

Decisions taken by the Cabinet on Wednesday, 11 September 2024

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

A7	Partnership for South Hampshire Nutrient Mitigation Proposal	<p><i>That it be recommended to Council*:</i></p> <ol style="list-style-type: none"> <i>That an HRA capital budget of £900,000 be approved to implement works on plant upgrades funded by and on behalf of Partnership for South Hampshire (PfSH).</i> <p>That subject to Council approval of the budget:</p> <ol style="list-style-type: none"> That capital expenditure of up to £200,000 be approved, funded by the Ministry of Housing, Communities and Local Government (MHCLG) via Partnership for South Hampshire (PfSH), for 	<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 Protection Area).</p> <p>Developments which require Nitrate mitigation only can be approved as there is sufficient Nitrate mitigation available in the market.</p> <p>Further advice was issued in March 2022 requiring the further mitigation of</p>	<p>Do Nothing – The Council could decline to work with the PfSH Partnership. This would result in not having an adequate pipeline for the local plan and WCC would lose the benefit of plants being upgraded via grant funding. For the reasons above, this option is rejected.</p> <p>Business as Usual – The City Council could continue to signpost developers to third-party mitigation schemes. However, due to the geographical mitigation requirements for Phosphorus, these third-party options are limited and are nearing capacity.</p>
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		<p>feasibility and initial works.</p> <p>3. That capital expenditure of up to £700,000 be approved, funded by MHCLG via PfSH, for the implementation of works on further plant upgrades following agreed business cases with PfSH.</p> <p>4. That authority be delegated to Strategic Director and Director – Legal, in consultation with Cabinet Member for Place and the Local Plan, the authority to enter into necessary agreements with Fareham Borough Council on behalf of PfSH in order to receive the grant funds and establish working arrangements to implement the project and</p>	<p>Phosphorus for new overnight accommodation within the catchment of the River Itchen.</p> <p>The Council has a statutory duty under the Conservation of Habitats and Species Regulations 2017, as amended, to ensure that development within the district does not worsen the situation.</p> <p>The impact of this has been a number of planning applications cannot be determined whilst a Phosphorus mitigation solution is awaited, and mitigation needs to be demonstrated in the upcoming examination of the Council’s Local Plan.</p> <p>The council’s strategy to</p>	<p>For the reasons above, this option is rejected.</p>

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		<p>sell credits generated.</p> <p>5. That the procurement of any works or services be delegated to the Strategic Director and that the Strategic Director be authorised to award contracts and enter into all necessary legal agreements with the preferred bidder(s).</p> <p><i>*NB recommendations to Council are not subject to call-in.</i></p>	<p>enable nutrient mitigation solutions is threefold. Firstly, the council is generating nutrient credits by upgrading its own wastewater treatment works (WwTW). Works on 2 plants have been completed and the credits have been used to mitigate the council's own housing schemes. In July, (CAB3470 refers) Cabinet approved a further 4 upgrades using the Housing Revenue Account and the sale of surplus credits to private developers.</p> <p>The council is also supporting third-party mitigation schemes and water efficiency measures in its own housing stock to generate further credits. The Partnership for South Hampshire (PfSH) will</p>	

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			<p>provide WCC with grant funds to upgrade further WCC owned WwTW, with the credits generated being managed by PfSH. The release of this funding has been approved by the PfSH Joint Committee on 23 July 2024.</p> <p>These initiatives complement each other to address the demand for nutrient credits in the district.</p> <p>The purpose of report CAB3459 is to seek permission to accept the PfSH funding and delegate authority to enter into agreements to implement the PfSH WwTW upgrade project.</p>	

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A8	Renewal procurement of the Council Energy Supply Contract	<ol style="list-style-type: none"> 1. That the procurement of electricity and gas via end user agreements with Hampshire County Council, under the LASER Energy Framework, be approved. 2. That it be agreed that the energy Winchester City Council consumes is purchased in a flexible manner by Hampshire County Council, using the existing energy purchasing strategy of both “purchase in advance” and “purchase within period”. 3. That it be agreed to continue to purchase green electricity and green gas as per the existing contracts. 	<p>The purpose of report CAB3467 is to seek approval to continue using the LASER Energy Framework for the supply of gas and electric to the council for a 4-year period, commencing April 2025.</p> <p>By making the correct decision on energy procurement it ensures Winchester City Council is able to secure a competitive energy contract for the coming four years. The previous contract saved over £500,000 against market energy prices.</p> <p>In addition, through the correct energy procurement strategy it ensures that Winchester City Council continues to purchase green energy. This assists the</p>	<p>Option 1 – Leave framework and move on to default energy prices. This is a very unattractive option because once out of the current agreement with LASER, the council is likely to find itself paying higher off-contract prices for the energy for its buildings from April 2025. Out of contact energy prices are typically 50% higher which would increase the council’s annual spend for energy by around £500,000.</p> <p>Option 2 – Procure energy by direct tender This option is possible, but it would involve the council undertaking a standalone above threshold tender to secure its own energy independent of a Central Purchasing Body (CPB) such</p>

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		<p>4. That the Strategic Director be authorised to enter into call off agreements via the LASER Energy Framework for the duration of the contract (4 years).</p> <p>5. That delegated authority be granted to the Service Lead: Legal to execute and enter into all necessary contractual agreement.</p> <p>6. That it be agreed that a report be presented to Carbon board setting out potential options to deliver green gas to the residents of Danemark Court, Makins Court, Matilda Place, Milford/Gordon Watson House and Whitewings</p>	<p>council with meeting its net zero targets and is addressing the climate emergency.</p>	<p>as LASER or any other intermediary.</p> <p>With this option, the council would be contracting directly with the selected energy provider(s). This approach is unlikely to produce the best results due to the small scale of the Winchester City Council's portfolio compared to a large purchasing organisation and is unlikely to offer value for money. In addition, a direct tender would require the council to engage additional resources (skilled energy traders and potentially additional staff for contract management) and provides greater risk of exposure to energy price fluctuations.</p> <p>The council could look to procure collaboratively with</p>

