separately and collecting the minimum suite of dry recycling material as specified by the Environment Act 2021. Although the council may be constrained in the service it can deliver due to these national requirements and the local treatment infrastructure, as well as government funding available, it is important that it consults residents on the changes as to how it can be delivered, so as to allow responses from residents to be considered and help inform the development of the waste strategy.

IAA

The County Council has asked the eleven local waste collection authorities, which includes Winchester City Council, to sign up to an Inter-Authority Agreement (IAA). This will change the way the current payment mechanism works between Hampshire County Council and the partners including Winchester City Council. Indicative initial costs due to some of the key changes of this new agreement have the potential to increase by c.£200k for a kerbside residual waste arising target, c.£500k for material income potential removal and c.£75k for contamination cost. Winchester City Council is continuing to negotiate with Hampshire County Council over the potential cost increases and issues such as income share.

The County Council is looking for reassurance that the eleven local waste collection authorities in Hampshire will utilise the proposed new Materials Recovery Facility which it intends to build in Eastleigh and seeking a commitment by October 2023. Currently the group of collection authorities has declined to commit to the IAA due to uncertainty in government direction and in available funding under the new burdens and is also looking for some amendments to the agreement. It is believed that HCC is prepared to delay the date for final decision.

Decarbonising waste and recycling collections

Hydrotreated Vegetable Oil (HVO) is an initial solution to decarbonise waste and recycling collections. Other alternative fuels such as electricity and hydrogen are being considered as part of the future strategy, subject to budgetary and contractual constraints and engagement with partners and residents as required. At present, electric vehicles require a substantial investment up front including infrastructure such as charge points. It is also unlikely that electric vehicles will be able to service all of Winchester. Ongoing consideration will be given to electric vehicles and alternatives as the market grows and the future strategy develops to ensure the best 'greener' solution is achieved. Implementing HVO across the existing fleet for recycling and waste will have increased annual costs. In recent months the cost of diesel and HVO has been volatile with cost per litre fluctuating significantly. Currently the contractor bears the risk of any price fluctuations in the cost of diesel and so changing to HVO will mean the Council bear the risk of the price difference between diesel and HVO. This risk changes depending on what price Biffa secure for diesel and HVO. This risk is considerable given recent changes in HVO costs. For reasons of cost, and the need to consider and identify a strategic option for alternative fuels longer term subject to consultation, HVO is intended to serve only as an initial solution.

Key Documents:

18 July 2023 Cabinet Report

Project gateways

Stage	Duration (months)	Start Date	Planned End Date	Projected End Date	Outcome
Project initiation		31 January 23	18 July 23	Completed	The start of a process to develop a new waste strategy. This includes key decisions taken at the July Cabinet around approval to go out and consult, start negotiations with the current collection contractor to decarbonise the waste and recycling vehicles through the initial use of Hydrotreated Vegetable Oil (HVO) and to continue working with Hampshire County Council on developing the new Inter-Authority Agreement.
Exploration and Feasibility		Autumn 23	Jan 24		<p>Public engagement, financial modelling and technical and operational modelling are in progress.</p> <p>Other exploration and feasibility work includes financial modelling around future disposal and treatment costs and understanding the draft Inter-Authority Agreement. These will also be brought to cabinet in January 24.</p> <p>The outcome of these along with understanding the government requirements and funding will help shape the new waste strategy that is intended to be brought to January 24 cabinet for a decision.</p>
Design					This will be dependent on government providing details of its requirements and funding. It will also be dependent on the final shaping of the Inter-Authority Agreement.
Delivery					This will be dependent on government providing details of its requirements and funding. It will also be dependent on the final shaping of the Inter-Authority Agreement.

Forthcoming milestones for current project stage

Task/Milestone	Start Date	Planned End Date	Forecast End Date	% Complete	Comments / Actions	Outcome
Respond to the draft Inter-Authority Agreement	24 August 2023	17 October 2023	January 2023	0%	The group of WCAs is negotiating on the agreement whilst there is uncertainty on government requirements and funding. End date excludes call-in period.	To achieve a mutually affordable and sustainable solution for treatment of recycling.
Public Insight & Engagement	16 October 2023	26 November 2023	January 2023	0%	Engagement will close on 26 th November 2023. The analysis and outcome will be available for presentation to Cabinet January 2024.	The purpose of the engagement is to seek resident views on how to improve recycling including more materials, benefiting carbon reduction, and to help inform the new waste strategy. The feedback will be used to inform a more detailed consultation on recycling options and thus to develop service options based on the outcomes of the consultation and environmental affordability and factors.

Task/Milestone	Start Date	Planned End Date	Forecast End Date	% Complete	Comments / Actions	Outcome
Financial modelling around Inter-Authority Agreement	27 July 2023	1 September 2023	1 September 2023	0%	There is a risk that the external funding will still be unknown at this stage. Therefore costs will need to be modelled on what is known against budgets.	To gain an understanding of what the cost implications will be of adopting the revised payment mechanism being proposed as part of the Inter-Authority Agreement
Financial modelling	27 July 23	22 November 23	22 November 23	50%		Model the financial implications and opportunities around the expected changes.
Technical and operational work and modelling	27 July 23	22 November 23	January 2024	30%	Initial work around operational feasibility has been explored by HCC and WCC to help understand what the parameters of any change may be.	<p>Develop service options based on the outcome of the engagement, environmental factors and affordability.</p> <p>Develop increased depot space options.</p> <p>Preparation work to understand requirements for procuring infrastructure to deliver mandatory requirements such as:</p> <ul style="list-style-type: none"> - what types of specialist food vehicles are available and the operational suitability; - food waste treatment options; and

Task/Milestone	Start Date	Planned End Date	Forecast End Date	% Complete	Comments / Actions	Outcome
						- limitations around multi-occupancy/high-rise housing
Decarbonise waste and recycling vehicles using HVO	27 July 23	10 April 24	10 April 24	25%	Assuming cost is agreed through the MTFS process.	The switch could reduce the overall council carbon footprint from 4042 tCO2e to 3,195 tCO2e, a significant reduction which supports the council's commitment to become carbon neutral by 2024.
Approval at January 2024 Cabinet	23 November 23	24 January 24	24 January 24		Excludes call-in period for January 24 cabinet.	

Local Plan

Reporting Period: Quarter 2 2023/24 (1 June 2023 to 30 September 2023)

LEAD CABINET MEMBER: Cllr Jackie Porter






PROJECT SPONSORS: Dawn Adey

PROJECT LEAD: Adrian Fox

PROJECT MANAGER: Adrian Fox

PROJECT TIER: 1

REPORT DATE: October 2023

Project RAG Status:	Timeline		Budget	
	"Normal level of attention". No material slippage. No additional attention needed			
	"Minor concern – being actively managed." Slippage less than 10% of remaining time or budget, or quality impact is minor. Remedial plan in place			
	"Major concern - escalate to the next level". Slippage greater than 10% of remaining time or budget, or quality severely compromised. Corrective Action not in place, or not effective. Unlikely to deliver on time to budget or quality requirements			

Project Description and Outcome

It is a statutory requirement under planning legislation to have an up-to-date Local Plan with the objective of sustainable development and setting out detailed planning policies for the management and development of land and buildings.

