



<b>Meeting</b>	Cabinet
<b>Date and Time</b>	Wednesday, 11th September, 2024 at 9.30 am.
<b>Venue</b>	Walton Suite, Guildhall, Winchester and streamed live on YouTube at <a href="http://www.youtube.com/winchestercc">www.youtube.com/winchestercc</a> .

**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](http://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. Please note that priority will be given to those wishing to attend and address the meeting over those wishing to attend and observe.

## AGENDA

### PROCEDURAL ITEMS

1. **Apologies**

To record the names of apologies given.

2. **Membership of Cabinet bodies etc.**

To give consideration to the approval of alternative arrangements for appointments to bodies set up by Cabinet or external bodies, or the making or terminating of such appointments.

a) **Appointment of a Member responsible for complaints within the Housing Ombudsman Complaints Handling Code**

Under the Housing Ombudsman Complaints Handling Code, the Council is obliged to advise the Housing Ombudsman of the Council's representative on the governing body who is responsible for complaints.

This responsibility falls within the scope of the role of Cabinet Members and it is proposed that the Housing Ombudsman be advised that the Cabinet Member for Housing, is appointed to this role.



3. **Disclosure 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.*

4. **To note any request from Councillors to make representations on an agenda item.**

*Note: Councillors wishing to speak address Cabinet are required to register with Democratic Services three clear working days before the meeting (contact: [democracy@winchester.gov.uk](mailto:democracy@winchester.gov.uk) or 01962 848 264). Councillors will normally be invited by the Chairperson to speak during the appropriate item (after the Cabinet Member's introduction and questions from other Cabinet Members).*

## **BUSINESS ITEMS**

5. **Public Participation**

– to note the names of members of the public wishing to speak on general matters affecting the District or on agenda items (in the case of the latter, representations will normally be received at the time of the agenda item, after the Cabinet Member's introduction and any questions from Cabinet Members).

*NB members of the public are required to register with Democratic Services three clear working days before the meeting (contact: [democracy@winchester.gov.uk](mailto:democracy@winchester.gov.uk) or 01962 848 264).*

Members of the public and visiting councillors may speak at Cabinet, provided they have registered to speak three working days in advance. Please contact Democratic Services **by 5pm on Thursday 5 September 2024** via [democracy@winchester.gov.uk](mailto:democracy@winchester.gov.uk) or (01962) 848 264 to register to speak and for further details.

6. **Minutes of the previous meeting held on 16 July 2024 and the additional meeting held on 19 August 2024** (Pages 5 - 28)

7. **Leader and Cabinet Members' Announcements**

8. Partnership for South Hampshire Nutrient Mitigation Proposal (Pages 29 - 44)

**Key Decision** (CAB3459)

9. Renewal procurement of the Council Energy Supply Contract (Pages 45 - 64)

**Key Decision** (CAB3467)

10. General Fund outturn 23/24 (Pages 65 - 98)  
**Key Decision** (CAB3464)
11. Housing Revenue Account outturn 23/24 (Pages 99 - 118)  
**Key Decision** (CAB3465)
12. Q1 Finance & Performance Monitoring (Pages 119 - 158)  
**Key Decision** (CAB3469)
13. To note the future items for consideration by Cabinet as shown on the October 2024 Forward Plan. (Pages 159 - 166)

**Laura Taylor**  
**Chief Executive**



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3 September 2024

Agenda Contact: Nancy Graham, Senior Democratic Services Officer  
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*\*With the exception of exempt items, Agenda, reports and previous minutes are available on the Council's Website [www.winchester.gov.uk](http://www.winchester.gov.uk)*

## **CABINET – Membership 2024/25**

Chairperson: Councillor Tod (Leader and Asset Management)

<b>Councillor</b>	<b>- Cabinet Member</b>
Cutler	- Deputy Leader and Cabinet Member for Finance and Performance
Becker	- Cabinet Member for Community and Engagement
Learney	- Cabinet Member for Climate Emergency
Porter	- Cabinet Member for Place and Local Plan
Thompson	- Cabinet Member for Business and Culture
Westwood	- Cabinet Member for Housing

**Quorum** = 3 Members

**Corporate Priorities:**

As Cabinet is responsible for most operational decisions of the Council, its work embraces virtually all elements of the Council Strategy.

