

Decisions taken by the Cabinet on Tuesday, 21 November 2023

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

A7	59 Colebrook Street - refurbishment and conversion to shared accommodation for the use of Ukrainian and Afghanistan guests	<ol style="list-style-type: none"> That it be recommended to council to approve a capital budget of £610,000 to refurbish 59 Colebrook Street to provide temporary homeless accommodation, funded by £250k grant from HCC, £206k grant from LAHF, and £154k of prudential borrowing.* <p>That subject to Council approval of the budget:</p> <ol style="list-style-type: none"> That capital expenditure of up to £610,000 be approved to refurbish 59 Colebrook Street to provide temporary homeless 	<p>Report CAB3433 directly supports the Council plan priority of delivering ‘homes for all,’ and to provide shared temporary accommodation for guests on the various Government Resettlement Schemes, due to anticipated demand it is expected that the council’s intended use for this property will be for Ukrainians.</p> <p>There is a need to provide temporary accommodation for single households who can no longer reside with their host or in their current accommodation.</p> <p>Single Households make up the largest number of the</p>	<p>The council could choose not to proceed with the project. However, the property is in poor condition and will continue to deteriorate whilst unoccupied. Ongoing liability for Council Tax whilst unoccupied. Bringing back the property in to use will reduce the potential for further deterioration and Council Tax liability.</p> <p>Alternative uses could be explored for the property, such as commercial lettings. Initial discussions with local agents advise there is limited market interest, and significant Capital investment would be required to attract interest.</p>
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		<p>accommodation.</p> <p>3. That authority be delegated to the Strategic Director (responsible for Housing) to approve the tender evaluation model.</p> <p>4. That authority be delegated to the Strategic Director (responsible for Housing) to appoint the preferred contractor(s) following a competitive procurement process.</p> <p>5. That authority be delegated to the Service Lead (Estates): to enter into all relevant agreements, to negotiate the contractual agreements and see them to completion to</p>	<p>Homes for Ukraine (HFU) cohort within the district of Winchester alongside facing the greatest challenges in sourcing affordable and good quality accommodation within the district.</p> <p>The Local Authority Housing Fund (LAHF) round 2 enables the Council to acquire 6 properties, 4 for Afghan resettlement (individuals and families who have previously resided in bridging hotels) and 2 for temporary accommodation. The temporary accommodation can be occupied by Afghan Citizen Resettlement Scheme (including Eligible British nationals under this scheme (ACRS)), Afghan Relocations and Assistance Policy (ARAP), Ukraine Family</p>	<p>Disposing of the property has been discounted as the neighbouring properties are within the Council's ownership. The council currently holds the property as an investment property (i.e., held for rental income and/or capital appreciation rather than a service objective).</p>

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		<p>enable the conversion and refurbishment contract to be executed.</p> <p><i>*NB recommendations to Council are not subject to call-in.</i></p>	<p>Scheme (UFS), Homes for Ukraine (HFU) and Ukraine Extension Scheme (UES).</p> <p>59 Colebrook Street, a vacant council general fund owned property has been identified as a potential property to use to provide temporary accommodation. The property is in a good central location to enable access to training and employment and is near all transport links. The property would enable individuals on the resettlement schemes to live alongside each other providing support and assisting with the continue integration into our community.</p> <p>Bringing this property back into use will reduce the need for the council to secure</p>	

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			<p>emergency accommodation in the form of bed and breakfast for those households on resettlement schemes and provides a better housing option for our guests who would otherwise be threatened with homelessness.</p> <p>The Council’s resettlement team would continue to support the occupants of this property during their residence there.</p> <p>59 Colebrook Street has been empty since June 2021, this is a good opportunity to bring back an empty property into use to support these households and once the property is not needed for households on the resettlement scheme it can be used for general</p>	