The Local Plan sets out our vision and objectives for future development across the Winchester district outside the South Downs National Park – in Winchester itself, our market towns, villages and countryside. It includes new Development Management policies against which planning proposals will be assessed for housing, employment and open space as well as the specific sites needed to deliver the growth we have to accommodate over the next 15 years or more.

In accordance with planning legislation, the council must review its Local Plan every 5 years.

A consultation on the Regulation 18 took place in November/December 2022. Consultation responses are being finalised by officers. Cabinet Committee: Local plan met on Thursday 10 August 2023 to discuss the extension of the Local Development Scheme. The Local Development Scheme (LDS) is the timetable for producing a Local Plan and it is good practice to review it at various stages to ensure it remains realistic [Local Development Scheme \(LDS\) 2023 - Winchester District Local Plan](#). In order to inform the LDS, a Planning Inspectorate Advisory meeting took place on the 15/06/2023. A meeting has also taken place with DAC Planning on the 06/07/2023 (who were appointed by the Planning Advisory Service) to provide Officers with assistance on the revised Local Plan.

Project Managers Progress Report for Q2

During Quarter 2 the Strategic Planning team have continued to work on analysing the recommendations from the consultation, preparing an officer response and identifying any changes to the wording of the draft Regulation 18 Local Plan.

Once all of the comments have been analysed and recommended changes have been reported back through Members, any changes to the wording of the Local Plan will be assessed through the Sustainability Appraisal/Local Plan Viability Assessment.

Alongside this work, officers have been working on completing the Evidence Base which needs to be concluded before the Regulation 19 Local Plan can be agreed by Cabinet / Full Council for public consultation.

Alongside analysing the representations, the team is:

1. completing the Evidence Base to support the Local Plan which includes:
 - Retail and Town centre study.
 - Strategic Transport Assessment.
 - Strategic Flood Risk Assessment;
 - Updated 2023 SHELAA.
 - Preparing and agreeing Site Delivery Statements.
 - Undertaking further work on a nutrient neutrality mitigation strategy;
 - Preparing an Infrastructure Delivery Plan;
 - Working with Consultants on Embodied Carbon; and
 - Updating the Statement of Community Involvement which will be the subject of a 6 week public consultation (Decision Day on the 9th October 2023).
2. Identifying any new work that needs to be undertaken to support the Local Plan that has come out of the representations.
 - The need for student accommodation; and
 - Flood site sequential test.
3. Arranging and attending meetings with neighbouring Local Planning Authorities which will be used to inform the content of Statement of Common Grounds.

4. Work will also need to be undertaken in early 2024 on preparing a number of Local Plan Topic Papers as this was a key recommendation from the Planning Inspectorate Advisory meeting.

Project gateways

Stage	Duration (months)	Start Date	Planned End Date	Projected End Date	Outcome
Concept	28	Jul-18	Oct-20		Produce the new Local Plan Evidence base
Feasibility	2	Feb – 2021	April - 2021	Completed April 2021	Consultation on the Strategic Issues and Priorities document took place between Feb and April 2021 for a period of 8 weeks
Design	2	Nov - 2022	Dec – 2022	Completed December 2022	Consultation on the Draft Regulation 18 Local Plan took place between 2 November to 14 December 2022, for a period of 6 weeks.
Plan for Delivery	2	Quarter 2 July – 2024	Quarter 2 Sept - 2024		Consultation on the Submission version of the Regulation 19 Local Plan.
Delivery	2	Quarter 3 Oct 2025	Quarter 3 Dec 2025		Adoption of the new Local Plan
Handover & Review	-	Ongoing	Ongoing		Monitoring the Local Plan and start the review process at the appropriate time

Upcoming milestones for current project stage

Task/Milestone	Start Date	End Date	Projected End Date	% Complete	Outcome
Consultation on the SIP Document	Sept 20		Nov/Dec 22	100	<p>Consultation on the Strategic Issues & Options Document took place from 11 February to 12 April 2021. The consultation period was extended to 8 weeks in recognition that it was taking place during a national lockdown. Despite this, there was a really excellent response (over 2,200 representations).</p> <p>A summary of all the feedback received from the Strategic and Priorities consultation informed draft Local Plan ('Regulation 18' stage) was published for consultation in Nov/Dec 2022 on the new LP website. www.localplan.Winchester.gov.uk</p>
Consultation on the draft Reg 18 Local Plan	Nov 22	Nov /Dec 22	Dec 22	100	This milestone has been achieved.
Analyse representations and complete the Evidence Base	Jan 23	Dec 23	Dec 22	80	<p>Over 3,400 representations have been received. Representations that were not submitted on Citizen Space had to be entered onto the system and then divided up according to topic.</p> <p>Work is well underway on completing the analysis of the representations and drafting recommended changes to draft policies. A Sustainability Appraisal/Habitats Regulations Assessment will need to be undertaken to assess any changes to the policies alongside work on a Local Plan Viability Assessment.</p> <p>Work on completing the evidence base for the Local Plan also needs to be completed.</p>
Consultation on the submission version of	Quarter 2 - July 2024	Quarter 2 - Sept -2024			

Task/Milestone	Start Date	End Date	Projected End Date	% Complete	Outcome
the Local Plan (Reg 19)					
Examination of the Local Plan	Quarter 4 - Jan 2025	Quarter 4 – March 2025			
Adoption of the Local Plan	Quarter 3 – Oct 2025	Quarter 3 – Dec 2025			

New Homes Programme

Reporting Period: Quarter 2 2023/24 (1 June 2023 to 30 September 2023)

LEAD CABINET MEMBER: Cllr Chris Westwood

PROJECT SPONSORS: Simon Hendey




PROJECT LEAD: Andrew Palmer

PROJECT MANAGERS: Andrew Palmer

PROJECT TIER: 1

REPORT DATE: October 2023

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Project RAG Status:	Timeline	Budget
	"Normal level of attention". No material slippage. No additional attention needed	
	"Minor concern – being actively managed". Slippage less than 10% of remaining time or budget, or quality impact is minor. Remedial plan in place	
	"Major concern - escalate to the next level". Slippage greater than 10% of remaining time or budget, or quality severely compromised. Corrective Action not in place, or not effective. Unlikely to deliver on time to budget or quality requirements	

Project Description and Outcome

The cost and affordability of housing in Winchester district is a serious problem and there is a genuine shortage of affordable properties in Winchester. Providing affordable housing can help tackle these problems and delivering new homes is a council priority.

The council is constructing new affordable council homes and also working with registered providers (sometimes known as Housing Associations) to provide new affordable housing across the district.

Housing will not be built for profit; it will be to meet the needs of Winchester people who cannot afford a home of their own.

Project Managers Progress Report for Q2

Updated summaries are provided against each project below. A total of 82 new homes are currently on-site (at Southbrook Cottages, and Winnall). The 54 homes scheme at Whiteley was completed at the end of August 2023 when the final phase of 16 homes were handed over.

The Local Planning Authority have been requested to determine 2 new homes applications at Dyson Drive and Corner House now that a date has been fixed for the upgrade of 2 sewage treatment works to mitigate for nutrients.