**Public Participation at meetings**

Representations will be limited to a maximum of 3 minutes, subject to a maximum 15 minutes set aside for all questions and answers.

To reserve your place to speak, you are asked to **register with Democratic Services three clear working days prior to the meeting** – please see public participation agenda item below for further details. People will be invited to speak in the order that they have registered, subject to the maximum time period allowed for speaking not being exceeded. Public Participation is at the Chairperson's discretion.

**Filming and Broadcast Notification**

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

**Disabled Access**

Disabled access is normally available, but please phone Democratic Services on 01962 848 264 or email [democracy@winchester.gov.uk](mailto:democracy@winchester.gov.uk) to ensure that the necessary arrangements are in place.

**Terms Of Reference**

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

## CABINET

Tuesday, 16 July 2024

Attendance:

Councillors  
Tod (Chairperson)

Cutler  
Becker  
Learney

Porter  
Thompson  
Westwood

Members in attendance who spoke at the meeting

Councillors Horrill and Lee

[Video recording of this meeting](#)

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1. **APOLOGIES**

There were no apologies received.

2. **MEMBERSHIP OF CABINET BODIES ETC.**

The following appointments are proposed to replace those made at Cabinet on 22 May 2024:

a) Treasury Investment Group

For the 2024/25 municipal year -

- Cabinet Member (with responsibility for Finance) – Cllr Cutler
- One other Cabinet Member – Cllr Learney
- Chair of the Audit & Governance Committee – Cllr Morris
- One other Member from the Administration of the Council from the Audit & Governance Committee – Cllr Power
- Principal opposition group member for finance – Cllr Godfrey

b) Winchester Charity School Education Foundation

Councillor Latham (until May 2027)

NB The existing representative is Councillor V Achwal (until May 2025)

3. **DISCLOSURE OF INTERESTS**

Councillors Porter and Tod declared personal (but not prejudicial) interests in respect of the New Acquisitions/buy backs for Council housing (report CAB3468 refers) due to their role as County Councillors.

Councillor Becker declared an interest in respect of the Housing Revenue Account Nutrient Mitigation Proposal (report CAB3470 refers) as a property owner with a connection to a council sewage treatment works. She did not believe it was a pecuniary interest on this occasion but she left the room during consideration of this report and took no part in the discussion or decision.

#### 4. **PUBLIC PARTICIPATION**

Ian Tait spoke regarding reports CAB3470 and CAB3468 and his comments are summarised under the relevant minutes below.

Janet Berry spoke during public participation on behalf of the Highcliffe Community Forum for Action as summarised briefly below.

She stated that the Forum would like to be kept informed regarding future proposals for the Bar End depot, noting that the council's website currently stated a decision on the preferred bidder was due at this Cabinet meeting. She highlighted that the Forum was responsible for taking forward the Highcliffe Community Plan which was cited as a major document alongside the Bar End design framework when making future plans for the area. The Forum was keen to ensure that the option of a Community Hub was still considered and would be submitting a petition to the Council in support of this.

Councillor Tod thanked Ms Berry for her comments and advised that the decision on the Bar End depot was now due at Cabinet at a later date. He suggested that her comments could be considered as part of this report and the council was happy to continue discussions with the community on the best ways to ensure access to community facilities.

#### 5. **MINUTES OF THE PREVIOUS MEETING HELD ON 19 JUNE 2024**

RESOLVED:

That the minutes of the previous meeting held 19 June 2024 be agreed as a correct record.

#### 6. **LEADER AND CABINET MEMBERS' ANNOUNCEMENTS**

Councillor Learney announced that as part of a pilot scheme, the Council had been allocated a dedicated person by Scottish and Southern Electricity Networks (SSEN) to work together to develop the district's local area energy plan. This would help both the Council and SSEN to resource strategic improvements in energy capacity and resilience.

Councillor Thompson announced that following the success of previous events, the next Jobs and Opportunities Fair would take place on 4 September 2024 in the Middle Brook Street centre.