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		House.		<p>other councils. However, Central Purchasing bodies are already realising the maximum benefits of joint procurement. Joint procurement is currently the approach at the moment as we are one of a number of organisations within Hampshire County Council energy basket within the LASER Framework.</p> <p>Option 3 – Other Frameworks There are several other organisations that have set up compliant tendered frameworks. Some frameworks are restricted to authorities in specific parts of the public sector such as higher and further education or specific geographical areas which are not available</p>

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				<p>for the council’s use.</p> <p>These frameworks have been reviewed in more detail by Hampshire County council and LASER has been selected as the best value framework, the main reason for which is the flexible purchasing options available. Some of these frameworks offer a full range of brokerage, consultancy, and energy management services which are provided by a separate organisation who partners the framework providers. However, most of these services now managed in house by the Estates team. In addition, as highlighted HCC have procured energy at very competitive rates in recent years. Given other frameworks have different</p>

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				<p>energy suppliers, there would be an administrative burden of switching suppliers. This is particularly true because Winchester City Council have existing AMR contracts with the council’s current energy suppliers, which may not be compatible with a new suppliers billing and data collection.</p> <p>Option 4 – Third Party Intermediary</p> <p>A third-party intermediary is an independent energy consultancy who would procure the council’s energy requirements on its behalf. The consultancy would be procured via a competitive tender based on a fee for their services, or a gain/share arrangement based on the savings made.</p>

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				This does not bring any advantages and is unlikely to be as competitive as the recommendation. Energy management and utility bill management services are carried out by the Estate’s team and appointing an independent energy consultancy via a direct award contract is unlikely to yield value for money.
A9	General Fund outturn 23/24	<ol style="list-style-type: none"> 1. That the General Fund Revenue Outturn and Capital Programme Outturn be noted as set out in the report CAB3464. 2. That the transfers to and from the Major Investment Reserve be approved as detailed in Appendix 1 to the report and note the reserves 	<p>Report CAB3464 provides an overview of the General Fund Revenue outturn and Capital Programme outturn for 2023/24.</p> <p>The 2023/24 General Fund budget was approved by Council in February 2023 (CAB3444 refers) based upon a one-year spending review announcement. The</p>	The potential to use the additional surplus for specific investment has been considered. However, in light of the specific emerging pressures identified within the MTFS, this is not recommended at this stage.

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		<p>and closing balances at 31 March 2024 (as set out in Appendix 2 to the report).</p> <p>3. That the revised 2024/25 capital programme be approved as set out in appendix 5 of the report.</p> <p>4. That the revised 2024-2034 capital programme be noted as set out in appendix 6 of the report.</p>	<p>budget was set based on a stable financial position with a forecast balanced budget now covering 2024/25 and 2025/26. Quarterly monitoring has kept the forecast 2023/24 outturn under close review. A final outturn favourable variance of just under £0.9m is reported, resulting from a number of service variances.</p>	
A10	Housing Revenue Account outturn 23/24	<p>1. That the HRA Outturn figures for 2023/24 be noted as detailed in Appendix 1 of the report CAB3465.</p> <p>2. That the Housing capital programme outturn for Major Works and New Build as detailed in Paragraphs 11.5 to 11.7</p>	<p>Report CAB3465 provides an update to members on the financial performance of the Housing Revenue Account (HRA) in 2023-24 and the associated HRA capital programme. It requests approval for revised budget forecasts to the 2024-25 HRA capital programme to reflect slippage, to take</p>	<p>No other options considered. There is a statutory requirement to approve the HRA outturn.</p>

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		<p>and Appendices 3 & 4 of the report.</p> <p>3. That the funding of the 2023/24 HRA capital programme be noted as detailed in paragraphs 11.8 to 11.11 and Appendix 5 of the report.</p> <p>4. That the reforecast capital programme budget of £24.057m for 2024/25 be approved as detailed in paragraphs 11.12 to 11.14 and Appendix 6 & 7 of the report that takes into account potential programme slippage and the reprofiling of expected spend.</p>	<p>account of delays to some schemes and reflect the likely revised spend profile in the capital programme.</p> <p>The year end resulted in a deficit to the HRA of £1.258m for 2023/24, which was £0.352m more than budgeted for, and has reduced the current working balance to £14.096m (£15.163m as at 31 March 2023).</p>	

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A11	Q1 Finance & Performance Monitoring	That the progress achieved during Q1 of 2024/25 be noted and the contents of the report CAB3469 be endorsed.	<p>The Council Plan sets out the priorities of the council and this report provides a summary of the progress achieved during the period 1 April 2024 to 30 June 2024. Included within the report are the delivery highlights from the period and a progress update against significant business plan actions that support delivery of the Council Plan priorities.</p> <p>Data for the period is given against the strategic key performance indicators and a summary of the progress achieved against the tier 1 projects along with details of actions for the forthcoming quarter.</p> <p>An update is also provided on the council’s financial position for both revenue and</p>	This is a report for Cabinet to review the performance of the council during the 3 month period; April to June 2024.

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			capital for the General Fund and Housing Revenue Account.	
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