The main risks to the programme are the high interest rate costs and general slowdown of construction activity which are increasing costs of building new homes. Nutrient mitigation and the uncertainty around a resolution of this issue is affecting local supply.

All are being closely monitored.

Programme Detail**Completed to date - 192 (target 1000 between 2021 – 2030)**

Project Name	No. new homes	Current Project Gateway*	Start Date	Projected End Date	Project Manager	Upcoming Milestone	Comments
Southbrook Cottages	6	Design	Nov-19	Feb-24	Deborah Sunley	Completion – Dec 2023	On target to complete in Jan 24
Woodman Close, Sparsholt	5	Design	Oct-19	March-25	Duncan Faires	planning application approved	proceeding to Tender
Winnall Flats	76	Design	Apr-20	Nov-23	Andrew Palmer	Completion	Started on site Dec 2021. Completion Nov 2023
Dyson Drive, Abbotts Barton	8	Design	Jan-20	June-25	Deborah Sunley	Final Business Case	Planning application submitted; nutrient mitigation solution has been identified.
Corner House	6	Design	Jan-20	Jan 25	Deborah Sunley	Final Business Case	Planning application submitted; nutrient mitigation solution has been identified.
Witherbed Lane	4	Design	Sep-19	Jan 25	Duncan Faires	Approval of planning application	On-hold, Ecology objection to planning application due to loss of woodland, off-setting options being considered.
Whiteley (CAB3304 refers)	54			June-23	Andrew Palmer	Completion	Scheme completed

Project Name	No. new homes	Current Project Gateway*	Start Date	Projected End Date	Project Manager	Upcoming Milestone	Comments
LAHF Property Purchase	39		Feb 23	Nov 23	Andrew Palmer	completion	32 properties completed. Contracts exchanged on a further 7 properties to be acquired by Nov 23.
Extra Care Projects	140	inception	2023	2027	Simon Maggs	Outline business case	2 schemes on S106 sites under discussion, Whiteley (phase 9) and Kings Barton (phase 2b)
Waterloo Rd, Micheldever	8	Community consultation	2023	2025	Duncan Faires	Outline business case	Consultation event planned for Oct 23 Pre-app completed
Wine Cross Cottages, Boarhunt	5	Community consultation	2023	2025	Deborah Sunley	Outline business case	Pre-app completed Bat survey underway

Station Approach – Stage 1

Reporting Period: Quarter 2 2023/24 (1 June 2023 to 30 September 2023)

LEAD CABINET MEMBER: Cllr Kelsie Learney & Cllr Martin Tod






PROJECT SPONSORS: Dawn Adey & Ken Baikie

PROJECT LEAD: Emma Taylor

PROJECT MANAGER: Kirstin Shaw

PROJECT TIER: 1

REPORT DATE: 04 October 2023

Project RAG Status:	Timeline		Budget	
	"Normal level of attention". No material slippage. No additional attention needed			
	"Minor concern – being actively managed." Slippage less than 10% of remaining time or budget, or quality impact is minor. Remedial plan in place			
	"Major concern - escalate to the next level". Slippage greater than 10% of remaining time or budget, or quality severely compromised. Corrective Action not in place, or not effective. Unlikely to deliver on time to budget or quality requirements			

Project Description and Outcome

This is a fresh look at an area of opportunity that has potential to create a welcoming gateway to the city and an enhanced public realm.

The aim of the first stage of this project was to explore the possibility of working jointly with Network Rail (NRIL), and London & Continental Railway Property (LCR) to see if we could bring forward our landholdings to regenerate the area known as Station Approach and re-develop these brownfield sites. This area is allocated in the local plan (current and emerging) for regeneration. The steps undertaken towards this aim were as follows:

- **Market analysis**
- **Public consultation and engagement with key stakeholders**
- **Parking usage and forecasting study**
- **Capacity Study**

The data collected from the work streams above was collated into a Strategic Outline Case (SOC) demonstrating that there is evidence of sufficient viability to proceed to the next stage of the project. On 18th July Cabinet approved the decision to move to Stage 2.

Stage 2 will consist of developing a concept masterplan that covers the whole area, builds upon the previous work and aligns to the emerging local plan Reg18/19 requirements. The creation of a concept masterplan for the entire area, including NRIL's sites, that, once endorsed by Cabinet, will become a material consideration for any future developer means that even if the area is regenerated one site at a time in the future, the sites will all be governed by this overarching masterplan. This will ensure each part complements the others and creates a cohesive sense of place with an enhanced, connected public realm.

This project is being managed by gateways and continued business justification will need to be demonstrated at each gateway checkpoint before the project is allowed to proceed to the next stage.

Project Managers Progress Report for Q2

Cabinet, 18 July 2023

In July 2023, following the collation of all works undertaken to date into a Strategic Outline Case (SOC), Cabinet agreed to progress the project to stage 2 where a concept masterplan (CMP) will be developed in conjunction with the community and stakeholders.

The full SOC can be reviewed here - [CAB3413 APPENDIX A SA - Strategic Outline Case - 18.07.23](#)

Procurement of multi-disciplinary Concept Masterplan Team

The Project team are in the process of procuring a team that can articulate our vision and produce a concept masterplan for the Station Approach area that is viable, deliverable and meets council, stakeholder and community ambition to ensure that the regeneration potential of the area is realised.

A multi-disciplinary team including the following disciplines is required to undertake this work:

- Master planning, to include:
 - Urban design
- Transport planning
- Public realm and landscape design
- Energy and utilities infrastructure planning
- Community/stakeholder engagement and consultation
- Sustainability
- Heritage / Archaeology

On 21 August 2023 an open tender was published on the council's procurement portal to invite tender submissions from interested specialists both locally and further afield. As well as relevant local knowledge, skills and expertise, the brief highlighted the need for a robust engagement and consultation approach, demonstrating our ongoing commitment to listening well and incorporating community views in the process.

The closing date for submissions was on 25 September and 16 submissions were received by the deadline. These are now being evaluated against the criteria set out in the Invitation To Tender (ITT). Following interviews and presentations, the preferred supplier will be notified at the end of October 2023. Work is expected to commence early November 2023.

Project Gateways

Stage	Duration	Start Date	Planned End Date	Projected End Date	Outcome
Start Up Stage 1 - High-level explorative studies to determine indicative viability. Engagement and consultation with stakeholders to determine aspirations and appetite for any potential future proposals.	20 months	Nov 21	July 23	July 23	Completed on time and within budget.
Initiation Stage 2 – Development of a concept masterplan (CMP) for the whole area.	20 months	Aug 23	March 25	March 25	This stage will consist of the development of a concept masterplan. It will continue to build on the engagement approach approved by Cabinet in July 2022 to ensure stakeholders are involved in shaping the development of the CMP and will include the following activities <ul style="list-style-type: none"> • Procurement of multi-disciplinary CMP team; • Baseline Assessment; • Interim CMP and Station Approach Vision; • Consultation on interim CMP and Vision; • Consideration of feedback and creation of preferred CMP; • Feedback to community and stakeholders and • Submit completed CMP for Cabinet endorsement
Delivery					
Closure					

Upcoming Milestones for Project Stage

Milestone	Start Date	End Date	Current End Date	% Complete	Comment
Procure multi-disciplinary CMP team	21/08/23	20/10/23	20/10/23	60%	16 tenders were received and are in the process of being evaluated.
Cabinet Committee Regeneration	04/08/23	04/10/23	04/10/23	100%	Officers have prepared a verbal update and presentation and will submit the SA Risk register for review on 4 October
Develop CMP	06/11/23	31/03/25	31/03/25		Expected start date for CMP is 06 November 2023
Cabinet Committee Regeneration	01/12/23	31/01/24	31/01/24		Officers will prepare a verbal update and presentation for review.
Develop and agree consultation and engagement plan for CMP	TBC				Officers will work with the CMP team to prepare a consultation plan that aims to reach a broad audience and encourages widespread participation in shaping the CMP.