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			temporary accommodation within the council's stock.	
A8	General Fund Budget Options & Medium-Term Financial Strategy	<ol style="list-style-type: none"> 1. That the assumptions set out in section 13 of report CAB3430 and the projections set out in Appendix A of the report be noted. 2. That the Medium-Term Financial Strategy be approved as set out in sections 13 to 17 of the report. 3. 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: <ol style="list-style-type: none"> a. That, in relation to 	<p>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.</p> <p>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.</p> <p>Projections have now been</p>	<p>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.</p> <p>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.</p>

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		<p>Greener Faster and carbon reduction priorities:</p> <ul style="list-style-type: none"> 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 of the report). 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 	<p>updated and the new Medium-Term Financial Plan (MTFP) is set out in appendix 1 of report CAB3430. 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.</p> <p>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</p>	

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		<p>paragraph 15.2 of the report).</p> <p>iii. £400,000 per annum be included to implement other changes to the collection of recyclables (as set out in paragraph 15.2 of the report).</p> <p>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 of the report).</p> <p>b. That, in relation to the council's TC25 digital transformation</p>	<p>the way we deliver services in order to save £3m a year within 3 years:</p> <p><i>'Transformation Challenge 2025'</i>. 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 the report.</p> <p>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</p>	

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		<p>programme:</p> <ul style="list-style-type: none"> i. £100,000 per annum be included for the support and coordination of digital channel shift work across the council’s services. <p>c. That, in relation to services:</p> <ul style="list-style-type: none"> 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 	<p>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</p>	

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		<p align="center">£20,000 per annum be included to fund the increased costs of temporary accommodation.</p> <p>d. That, in relation to service income annual budgets, amendments be made as follows, in response to revised estimates (see also paragraph 15.3 of the report):</p> <ul style="list-style-type: none"> 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 	<p>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 certainly over the promised Fair Funding Review. As a result, this MTFS uses assumptions</p>	

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		<p>reduced by £50,000</p> <p>v. Garden waste service income increased by £90,000</p> <p>vi. Car parking income increased by £100,000</p> <p>e. That Council Tax will increase in line with the Government referendum limits (currently a maximum of 2.99% for a Band D property).</p> <p>f. That the annual contribution to the IT reserve be increased by £100k to support critical infrastructure and the digitalisation theme of the transformation</p>	<p>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 the report</p>	

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		<p>programme.</p> <p>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.</p> <p>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</p>		

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		£29).		
A9	Housing Revenue Account (HRA) Business Plan and Budget Options	<ol style="list-style-type: none"> 1. That the draft HRA Business 30-year Plan for 2023-24 to 2052-53 metrics shown in Appendix 1 of report CAB3432 be noted. 2. That the budget options outlined within report CAB3432 be approved. 3. That 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 be noted. This additional annual 	<p>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.</p> <p>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</p>	<p>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.</p> <p>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</p>

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		<p>investment brings the total annual investment here to £5.625m a year and £45m in total.</p> <p>4. That 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 be noted.</p> <p>5. That the current financial viability assessment for new build be noted and that at present all potential</p>	<p>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.</p> <p>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.</p>	<p>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.</p>

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		<p>development sites based on current assumptions evaluated this year have not been assessed as being financially viable within the existing viability model (see paragraphs 12.3 -12.6 of the report).</p> <p>6. That the proposed move to 80% market rent to help improve the viability of new homes development and to mitigate the increasing cost of delivery be noted.</p> <p>7. That it be noted that a revenue savings target of £400k over two years has been set to assist with bridging the forecast gap in</p>	<p>The budget options contained in report CAB3432 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.</p> <p>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.</p>	

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		<p>financing future capital expenditure.</p> <p>8. That the disposal in principle of Barnes house in 2024-25 be approved, 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.</p> <p>9. That subject to consultation, the terms of individual leases and a review of costs, the move to full cost recovery for private connections of the council's sewage</p>		

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		<p>treatment works be approved and note that this will include transitional protection and be achieved within a five-year timeframe.</p>		