Councillor Becker offered congratulations to the Winchester Sports and Leisure Park which had been awarded an outstanding assessment by Quest (the leading national quality scheme for the leisure industry).

Councillor Becker also provided an update on the council's various grants programmes which had reopened following the recent elections. She stated that engagement sessions with councillors on the grants available would be arranged and availability also promoted through social media and the parish council newsletter.

7. **HOUSING REVENUE ACCOUNT NUTRIENT MITIGATION PROPOSAL**  
(CAB3470)

Councillor Becker left the room during consideration of this item and took no part in the discussion or decision.

Councillor Westwood introduced the report which sought approval, subject to individual business cases, to upgrade a further four of the council's own wastewater treatment works (WwTWs) which would result in improvements to water quality and also generate nutrient credits.

Ian Tait spoke during public participation as summarised briefly below.

He generally welcomed the proposals but raised some concerns as he believed the council's own WwTWs were discharging water with higher levels of nutrient than was acceptable under the Natural England directive from 2019. He stated that the council should address the wider issue and not just relating to the HRA.

At the invitation of the Leader, Councillors Horrill and Lee addressed Cabinet as summarised briefly below.

Councillor Horrill

She welcomed the proposals and the upgrade of the two council owned WwTWs that had already been undertaken. She requested clarification of a number of points, including the priority order of the schemes, how it interacted with the Partnership for South Hampshire (PfSH) mitigation scheme, use of credits to date and staffing resource implications.

Councillor Lee

He stated that recent analysis of the River Meon indicated poor chemical health and emphasised that a wider approach was required to tackle this issue than suggested in the report. He highlighted other methods to reduce harm from nutrients and queried whether PfSH, Natural England and the local nutrient mitigation fund were constraining a more flexible approach. He also raised a number of other detailed points, including querying whether future cross-cutting project reports should be considered by Scrutiny Committee, the impact of plants being situated in the South Downs National Park and the assessment of risks.

Councillor Tod advised that PfSH would discuss deployment of nutrient mitigation schemes at its meeting on 23 July 2024 and there was provision for deputations to be made at that meeting. In response to comments made by Mr Tait, he also emphasised that the report dealt with nutrient overflow and that there was no sewage overflow from existing council owned WwTWs.

Councillor Westwood, the Strategic Director and the Service Lead – New Homes responded to the detailed questions asked by Mr Tait and the two councillors, including emphasising that there was wider work on nutrient mitigation proposals being led by PfSH and that the credits generated to date had not been sold but had been used to further council owned developments.

Cabinet agreed to the following for the reasons set out in the report and outlined above.

**RESOLVED:**

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.
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:
  - a) To support the delivery of council housing commissioned by the council.
  - 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.
  - c) To dispose of credits to support other council led and enabled activities.
  - d) Disposal of credits to the open market.
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.
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).

8. **HOUSING RETROFIT CONTRACT APPROVAL**  
(CAB3458)

Councillor Westwood introduced the report which sort approval to enter into a contract to retrofit 21 Swedish cottages and up to 150 loft insulation top-ups and associated works.

At the invitation of the Leader, Councillors Horrill and Lee addressed Cabinet as summarised briefly below.



### Councillor Horrill

She stated that there was cross-party support for the retrofit programme and welcomed the proposal to agree an approved contractor. She asked a number of detailed questions on the report including the anticipated impact and provision for tenants whilst works were carried out, whether further detail about the reduction in energy bills was available and what lessons had been learned from the pilot work on five Swedish properties.

### Councillor Lee

He emphasised the urgent need to improve the energy efficiency of homes and believed that the EPC C rating was too low to achieve this within the timescale required. He requested an update on the response to his Council question on 30 November 2023 regarding the sustainable procurement review in the light of the nature emergency. He requested assurances that contracts be flexible enough to allow, for example natural insulation materials, should this become financially viable.

Councillor Westwood, the Strategic Director and the Retrofit Manager responded to the questions raised, including confirming that a bespoke solution for tenants of properties undergoing works would be provided. The Corporate Head of Finance confirmed that the sustainable procurement guide had been reviewed and a new impact assessment would be included within all committee reports to reflect the declaration of a nature emergency.