Winchester Movement Strategy (WMS)

Reporting Period: Quarter 2 2023/24 (1 June 2023 to 30 September 2023)

LEAD CABINET MEMBER: Cllr Kelsie Learney






PROJECT SPONSORS: Simon Hendey

PROJECT LEAD: Andy Hickman

PROJECT MANAGERS: Lucy McKeown

PROJECT TIER: 1

REPORT DATE: October 2023

Project RAG Status:	Timeline		Budget	
	"Normal level of attention". No material slippage. No additional attention needed			
	"Minor concern – being actively managed". Slippage less than 10% of remaining time or budget, or quality impact is minor. Remedial plan in place			
	"Major concern - escalate to the next level". Slippage greater than 10% of remaining time or budget, or quality severely compromised. Corrective Action not in place, or not effective. Unlikely to deliver on time to budget or quality requirements			

Project Description and Outcome

The Winchester Movement Strategy (WMS) was adopted by Winchester City Council (WCC) and Hampshire County Council (HCC) in spring 2019.

WCC and HCC want to remove constraints to travel and transport around Winchester to enable growth and make the city a healthier and more accessible place to live, work and visit. We need a widely supported strategy, based on strong evidence, which clearly demonstrates realistic, safe and affordable priorities. This will help us to identify initiatives to improve movement across the city of Winchester and put us in the best position to prepare strong business cases to bid for future funding.

It identifies these three priorities:

- Reduce city centre traffic.
- Support healthier lifestyle choices.
- Invest in infrastructure to support sustainable growth.

Following adoption, the two councils have been undertaking feasibility work, through which a set of ten proposed “next steps” schemes have been identified. This work also included the preparation of a Local Cycling and Walking Infrastructure Plan (LCWIP) for the city. This has involved engagement with businesses and with cycling and walking stakeholders.

Project Managers Progress Report for Q2

Work on the ten next step proposals continues.

The city Local Cycling and Walking Infrastructure plan (LCWIP) primary routes will be reviewed to ensure compliance with cycle infrastructure design LTN1/20 guidelines and work has commenced to start looking at the secondary cycle route network and walking zone.

We are working on pre-planning advice for the proposed micro-consolidation centre trial with two potential locations identified on the edge of the city centre. A number of LCWIP active travel schemes have been progressed to be installed over the next quarter or have been completed by HCC in the city including:

- Advance Stop Lines (ASLs) at Jewry Street, North Walls and Hyde Street – completed,
- Cycle contraflows on Parchment Street and High Street,
- A modal filter on Hyde Church Lane,

- TRO to permit cycling on the pedestrianised section of Middle Brook Street and,
 - the trial of a puffin crossing on Romsey Road.
- Preliminary and detail design work has commenced on the Worthy Road Active Travel Corridor. HCC and WCC are considering how best to take forward the Mini Holland and Bridge Street work.

Project gateways

Phase 1 - Identify Options

Phase 2 - Detailed Assessment.

Phase 3 - Engagement with the public

Project Name	Phases	Current Project Gateway*	Start Date	Projected End Date	Internal Resources	Upcoming Milestone	Comments
Cycling and Walking Improvement Plan	Phase 1	Phase 1 study completion	Aug-19	Feb-20	Next stage contained in transport team	Phase 2 study completion Sept	Completed. Phase 1 Summary Report Issued.
	Phase 2	Completion of phase 2	May-20	Nov-20	None required	Review of designs based on engagement with HCC engineers, the walking group and the cycling groups	Completed. Summary Report issued.
Freight & Delivery	Phase 1	Phase 1 study completion	Aug-19	Jan-20	Next stage contained in transport team	Phase 2 study completion Sept	Completed. Phase 1 Summary Report Issued.
	Phase 2	Completion of phase 2	May-20	Oct-20	None required	Comments on Draft Freight and Delivery Plan to be provided	Completed. Summary Report issued.

Project Name	Phases	Current Project Gateway*	Start Date	Projected End Date	Internal Resources	Upcoming Milestone	Comments
Bus Provision	Phase 1	Phase 1 study completion	Sep-19	Mar-20	Next stage contained in transport team	Phase 2 study completion Sept	Completed. Phase 1 Summary Report Issued.
	Phase 2	Completion of phase 2	Jun-20	Jan-21	None required	Continued coordination with CWR as design developed	Draft report completed.
Movement and Place	Phase 1	Phase 1 study completion	Sep-19	Mar-20	Next stage contained in transport team	Phase 2 study completion Sept	Completed. Phase 1 Summary Report Issued.
	Phase 2	Completion of phase 2	Jun-20	Dec-20	None required	Engagement with walking and cycling groups	Comments on draft completed. Summary Report issued.
Park & Ride	Phase 1	Phase 1 study completion	Jul-19	Mar-20	Next stage contained in transport team	Phase 2 study completion Sept	Completed Phase 1. Summary Report Issued.
	Phase 2	Completion of phase 2	May-20	Jan-21	None required	Review of designs based on engagement with HCC engineers	Summary Report issued.
WMS Public Consultation	Phase 3	Underway	Dec 21	May 22	Transport team assisting HCC who are leading	Consultation Report issue May 2022	Consultation Report published
Friarsgate / Union Street One-Way Study	Phase 3	Atkins led Study underway	Oct 21	September 22	Transport Team to input and review study	Study Report August 22	Draft Feasibility Study completed.
Worthy Road / Worthy Lane Study	Phase 3	HCC led Study underway	Oct 21	Spring 23	Transport Team to input and review study	Feasibility Study Spring 2023	Bid for funding to undertake design work submitted to DfT successful

Project Name	Phases	Current Project Gateway*	Start Date	Projected End Date	Internal Resources	Upcoming Milestone	Comments
W1 Pre-Feasibility Study (section 1) – Upper High Street / Sussex Street	Phase 3	HCC led Study Underway	Oct 21	September 22	Transport Team to input and review study	Study Report September 22	Draft Concept Study completed

Upcoming milestones for current project stage

Task/Milestone	Start Date	End Date	Current End Date	% Complete	Comments / Actions	Outcome
Worthy Road Active Travel Corridor Improvements	Summer 2023	Summer 2024		25	Prelim and detailed design work and engagement	Design of walking and cycling improvements along Worthy Road corridor

Deliverables	Expected date of achievement	On target (Y/N)	Comments
City LCWIP	Autumn 2024	Y	Delay due to review of LCWIP in line with other Hampshire LCWIPs
Microconsolidation Centre Trial	Spring 2024	Y	

Place holder – minutes from Performance Panel meeting

PERFORMANCE PANEL

Tuesday, 7 November 2023

Attendance:

Councillors
Horrill (Chairperson)

Bolton
Pett

Laming
Reach

Apologies for Absence:

Councillor Williams

Other members in attendance:

Councillors Cutler, Tod and Westwood

1. **DETAILED REVIEW OF DRAFT Q2 FINANCE & PERFORMANCE MONITORING REPORT**

Items that were raised and responded to at the meeting.

