

Decisions taken by the Cabinet on Tuesday, 16 July 2024

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

<p>A7</p>	<p>Housing Revenue Account Nutrient Mitigation Proposal</p>	<ol style="list-style-type: none"> 1. That a capital budget of £400,000 be agreed to upgrade 4 waste-water treatment works (WwTW) to be funded from HRA reserves. 2. That works to individual WwTW works to be delivered subject to the Council's Chief Finance Officer and Strategic Director agreeing the business case and granting authority to spend the budget under Financial Procedure Rule 7.4; and, if credits are to be sold in the market, suitable agreements being secured. 	<p>In 2019, Natural England issued advice to Winchester City Council that requires all new overnight development (e.g. houses, hotels, care homes) to mitigate for any increase in nutrient pollution arising from development that may harm internationally protected sites (such as the Solent Special Protect Area). Further advice was issued in March 2022 requiring the further mitigation of Phosphorus for new overnight accommodation within the catchment of the River Itchen.</p> <p>The impact of this has been several new housing schemes are held in abeyance, including council</p>	<p>Do Nothing. Not carrying out upgrades would reduce the opportunity for the council to develop new build housing due to the requirement to mitigate nutrients. In addition, the potential would be lost for the council to generate income to support the HRA, to facilitate new council and other affordable and market housing and to improve water quality. Each scheme will need to be supported by a specific business case. For this reason, the option is rejected.</p>
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		<p>3. That authority be delegated to the Strategic Director, S151 Officer and Director – Legal to utilise and/or dispose of (in accordance with market conditions at the time of sale) credits generated from historic and new upgrades in accordance with the following strategy:</p> <p>a) To support the delivery of council housing commissioned by the council.</p> <p>b) To support the delivery of housing where an element of that housing is to be council housing and the approach helps to unlock delivery via credit disposal.</p> <p>c) To dispose of credits to support other council led and enabled activities.</p>	<p>house development schemes.</p> <p>The council’s strategy to enable nutrient mitigation solutions includes generating nutrient credits by upgrading some of its own waste-water treatment works (WwTW)) using Housing Revenue Account (HRA) funding which is the subject of this report.</p> <p>The strategy also involves working alongside the Partnership for South Hampshire (PfSH) to access the Local Nutrient Mitigation Fund. In addition, the council is supporting third-party mitigation schemes and water efficiency measures in its own stock. These initiatives complement and build upon those outlined in report CAB3470 to address the demand for nutrient</p>	

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		<p>d) Disposal of credits to the open market.</p> <p>4. That authority be delegated to the Strategic Director and Director - Legal authority to agree required monitoring and enforcement mechanisms for such arrangements and to enter into legal agreements to facilitate delivery.</p> <p>5. That authority be delegated to the Strategic Director for the procurement of any works or services and that the Strategic Director be authorised to award contracts and enter into all necessary legal agreements with the preferred bidder(s).</p>	<p>credits in the district. Further details on the PfSH initiative and other initiatives will be presented to a future Cabinet meeting.</p> <p>In 2023 the council upgraded two of its own WwTWs (Phase I) one of which has already generated both phosphate and nitrate credits, which have been earmarked to facilitate its own development of council housing under construction and the future pipeline. The approach proposed in report CAB3470 builds on this success.</p> <p>The purpose of the report is to seek approval, subject to individual business cases, to upgrade a further 4 of WCC's own WwTWs) (Phase II) in order to generate nutrient</p>	

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			<p>credits, approval of a budget envelope and approval of a strategy for use of those credits, including disposal of credits to the external market. Specific Phase II WwTWs will be selected once detailed scientific analysis has been carried out and detailed discussions have been held with Natural England. It is anticipated that some of the WwTWs will be in the area of South Downs National Park which has implications for how the mitigation scheme is set up. Decisions to proceed with each scheme will be subject to the approval of individual business cases.</p> <p>The upgrades will be funded through the HRA and disposal proceeds will be reinvested into the HRA.</p>	