Cabinet agreed to the following for the reasons set out in the report and outlined above.

### RESOLVED:

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 authorised to negotiate and agree contractual terms with the contract appointment.

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.

9. **NEW ACQUISITIONS/BUY BACKS FOR COUNCIL HOUSING (LESS EXEMPT APPENDICES)**  
(CAB3468)

Councillor Westwood introduced the report which sought approval to purchase of two properties and to delegate authority to the Strategic Director to approve the purchase of an additional two homes subject to availability and viability to increase the number of council owned homes.

Ian Tait spoke during public participation as summarised briefly below.

He had concerns that the report did not address the wider issue regarding the lack of affordable housing in the district and reiterated comments he had made at previous meetings regarding the requirement to find land to build a new council housing estate.

At the invitation of the Leader, Councillor Horrill addressed Cabinet as summarised briefly below.

She supported the proposals in principle but requested clarification of various points, including how many properties it was proposed to purchase, whether they were currently houses in multiple occupation (HMOs) and what proportion was being funded by the county council.

Councillor Westwood and the Service Lead – Strategic Housing responded to the comments made including confirming that the proposal was to purchase two properties at this stage with two further properties to be purchased at a later stage, subject to availability and viability.

Cabinet moved into exempt session to consider the contents of the exempt appendix (as amended) before returning to open session to consider the report's recommendations as set out below.

Cabinet agreed to the following for the reasons set out in the report and outlined above.

**RESOLVED:**

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 unallocated schemes budget, subject to each purchase demonstrating a positive net present value including cost of necessary works.

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.

10. **FUTURE ITEMS FOR CONSIDERATION BY CABINET**

RESOLVED:

That the list of future items as set out in the Forward Plan for August 2024 be noted.

11. **EXEMPT BUSINESS:**

RESOLVED:

1. That in all the circumstances, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

2. That the public be excluded from the meeting during the consideration of the following items of business because it is likely that, if members of the public were present, there would be disclosure to them of 'exempt information' as defined by Section 100I and Schedule 12A to the Local Government Act 1972.

<u>Minute Number</u>	<u>Item</u>	<u>Description of Exempt Information</u>
12	New acquisitions/buy backs for council housing (exempt appendix)	) Information relating to the financial or business affairs of any particular person (including the authority holding that information). (Para 3 Schedule 12A refers)

12. **NEW ACQUISITIONS/BUY BACKS FOR COUNCIL HOUSING (EXEMPT APPENDIX & AMENDED EXEMPT APPENDIX)**  
(CAB3468)

Cabinet noted that an amended appendix with updated financial information relating to one of the properties it was proposed to purchase had been circulated to all Cabinet and other invited members present.

The Strategic Director provided further information regarding the differences in the information provided and emphasised that there were no consequential changes required to the main report or recommendations.

RESOLVED:

That the contents of the exempt appendix (as amended) be noted.

The meeting commenced at 9.30 am and concluded at 11.25 am

Chairperson

## **CABINET**

**Monday, 19 August 2024**

Attendance:

Councillors  
Tod (Chairperson)

Cutler  
Becker  
Learney

Thompson  
Westwood

Apologies for Absence:

Councillors Porter

Members in attendance who spoke at the meeting

Councillors Bolton, Cook, Godfrey, Horrill, Langford-Smith and Lee

Other members in attendance:

Councillor Cunningham

[Video recording of this meeting](#)

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### 1. **APOLOGIES**

Apologies were noted from Councillor Porter who was the Cabinet Member for Place and Local Plan. Councillor Tod stated that under Article 6.6 and Part 3.2, paragraph 3 of the Council's Constitution, he would be exercising the functions delegated to Councillor Porter as the cabinet member for the purpose of this meeting.

### 2. **DISCLOSURE OF INTERESTS**

Councillor Cutler declared a disclosable pecuniary interest in respect of report CAB3462. He left the room during discussion of the report and took no part in any decision thereon.

Councillor Tod declared a personal (but not prejudicial) interests in respect of CAB3462 due to his role as a County Councillor.