1. Page 10. Retrofit-ready programme assessments.
2. Page 10. Barfield phase 2 car park - charging point availability and communications.
3. Page 10. Renewable energy survey report timing.
4. Page 11. Boomtown event traffic concerns.
5. Page 15. Loft insulation and ventilation project status.
6. Page 15. Single-glazed door and window replacements in conservation areas.
7. Page 16. Decarbonisation review report timing.
8. Page 17. Delivery of schemes against the movement strategy.
9. Page 17. Transition to hydrotreated vegetable oil for bin lorries, carbon appraisal and concerns on vegetable oil prices.
10. Page 17. Movement Strategy and focus on keeping cars out of the city centre.
11. Page 19. Anti-social behaviour hotspots reductions.
12. Page 19. Shoplifting concern in city and district areas.
13. Page 19. Concerns about anti-social behaviour amongst council tenants.
14. Page 22. Secure bike parking locations.
15. Page 30. Funding application for interpretation boards.
16. Page 30. Meetings with Winchester University on creative industries.
17. Page 31. Marketing and communication for residents versus visitors.

18. Page 36. Capital spend. Halfway stage with a spend of £3m versus a budget of £10m.
19. Page 38. King George V Pavilion and St Giles Hill stabilisation.
20. Page 40. Underspend in repairs in the Housing Revenue Account.
21. Page 47. Solar panel energy generation and carbon intensity.
22. Page 49 Key Performance Indicator LW11 - feedback on fly-tipping.
23. Page 49. Acknowledging graffiti incidents improvement.
24. Page 50. Key Performance Indicator HFA8 - increase in void time.
25. Page 51. Clarification on Key Performance Indicator VLE2.
26. Page 51. Revenue spend with local suppliers.
27. Page 58. Preferred bidder evaluation status.
28. Page 66. Biomethane purchase - carbon audit.
29. Page 70. Promoting electric vehicle charging points.
30. Page 77. Absence of a signed development agreement.
31. Page 78. Project schedule and realism of dates.
32. Page 82. Financial consequences of project delays.
33. Page 83. Use of property guardians.
34. Page 96. Local Plan and the possibility of having more drop-in sessions.
35. Page 100. Dyson Drive - question expected in Quarter 3 meeting.
36. Page 108. Effectiveness of advanced stop lines for cyclists.

Items raised where officer follow-up requested.

1. Page 8 - Cost of Living Grant Expenditure: Clarify Trinity, student union etc expenditure.
2. Page 12 – Typographical error "20923". Note: this has been corrected in the report before Scrutiny Committee dispatch.
3. Page 14 – Re Photovoltaic Panels installation whether comparative performance data was available.
4. Page 15 – Clarify the number of pre-cast reinforced concrete homes.
5. Page 26 - Relocation Status Update: Update on the relocation of individuals, especially from Ukraine. Current numbers in the area, those moved elsewhere, and overall cumulative group status.
6. Page 36 - Strategic Asset Purchase Scheme: Provide details of the scheme for Cllr Bolton.
7. Page 36 - General Fund Revenue Summary: Split of higher-than-budgeted income from garden waste and car parks and understanding the contribution of each.
8. Page 48 - Sport Leisure Park Board Feedback: Clarity requested on Key Performance Indicators LW4 & LW5 activities, i.e., additional information in the narrative for better understanding.
9. Page 52 – Re Key Performance Indicator YSYV3 and clarification over the absence of a target.
10. Page 62 – Clarification as to why Meadowside recorded at 250% over budget.
11. Page 72 - Carbon Sequestration Timeline: Expected implementation date or milestones.
12. Page 82 - Bus Station Solution Clarification requested.

13. Page 84 – Local Plan and whether the Evidence Base was complete, i.e., the economic base and whether Gypsy and Traveller issues had been addressed.
14. Page 108 – Winchester Movement Strategy. Typographical error “model”. Note this has been corrected to “modal” in the report before dispatch for Scrutiny Committee.

2. **NOTES OF THE PREVIOUS MEETING OF THE 21 AUGUST 2023**

Officers were asked to review the notes of the previous meeting and respond to any outstanding points.

3. **SUMMARY OF ACTIONS ARISING FROM THIS MEETING**

Items for referral to the Scrutiny Committee

1. **General Review of Key Performance Indicators and Measures.**
 - a. Recommend that the Performance Panel feed into an annual review of Key Performance Indicators, recognising that some may be only measures without the possibility of setting a status or target. Particularly recommend further review of Key Performance Indicators TC1, TC2, TC7 and TC8 as part of this review.

Chairperson

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REPORT TITLE: DETERMINATION OF CALL-IN REQUEST

22ND NOVEMBER 2023

REPORT OF MONITORING OFFICER: Sharon Evans, Strategic Director, 01962 848 386, sevans@winchester.gov.uk

WARD(S): ALL

PURPOSE

The Council's Constitution, Part 4.3 – Overview and Scrutiny Procedure Rules, paragraph 15, details the operation of the council's "Call-In" process. This includes the following requirement "Where a Call-In Notice is not accepted the Monitoring Officer will submit a report to the next available meeting of The Scrutiny Committee giving details of the request and the reasons for not accepting it."

The Monitoring Officer received a Call-In Notice on 21 September 2023, regarding a decision taken at the Cabinet meeting on the 13th September 2023, report reference CAB3423. The Call-In Notice was received in time and the requisite 5 Elected Members confirmed the Notice in writing.

The Monitoring Officer reviewed the contents of the Notice and assessed it against the grounds for call-in specified within the Constitution. The call-in request has not been accepted, and this was communicated to the Chair of Scrutiny Committee and the call-in signatories.

Where a Call-in Notice is not accepted the Monitoring Officer will submit a report to the next available meeting of the Scrutiny Committee giving details of the request and the reasons for not accepting it.

RECOMMENDATIONS:

It is recommended that the Scrutiny Committee note the contents of this report.

IMPLICATIONS:1 FINANCIAL IMPLICATIONS

1.1 The Section 151 Officers views are incorporated within the report.

2 LEGAL AND PROCUREMENT IMPLICATIONS

2.1 There are no legal implications.

3 CONSULTATION AND COMMUNICATION

3.1 The Section 151 Officer has been consulted. The Scrutiny Committee Chair has been consulted. The report has been shared with Councillors Horrill, Bolton, Cook, Wallace and Lee.

4 SUPPORTING INFORMATION:

4.1 Part 1A Local Government Act 2000 sets out the arrangements in respect of Local Authority Governance in England. Where an authority is exercising Executive arrangements, it is required to have an Overview and Scrutiny Committee. Section 9F of the Act sets out the functions of an Overview and Scrutiny Committee which includes “to review or scrutinise decisions made, or other action taken, in connection with the discharge of any functions which are the responsibility of the “Executive” and “to make reports or recommendations to the Authority or the Executive with respect to the discharge of any functions which are the responsibility of the Executive”.