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A8	Housing retrofit contract approval	<ol style="list-style-type: none"> 1. That up to £3.25m of HRA capital expenditure in 2024/25 be approved, using the existing retrofit budget, for the retrofit of 21 Swedish cottages and up to 150 loft insulation top-ups and associated works. 2. That authority be delegated to the Strategic Director - Services to be authorised to award and enter into a JCT Standard Building Contract to retrofit 21 Swedish Cottages and improve the loft insulation in up to 500 properties with Synergize Ltd. 3. The Strategic Director - Services to be 	<p>The declaration of a Climate Emergency in 2019, committed Winchester City Council to the Carbon Neutrality Action Plan (CNAP). A key element of the council’s CNAP includes additional investment in the council’s housing stock to improve energy efficiency and help tenants reduce their carbon emissions while also reducing their energy costs during the cost-of-living crisis. The 10-year HRA capital programme approved in February 2024 included an indicative budget allocation of £45m for climate emergency works (retrofit) from 2023/24 to 2030-31 with £ 4.906m programmed for 2024/25. This report addresses an element of the 2024/5 retrofit capital programme.</p>	<p>Due to the value of works they could be procured via an open tender. This approach is not recommended due to the costs and time this would entail compared to using an existing suitable and compliant framework.</p>

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		<p>authorised to negotiate and agree contractual terms with the contract appointment.</p> <p>4. That authority be delegated to the Service Lead: Legal to prepare and enter into all relevant agreements, negotiate the contractual agreements, and see them to completion to enable the successful delivery of the Retrofit Works.</p>	<p>The purpose of report CAB3458 is to seek approval to enter into contract to retrofit 21 Swedish cottages to improve the energy efficiency performance to current standards and to improve up to 500 properties with loft insulation top ups, of which 150 are programmed in 2024/25 ,which will improve their current EPC rating of D or below.</p> <p>The report also seeks authorisation to award the contract for the works described above to an accredited contractor identified via a suitable Framework agreement and to enter into a JCT Standard Building Contract.</p>	

Winchester City Council – Decisions taken by the Cabinet on Tuesday, 16 July 2024

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A9	New acquisitions/buy backs for council housing (less exempt appendices)	<ol style="list-style-type: none"> 1. That HRA capital expenditure of up to £0.680 m be approved for the purchase of 2 properties and associated costs as identified in the exempt appendix (as amended) to report CAB3468, using the HRA new build unallocated schemes budget, subject to each purchase demonstrating a positive net present value including cost of necessary works. 2. That HRA capital expenditure of £ 0.680m be approved for the purchase of 2 properties yet to be identified using the HRA new build 	<p>Report CAB3468 directly supports the council priority of delivering Homes for All.</p> <p>The Council is corporate landlord for circa 5,000 homes and has a development programme to secure new homes through acquisition or build. It is well known that construction costs are high and sites for development are limited and from time to time, council properties purchased under the Right to Buy scheme and other “off the shelf” second hand homes become available on the open market for purchaser. This report proposes that the council actively pursues the opportunity to buy these homes to return them to the affordable housing stock if suitable to meet housing</p>	<p>The other option is to not purchase the properties however this would not meet the Council Plan and Housing Strategy objectives or assist in meeting the identified housing needs.</p>

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		<p>unallocated schemes budget, subject to each purchase demonstrating a positive net present value including cost of necessary works.</p> <p>3. That authority be delegated to the Corporate Head – Asset Management and the Strategic Director with the responsibility for housing to make offers for the unidentified properties and to complete purchase the 4 properties.</p>	<p>needs.</p> <p>This approach complements other new council house provision, including commissioned schemes and off the shelf purchases of new homes. As well as increasing the overall council housing stock benefits would include speed of delivery, meeting specific housing needs where location is important and rebalancing housing stock where there are large proportions of housing in multiple occupation (HMOs).</p> <p>Specifically authority is sought to buy 2 properties to increase the number of council owned homes to assist in meeting identified housing need and to delegate authority to the</p>	

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			Strategic Director with responsibility for Housing, to approve the purchase of 2 additional homes subject to availability and viability.	
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