### 3. **PUBLIC PARTICIPATION**

Thirteen people spoke during public participation as summarised under consider of report CAB3462 below.

4. **LEADER AND CABINET MEMBERS' ANNOUNCEMENTS**

There were no announcements made.

5. **WINCHESTER DISTRICT PROPOSED SUBMISSION LOCAL PLAN (REGULATION 19)**  
(CAB3462)

In the absence of Councillor Porter, Councillor Martin Tod, Leader of the Council, introduced the agenda item on the Local Plan Regulation 19. He outlined the Council's commitment to advancing the Local Plan, which was designed to guide development in Winchester District through to 2040. The plan, once approved, will undergo a six-week public consultation, expected to commence in the autumn. This consultation followed the Council's local development scheme timetable, which was published in August 2023. The plan includes an integrated impact assessment and a Habitats Regulations Assessment, both crucial to ensuring the plan's compliance with national and local environmental standards.

Councillor Tod emphasised the importance of today's meeting in scrutinising the updated policies within the Regulation 19 plan. He noted that these policies have been refined based on evidence gathered from previous consultations, including the Regulation 18 public consultation held in 2022. The key focus of the discussion will be on evaluating whether the proposed policies effectively address the district's strategic needs and meet the four tests of soundness as required by the National Planning Policy Framework.

He also clarified the meeting's structure, noting that public representations would be addressed during the relevant sections of the discussion to ensure a thorough and manageable review of all contributions. The outcomes of this meeting would be reported to the full Council meeting on 28 August 2024, where formal approval would be sought to proceed with the consultation phase. Lastly, Councillor Tod requested that any minor corrections or cross-references in the document be forwarded to officers after the meeting to streamline the focus on substantive issues during the session.

Councillor Tod introduced the agenda item on the Local Plan Regulation 19, highlighting the critical decision facing the Cabinet to recommend the future development direction for Winchester District, excluding areas within the South Downs National Park, up to 2040. He emphasised the importance of aligning this plan with the new government's policies and intentions, acknowledging the extensive three-year process that led to this point.

The Regulation 19 Local Plan was designed to address the district's significant challenges, including affordability, climate change, nutrient pollution, and the preservation of its unique natural and historical environment. Councillor Tod noted that the plan sets out a new vision and framework for future development, with ambitious policies establishing clear standards for development. The plan includes an integrated impact assessment and a habitats regulation assessment, alongside an infrastructure delivery plan supported by a strategic transport assessment.

Once adopted, this plan will replace the current Local Plan and become the statutory development framework used alongside planning law and national guidance to evaluate the planning merits of proposals. Councillor Tod stressed the importance of this decision, which involves recommending the Council to publish the proposed Local Plan and associated assessments for public consultation.

Andrew Fraser-Urquhart KC, who has advised the Council throughout the plan preparation period, provided an overview of the legal and policy context for the Local Plan Regulation 19. The new government had published a draft amended NPPF to give effect to the priority of increasing house building. The NPPF sets out government policy and is a material consideration in the determination of all planning applications.

The draft NPPF reintroduces mandatory housing targets and has a new standard methodology for assessing those targets. The likely consequence for WCC is an increase of approximately 500 home per annum above the current provision.

Given that the current emerging local plan is based on the existing housing requirements in the NPPF, a great deal of work will be required to see how this new target in the proposed changes to the NPPF could be accommodated. This will present difficult choices for WCC in the future.

The issue today is how to accommodate this work and the timing. There are two alternatives. The first is to pause work on the existing local plan and start to consider how it would be amended to accommodate the new housing requirements in the proposed changes to the NPPF. The government suggests that if this approach is adopted the work would have to be completed within 18 months. It is entirely uncertain if this would be possible because in reality it would mean something like a complete re-write of the draft local plan and much of the evidence base. During the period of this work WCC would be without an up to date local plan and, in accordance with policy of the NPPF be required to apply a tilted planning balance when deciding any application. This would mean it would be very difficult to resist speculative applications from developers and would lead to a period of “planning by appeal” over which the council would have little control.

The second alternative is to ensure that this plan is submitted to the government for examination very quickly, before the draft NPPF is published as settled policy.