4.2 It is prudent for a Local Authority to have locally adopted procedures to enable the Scrutiny Committee to implement this scrutiny function. In this regard Winchester City Council have adopted Overview and Scrutiny Procedure Rules, set out in Part 4.3 of the Council’s Constitution.

4.3 At paragraph 15 of the Procedure Rules, the call-in of decisions is dealt with and the rules provide that at least five Members must request a call-in and state which of the grounds for a decision being called-in are applicable:

i) The decision is outside the terms of reference of the Cabinet, or delegated powers of the decision-maker

ii) The decision appears to be contrary to, or not wholly consistent with, the Council’s Budgetary and Policy Framework or other Council Policy: or

iii) The information contained within the report, and/or considered by the Cabinet (or other decision-maker) was incomplete or inaccurate:

iv) New information has come to light which might cause the decision to be changed

v) The decision was not made in accordance with the 'Principles of Decision making' set out in Article 11 of the constitution or in some other way appears to give rise to significant legal, financial or propriety issues.

5 BACKGROUND

5.1 On 13th September 2023 Cabinet made an Executive Decision relating to the Adoption of the Carbon Neutrality Action Plan (CNAP) of which CAB3423 refers.

5.2 The decision made was:

1. That the revised Carbon Neutrality Action Plan for 2023-2030 be adopted.
2. That the Corporate Head of Service: Economy & Community be given delegated authority to make minor changes to the Carbon Neutrality Action Plan with regard to design and text amendments and to up-date data prior to publication.
3. That the council work with stakeholders to further develop performance monitoring and set out task and finish groups to accelerate work on priority actions

5.3 The decision was published on the Council's website and the call-in deadline was Thursday 21st September 2023.

5.4 On 21st September 2023, within the prescribed deadline, the Monitoring Officer received a Notice, for call-in of the decision from the requisite number of Elected members: Councillors Horrill, Bolton, Cook, Wallace and Lee.

5.5 In calling in this decision the members above believe the following grounds for were relevant:

- ii) The decision appears to be contrary to, or not wholly consistent with, the Council's Budgetary and Policy Framework or other Council Policy:
- iii) The information contained within the report, and/or considered by the Cabinet (or other decision-maker) was incomplete or inaccurate:
- iv) New information has come to light which might cause the decision to be changed;
- v) The decision was not made in accordance with the 'Principles of Decision making' set out in Article 13.02 of the constitution or in some other way appears to give rise to significant legal, financial or propriety issues.

5.6 Members requesting the call-in of the decision stated that their rationale for their reasons to call in was as follows:

1. *The authority has not followed the Best Value Statutory Guidance as provided by the Department for Communities and Local Government, which states ...To achieve the right balance and before deciding how to fulfil their Best Value Duty authorities are under a Duty to Consult (Section 3(2) of the Local Government Act 1999) representatives of a wide range of local persons; this is not optional. Authorities must consult representatives of council tax payers, those who use or are likely to use services provided by the authority, and those appearing to the authority to have an interest in any area within which the authority carries out functions. Authorities should include local voluntary and community organisations and small businesses in such consultation. The cost to tax payers is significant with minimal benefit.*
2. *The decision does not appear to be in accordance with section 8 of the Budget and Policy Framework Procedure Rules. The plan does not appear to have been fully costed or budgeted. For example, offset costs could be significantly higher if based on the 2021 figures.*
3. *The cabinet confirmed the error with the base data which is the basis for the whole report and decision making.*

6. ISSUES FOR CONSIDERATION

- 6.1 The Monitoring Officer considered the rationale for the reasons for call-in 1-3 above and dealt with each one in turn.
- 6.2 In addressing reason 1 above the Monitoring officer needs to consider if a Section 3 duty has to be fulfilled and if so at what point in time did that duty have to be fulfilled?
- 6.3 Under Section 3 of the Local Government Act 1999, a best value authority must make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. For the purpose of deciding how to fulfil this duty, an authority must consult specified representatives. Case law establishes that the duty to consult is triggered by decisions about high-level issues concerning the approach to the performance of an authority's functions, and it is about those and not about particular implementation that consultation is required.
- 6.4 The leading case to assist is R (Nash) v Barnet LBC [2013] PTSR 1457. The judgment of Underhill LJ in this case concluded that it cannot have been the statutory intention that every time an authority makes a particular operational decision it is required by Section 3 to consult about that decision simply because that could be said to be part of 'the way in which' it performs its functions. Lord Justice Underhill stated, 'In this context that phrase connotes high-level issues concerning the approach to the performance of an authority's functions, and it is about those and not about particular implementation that consultation is required.'

- 6.5 Therefore, the Section 3 duty required consultation about a "high level" decision, policy or approach, and not one about how we implement our policy.
- 6.6 It is important to reflect that the decision subject to call-in; the adoption of the revised Carbon Neutrality Action Plan is neither a strategy nor new policy. It is a revision to existing plans and it reframes proposed delivery in line with the agreed Carbon Neutrality Roadmap.
- 6.7 The Carbon Neutrality Action Plan was realigned into themes and the tasks aligned into priorities. The roadmap directed on how to prioritise, and how to obtain the best outcomes. Where policy has been developed to deliver in accordance with the roadmap, the appropriate decision making route was taken, in particular, the offsetting policy went to Health and Environmental Policy on 2nd March 2022 HEP021, before the meeting of Cabinet 25th January 2023 CAB3386 where the Carbon Offsetting Policy was approved and it was agreed that the policy be included into the Annual Carbon Neutrality Action Plan 2023. The emerging renewable energy work went to the Carbon forum on 28th June 2023 for engagement and opinion as the project was formed.
- 6.8 As set out, decisions on the policy developed to aid in delivery of the Roadmap were taken back in March 2022 or at the latest January 2023, and on that basis, the Section 3 duty cited arose back then and not now as purported.
- 6.9 Therefore, it is not considered that the proposed decision falls into the category requiring such consultation. Reason 1 is therefore rejected.
- 6.10 Nevertheless, it is important for the Monitoring Officer to reference that the Roadmap was subject to a wide consultation process in its formation. More detail on the consultation can be found later on in this report.
- 6.11 When considering reason 2 raised it is important to highlight that there is no budget approval contained within the Cabinet report and there were no recommendations asking to take an individual project through for formal approval. Therefore, there was not a Decision made to invest at this present time as this will come forward, subject to business cases evidencing affordability in the future. This was confirmed in the Finance Section of the report.
- 6.12 Discussion also took place at the meeting of Cabinet where it was confirmed that the projects within the trajectory were each an individual project. The Leader confirmed the process for Capital projects needing to come back via separate governance routes to be authorised and it was clarified with the Chief Executive Officer who confirmed that Programme and Capital Board will monitor projects from the outset right through to formal approval. Reason 2 stated is therefore rejected.

- 6.13 With regard to point 3 raised, the data was up to date at the time of the writing of the report. There was not an error, there was new data that became available prior to the Cabinet meeting. This was clarified at the Cabinet meeting and importantly, Cabinet amended the recommendation to ensure that the action plan would be updated with the newly available data.
- 6.14 Other matters were referenced in the call-in form received. They are listed below and addressed in the order raised. There were repetitive elements in the subsequent matters raised that have already been addressed in considering the reasons for call-in stated above.
- 6.15 *'The revised plan contains new proposals such as to Build/invest in large-scale energy generation projects. This decision has not been presented to council members or the public therefore there has been no opportunity to scrutinise such a substantial financial commitment. There is a presumption in favour of openness which has not happened'.*
- 6.16 The Carbon Neutrality Action Plan (CNAP) provides a new trajectory and revised focus on the council 2024 and district 2030 carbon neutral targets as stated in the Cabinet report. The proposals in the CNAP are consistent with those identified in Winchester District Carbon Neutrality Roadmap and no new proposals have been added.
- 6.17 There is no budget approval with this paper and there is no recommendation to take an individual project through for formal approval, therefore there was not a Decision made to invest as this will come forward, subject to business cases evidencing affordability in the future.
- 6.18 At the Cabinet meeting examples were given that the individual policies and projects come via policy committee.
- 6.19 *'The investment in utility scale energy ownership to generate offset credits may represent a serious lack of value for money to council taxpayers given that this would generate no direct benefit to residents but could be a very costly and unbudgeted spending proposal'.*
- 6.20 The policy for offsetting was decided by Cabinet in January 2023 and time for call-in on that paper has expired. This policy went through Health and Environment Policy Committee as part of the policy formation as already detailed in this report.
- 6.21 Any potential investment would require a detailed business case including financial affordability and return in investment, allowing for review of value for money. Selling locally generated electricity to the grid provides a financial return to the council that can be used to offset the cost of borrowing. Any such projects will only be approved subject to being affordable to the council.
- 6.22 *'The basis of the decision is flawed. The base line data for GHG emissions was taken from the 2020 year which was artificially suppressed due to*

COVID-19. The administration have already confirmed that the report will need to be updated with 2021 data. This means that the decision is based on incomplete and inaccurate information, which changes the outcome of the decision’.

- 6.23 This has already been addressed above at paragraphs 6.12 and 6.13.
- 6.24 *‘Other key stakeholders such as WinACC have voiced critical issues and inaccuracies within the report that they would like to see addressed. Also, some stakeholders appear to have been missed out altogether. This casts serious doubt as to whether proper and adequate consultation is being undertaken with all stakeholders’.*
- 6.25 The Stakeholder work is clearly identified in the paper under Communication and Consultation. The stakeholder map was discussed in the meeting. The work that has informed this action plan is the milestone map which went through a number of rounds of engagement as identified in the paper DD56, please see link at the end of report.
- 6.26 *‘Other council strategies are consulted on, allowing key stakeholders, members and the public to address concerns, provide input and questions. The same should also apply to this new strategy within an existing roadmap, to allow public and member consultation prior to the decision being agreed’.*
- 6.27 This Plan is neither a strategy or a new policy. It is a revision to existing plans and reframes proposed delivery in line with the agreed Carbon Neutrality Roadmap. The Roadmap was subject to a wide consultation process in its formation, see detail below.
- 6.28 Summary of path to refreshed Carbon Neutrality Action Plan
- 5 June 2019 - CAB 3171 – Declaration of Climate Emergency
 - 9 October 2019 – HEP Presentation of proposed CNAP
 - 23 December 2019 - CAB3203 Winchester CNAP
 - 6 July 2021 – HEP013 – CNAP 2020 annual update
 - 5 July 2022 – HEP027 – CNAP annual report and action plan
 - 6 December 2022 – HEP 030 – Roadmap and actions – this report sets out the intention to revise and methodology
 - 16 January 2023 – DD56 – this report set to adopt the roadmap as the evidence base for the refreshed CNAP.
- 6.29 Consultation with internal and external colleagues and stakeholders
- Presentation to SLP to introduce consultation process
 - Meeting with each Corporate Head of Service with request to respond by conducting a mapping exercise of the Roadmap against existing commitments. The aim was to develop Department Strategies to

implement the Roadmap by May 2023 that then fed into the revision of the CNAP by Summer 2023.

- Briefing offered to Departmental Managers Meetings by Sustainability Team to support above.
- Roadmap Resources developed and published on council Intranet end Jan 23 to support officers.
- Members Briefing led by Cllr Learney supported by Sue Robbins and Anna Wyse on 2nd February 2023
- Climate Neutrality Open Forum 9th Feb 2023 introduction of Roadmap and public engagement in process.
- Roadmap published on WCC website 16th January so public attending Carbon Neutrality Open Forum and Members could access it for the briefing in early Feb.
- Meeting with HCC 16th January 2023 The kick off mapping process.

- 6.30 In addition to the work described above, quarterly updates have been provided to the Performance Panel, Scrutiny and Cabinet through the reporting regime. There have also been many presentations and papers to Health and Environment Policy Committee and Business & Housing for separate delivery strands, such as retrofit for homes and Bar End 2 (Vaultex).
- 6.31 *'There is no evidence in the report that other options for achieving Carbon Neutrality have been considered and that a detailed analysis of those options has been performed. It is incorrect to conclude that the proposed strategy is the only viable option'.*
- 6.32 The CNAP report is based on the Roadmap work that was approved on 16th January 2023.
- 6.33 To develop the Roadmap the consultants WSP held a series of stakeholder workshops. This included a workshop with Winchester Action on Climate Change (WinACC), in-depth interviews with Hampshire County Council officers and Wessex Green Hub and a session with a wide range of stakeholders including Cycle Winchester, Friends of the Earth, Sustrans, Hampshire & IoW Wildlife Trust, BID and many more. A questionnaire was also used to engage with officers across the council to build knowledge of specific initiatives already happening or planned.
- 6.34 The Health & Environment Policy Committee considered the report at its meeting on 6th December 2022. Comments made included the need to do more and quickly and to work in partnership with residents, business and organisations to achieve the outcomes identified.

6.35 The committee supported the recommendations and in recognition of the need to be greener faster in order to meet carbon neutrality targets by 2030 and as a matter of urgency to:

- Prioritise and seek funding for highest impact actions within our scope.
- Identify ways to use developer (Community Infrastructure Levy) and other funding to drive or unlock change.
- Put carbon at heart of relationship with key partners to accelerate delivery.
- Scale up actions and increase pace of delivery.