This would mean that once the Local Plan was adopted, probably early next year WCC would be required immediately to begin work on a new local plan that meets the new housing requirements. Whilst this would not avoid the need to make difficult decisions, it would enable work to be undertaken with a fresh start to logically and efficiently determine where new housing should be located. In the meantime the Council would have an up to date local plan so as to avoid the risk of “planning by appeal”.

The following members of the public and Councillors addressed the Cabinet to provide their views and concerns regarding the Local Plan Regulation 19. Each speaker raised several key points, which are summarised below:

**1. Patrick Davies:**

1. Expressed strong opposition to the proposed Local Plan, describing it as a "fictitious exercise" and a waste of time and resources and at the risk of misleading the public with the current proposals.
2. Criticised the lack of reference to recent government changes and communications from the new Secretary of State, arguing that the plan does not reflect these developments.
3. Highlighted the importance of duty to cooperate with neighbouring authorities.
4. Stressed that the rush to approve the plan was an attempt to avoid making difficult choices, which would eventually have to be addressed.

**2. Councillor Maggie Hill - Colden Common Parish Council.**

1. Stated that Colden Common needs a new shop and/or a larger shop.
2. Emphasised concerns about pedestrian safety, particularly on dark and hazardous stretches of roads within the village.
3. Requested that the Parish Council be included in the design stage of developments, especially for the proposed sites in Church Lane, to ensure safe crossing points and other safety measures; confirmed that the Parish Council has previously applied for CIL.
4. Advised that there were existing issues regarding bus services, poor broadband speed and flooding.
5. Highlighted the Parish Council's willingness to work with the City Council at the design stage and requested that this collaboration be formalised.

**3. Councillor June Perrins – South Wonston Parish Council.**

1. Raised issues with the Settlement Hierarchy Review, particularly the allocation of points for employment opportunities in South Wonston, which she argued were inaccurate.
2. Suggested revisions to the scoring system that would downgrade South Wonston from an Intermediate Rural Settlement to a Smaller Rural Settlement, reflecting its lack of general employment opportunities.
3. Criticised the Integrated Impact Assessment, particularly its assessment of land at West Hill Road North (SW01), and proposed reclassifying several objectives from minor to significant negatives, citing issues like increased greenhouse gas emissions and inadequate local services such as lack of GP provision.

**4. Robert Parker**

1. Criticised the allocation process for land at Sutton Scotney, describing it as a top-down imposition without proper consultation with local residents.
2. Argued that the proposed development would geographically divide the village and create significant challenges, such as traffic issues, which had not been adequately addressed by the Council and urged Cabinet to withdraw SU01 from the plan.



**5. Councillor Pauline Mauder – Wonston Parish Council**

1. Expressed that no public consultation had taken and dissatisfaction with the late inclusion of land at Brightlands in the Local Plan, especially given the ongoing sewerage issues in Sutton Scotney which should be addressed before any development takes place.
2. Noted that Southern Water's reassurances about infrastructure improvements had not materialised in the past, raising doubts about the viability of new developments.
3. Noted that Southern Water would continue to remove waste by tankers despite assurances that this would be resolved.
4. Stressed that the Parish Council felt let down by the Local Plan team and would be responding robustly to the Regulation 19 consultation.

**6. Trevor Salter**

1. As a resident of South Wonston Mr Salter voiced concerns about the lack of feedback on representations made during the Regulation 18 consultation, particularly regarding errors in assessments and outcomes.
2. Questioned the legality of proceeding with the plan without addressing these inaccuracies and called for a review to ensure the process remained lawful.
3. Raised that there were no employment or benefits to the planned allocations.
4. Raised issues such as the lack of a surgery or health centre in South Wonston, the negative impact on air quality from increased commuting, and the potential visual intrusion of new developments.