6.36 WSP conducted a thorough review of existing national and local sustainability literature and national government net zero and sustainability policies, plans and programmes to identify opportunities with existing and emerging policies:

Intervention Areas: To reach carbon neutrality WSP identified opportunity areas for reducing carbon dioxide emissions in:

- Domestic – These are opportunities related to energy consumption and generation of dwellings. This is further divided into energy consumption reduction and efficiency, use of decarbonised fuels (primarily the electrification of heat) and lastly renewable energy generation (primarily rooftop photovoltaics).
- Commercial – These are opportunities related to energy consumption and generation of non-dwellings. This is further split into energy consumption reduction and efficiency, use of decarbonised fuels (primarily the electrification of heat considering the 5-year timeframe) and lastly renewable energy generation (primarily rooftop photovoltaics).
- Industrial - These are opportunities related to energy consumption and generation of high energy consumption industries e.g., cement manufacturing, steel and iron manufacturing etc. Specifically, the focus is on processes which use high temperatures and therefore may require technologies which are not yet commercialised such as hydrogen and carbon capture and storage.
- Transport – There are emissions associated with all forms of transportation of people and goods. This was built around the A-S-I concept of avoiding, changing, and ultimately improving. First, opportunities to reduce the need to travel were considered. Next, where travel is necessary, active travel and low-carbon modes of transport should be favoured. Ultimately, each of the transportation modes should switch to low-carbon fuel sources, likely electric in the short term, but potentially hydrogen, biofuels, or other technologies later.
- Land Use – There are opportunities to reduce carbon dioxide emissions by considering large-scale land use options. The focus here is on low value

land and how this can be used to improve natural capital or the potential for renewable energy generation.

- Waste – These are opportunities to reduce carbon emissions by increasing recycling and improving waste management.

6.37 A summary of the methodological approach for carbon neutrality roadmap is given below.

Step 1 – Prepare a baseline

Step 2 – Business-As-Usual (BAU) scenario

Step 3 – Model Climate interventions

WSP identified, designed and model an additional 16 interventions needed to achieve carbon neutrality by 2030 for the district. These interventions were identified by considering:

- Baseline emission source areas
- Winchester CNAP 2020-2030 (and priorities for 2022-2023);
- Stakeholder engagement;
- Literature review undertaken;
- Existing, and understanding of future, government policy; and
- WSP's experience in the field.

The 16 interventions have been analysed to understand the carbon reduction potential for each within the district.

The 16 interventions were then developed into the carbon neutrality roadmap for Winchester district.

Step 4 – Model scenarios and define interventions.

7. DECISION

On considering the grounds and other matters raised by the 5 members using the Call-In procedure the Monitoring Officer is satisfied and concludes that all grounds and reasons given have been addressed and robustly refuted.

Further, the decision called-in does not conflict with the Budget and Policy Framework Procedure Rules or the Council's Principles of Decision making. Therefore, the request for call-in is not accepted.

8. BACKGROUND DOCUMENTS:-

Previous Committee Reports:-

CAB3423

HEP021

CAB3386

Other Background Documents:-

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WINCHESTER CITY COUNCIL – THE SCRUTINY COMMITTEE WORK PROGRAMME

	Item	Lead Officer	Date for Scrutiny	Date for Cabinet
Meeting 22 November 2023				
1	Housing Revenue Account (HRA) Business Plan and Budget Options	Liz Keys	22 Nov 2023	21 Nov 2023
2	General Fund Budget Options & Medium-Term Financial Strategy	Liz Keys	22 Nov 2023	21 Nov 2023
3	Q2 Finance & Performance monitoring	Sharon Evans	22 Nov 2023	13 Dec 2023
4	Determination of call-in request	Sharon Evans	22 Nov 2023	n/a
Meeting 6 February 2024				
5	Housing Revenue Account (HRA) Budget 2024/25	Liz Keys	6 Feb 2024	8 Feb 2024
6	General Fund Budget 2024/25	Liz Keys	6 Feb 2024	8 Feb 2024
7	Treasury Management Strategy 2024/25	Liz Keys	6 Feb 2024	8 Feb 2024
8	Capital Investment Strategy	Liz Keys	6 Feb 2024	8 Feb 2024
Meeting 6 March 2024				
9	Q3 Finance & Performance Monitoring Report	Sharon Evans	6 Mar 2024	14 Mar 2024
10	Community Safety Partnership Performance Review	Sandra Tuddenham	6 Mar 2024	n/a
Future Items				

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Forward Plan of Key Decisions

December 2023

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 December 2023** and will normally be replaced at the end of each calendar month.

The Plan shows the Key Decisions likely to be taken within the above period. Key Decisions are those which are financially significant or which have a significant impact. This has been decided, by the Council, to be decisions which involve income or expenditure over £250,000 or which will have a significant effect on people or organisations in two or more wards.

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

The Plan has been set out in the following sections:

Section A – Cabinet

Section B - Individual Cabinet Members

Section C - Officer Decisions

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



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

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

Cllr Martin Tod

Leader of the Council

1 November 2023

Cabinet Members:	Title
• Cllr Martin Tod	Leader & Cabinet Member for Asset Management
• Cllr Neil Cutler	Deputy Leader & Cabinet Member for Finance & Performance
• Cllr Kathleen Becker	Community & Engagement
• Cllr Kelsie Learney	Climate Emergency
• Cllr Jackie Porter	Place & the Local Plan
• Cllr Lucille Thompson	Business & Culture
• Cllr Chris Westwood	Housing

	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	Park and Ride Bus contract renewal	Cabinet Member for Climate Emergency	Expenditure > £250,000	Town Wards	Andy Hickman	Cabinet report	Cabinet	Dec-23	13-Dec-23	Part exempt 3
2	Q2 Finance & Performance monitoring	Cabinet Member for Finance and Performance	Expenditure > £250,000	All Wards	Simon Howson	Cabinet report	Cabinet	Dec-23	13-Dec-23	Open
3	Fire safety work – Winchester Guildhall	Cabinet Member for Asset Management	Expenditure > £250,000	St Michael	Geoff Coe	Cabinet report	Cabinet	Dec-23	13-Dec-23	Open
4	Winchester City Football Club artificial pitch	Cabinet Member for Asset Management	Expenditure > £250,000	St Bartholomew	Steve Lincoln	Cabinet report	Cabinet	Dec-23	13-Dec-23	Open

	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
5	Land transaction	Cabinet Member for Asset Management	Expenditure > £250,000	All Wards	Geoff Coe	Cabinet report	Cabinet	Dec-23	13-Dec-23	Part exempt 3

Section B
Decisions made by individual Cabinet Members

Page 202	Extension of Insurance Contract (DD73)	Cabinet Member for Finance and Performance	Expenditure > £250,000	All Wards	Liz Keys	Cabinet Member decision report	Deputy Leader and Cabinet Member for Finance & Performance Decision Day	Dec-23	4-Dec-23	Open
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	Item	Cabinet Member	Key Decision	Wards Affected	Lead Officer	Documents submitted to decision taker	Decision taker (Cabinet, Cabinet Member or Officer)	Date/period decision to be taken	Committee Date (if applicable)	Open/private meeting or document? If private meeting, include relevant exempt paragraph number
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Section C

Decisions made by Officers

7	Treasury Management - decisions in accordance with the Council's approved strategy and policy	Cabinet Member for Finance and Performance	Expenditure > £250,000	All Wards	Designated HCC Finance staff, daily	Designated working papers	Designated HCC Finance staff, daily	Dec-23	Dec-23	Open
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Notification of addition to the December 2023 Forward Plan

On 13 November 2023, the following additional item was notified for inclusion for the December 2023 Forward Plan

Page 205	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
1	Property disposals, 27 Eastgate street, Winchester	Cabinet Member for Asset Management	Expenditure > £250,000	St Michael	Geoff Coe	Cabinet report	Cabinet	Dec-23	13-Dec-23	Open

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