**7. David Baldwin**

1. Supported the view that South Wonston should not be classified as an Intermediate Rural Settlement due to its lack of services and facilities.
2. Criticised the Council for not adequately addressing errors in the Integrated Impact Assessment and failing to provide comprehensive feedback to representations made during the Regulation 18 stage.
3. Raised that an additional 40 houses would put 80 additional cars on road. Private cars are the only option.
4. Expressed concern that the Local Plan was being rushed through without proper consideration of these issues, particularly in relation to the proposed greenfield site developments.
5. Stated that there were no comments on the consultation feedback pages 28 – 65.
6. Critiqued the meetings being held over the summer holiday period.

**8. Imogen Dawson**

1. Praised the ambition of the Local Plan but stressed the need for a balanced approach that adequately addressed the ongoing climate and nature crises.
2. Highlighted the importance of infrastructure, particularly water, sewage, and energy supplies, in supporting new developments, and raised concerns about the current inadequacies in these areas.
3. Suggested that small housing developments near existing services should prioritise social housing and accommodations for elderly residents to support community integration.

4. Advised that an Integrated Transport Plan was essential.
5. Called on Central Government to support infrastructure.

**9. Andrew Craig - Sport Winchester Representative**

1. Called for the Local Plan to include specific objectives and commitments for the provision of sporting facilities, citing a long-standing shortfall in such amenities across the city.
2. Expressed concern that the Local Plan did not allocate sufficient land for sports and recreational use, despite the identification of significant new parcels of land for housing and economic development.
3. Stated that the open space assessment undertaken in 2022 had a shortfall of 18 hectares. By 2040 it was considered up to 40 hectares would be needed.
4. Proposed the inclusion of existing sports facilities within new developments, such as at Sir John Moore Barracks, and recommended additional sites like Bushfield Camp be designated for sports purposes to meet community needs.

**10. Councillor Sue Wood - Sparsholt Parish Council**

1. Raised concerns about the protection of strategic gaps between communities, specifically referencing the gap between Sparsholt and Winchester.
2. Asked for clarification on when the policies protecting these strategic gaps would be confirmed and made available for community review.
3. Emphasised the importance of maintaining these gaps to prevent the merging of distinct communities, particularly in the face of new developments.

**11. Fred Schiff**

1. Questioned the validity of the site assessment for Sutton Scotney, arguing that the Integrated Impact Assessment was flawed and did not adequately consider reasonable alternative sites.
2. Criticised the limited consultation process, stating that insufficient detail was provided to the public and stakeholders, which undermined the decision-making process.
3. Supported the Parish Council's call for a proper consultation process before finalising any site allocations that would significantly impact Sutton Scotney.
4. Stated that an allocation at Brightlands would have a severing impact on the A30 and will result in noise impact from the A34.

**12. Ian Tait**

1. Supported the government's initiative to increase housing delivery and urged the Council to actively pursue large-scale social housing developments within Winchester.
2. Proposed the development of a new 21st-century council estate in Winchester, drawing on historical precedents like the Stanmore estate, to address the district's housing needs.

3. Criticised the Council for not being proactive in securing land for large housing developments and called for a change in mindset towards embracing housing growth.

### **13. Stuart Jones – Hampshire Bus Enhance Forum**

1. Acknowledged the timing issues.
2. Criticised the Local Plan for not adequately addressing public transport provision, particularly in the district's southern parishes where services have been significantly reduced.
3. Pointed out that the X9 Bus Service ceased 2 years ago.
4. Suggested improvements to transport planning for area (like Southampton Travel to work area). Also suggested improvements such as considering market towns as extended park-and-ride locations to support sustainable development.
5. Called for active consultation with parishes on bus routes and services to ensure that the Local Plan supports the needs of all areas, particularly those with reduced public transport options.
6. Supported that the Council continues conversations with suppliers such as Stagecoach and Hampshire County Council.

At the invitation of the Leader, six councillors addressed Cabinet as summarised below.

### **14. Councillor Sue Cook**

1. Expressed support for the decision to advance the Local Plan to pre-emptively address higher housing targets set by the government, but concern of adequate council resources.
2. Stressed the necessity of thoroughly reviewing and responding to all comments from the Regulation 18 consultation before the plan's submission.
3. Raised significant concerns about the adequacy of Southern Water's infrastructure, particularly relating to surface water drainage in Colden Common and the potential impacts of new developments on existing systems.
4. Emphasised the need for continued engagement with parish councils and local communities to ensure the Local Plan reflects the needs and concerns of all stakeholders.

### **15. Councillor Stephen Godfrey**

1. Accepted the logic and the decision to bring forward the Local Plan but emphasised the need to prepare for additional housing allocations potentially required by the government.
2. Criticised the plan for not making full use of available council owned land for housing, arguing that these should be prioritised to protect the countryside from unnecessary development.
3. Called for the removal of the Sutton Scotney site from the Local Plan until the infrastructure issues, particularly concerning sewage and water, are resolved; and as there has been no public consultation.
4. Stated that the council should remove the allocation SW01 and not adjust the settlement boundary.

5. Questioned the overall soundness of the Local Plan, highlighting that unresolved infrastructure issues could undermine its effectiveness and viability.
6. Emphasised the importance of ensuring that infrastructure was in place and capable of supporting new developments before they are approved.

#### **16. Councillor Danny Lee**

1. Supported the need to accelerate the programme.
2. Agreed on the necessity for a versatile and sustainable Local Plan, with a focus on environmental responsibility.
3. Highlighted the absence of an ecosystem services policy in the plan, advocating for its inclusion to ensure a balanced approach to development and environmental protection.
4. Expressed concern over the resilience and capacity of surface water and foul water drainage systems in his ward, particularly in light of new housing developments.
5. Stated Policy CN3 was crucial for net zero and asked how do we deploy the strongest argument to keep it in the plan.
6. Suggested incorporating Agri-Voltaics as a preferred method for solar energy production over traditional solar farms, promoting dual-use of agricultural land for energy generation and food production.
7. Supported policies that facilitate farm diversification and the development of a low-carbon economy, particularly in rural areas.

#### **17. Councillor Neil Bolton**

1. Highlighted the South Downs National Park Authority's poor delivery of housing targets and its implications for the district's Local Plan.
2. Asked if the Dykes farm development had progressed within the South Downs National Park?
3. Raised concerns about the assumptions made in the Local Plan's viability assessment, particularly how energy efficiency BNG and climate policies might impact housing viability.
4. Suggested holding working parties and Member briefings to scrutinise the viability of the Local Plan, ensuring it was financially sound and sustainable.
5. Reinforced Policy CN4 and the potential for water efficiency standards to be improved.
6. Questioned whether the plan's policies, particularly around net-zero carbon targets, would make new housing unaffordable for local residents.
7. Raised concerns about the potential erosion of settlement gaps due to new housing developments, particularly in areas overlapping with the South Downs National Park.

#### **18. Councillor Paula Langford-Smith**

1. Criticised the allocation of additional housing in Denmead, noting that the village had already exceeded its previous Neighbourhood Plan targets.
2. Argued that previous commitments to reduce future housing allocations due to office-to-residential conversions had not been honoured by the Council combined with the fact that this permitted development had come forward without any developer contributions.

3. Raised concerns about the pressure on local infrastructure, including inadequate sewer systems and the lack of funding for necessary upgrades.
4. Advocated for prioritising the development of brownfield sites, particularly those owned by Hampshire County Council, before considering further greenfield site allocations.
5. Emphasised that any new development should be sustainable and for example in areas like Winchester city, with a fair distribution of housing across the district, and not disproportionately affecting rural communities like Denmead.
6. Stated that for the parish council it would be important to run the Neighbourhood Plan alongside the Winchester Local Plan but that there is no budget being available for a referendum this municipal year.

#### **19. Councillor Caroline Horrill**

1. The Conservative group supported the accelerated timeline for the Local Plan to meet future housing needs but raised concerns about the process and consideration of public feedback.
2. Questioned the accuracy and transparency of housing allocations, particularly within the South Downs National Park and how these figures were determined.
3. Urged the administration to provide a clear and comprehensive response to all Regulation 18 feedback online to ensure that residents' concerns are addressed.
4. Sought clarification of the views of the administration regarding new towns and how they might respond to this within the NPPF consultation.
5. Asked officers to clarify numbers in the Carousel Park policy and whether the council intends to intensify provision at the site.
6. Asked the administration if it would stand by policy NE7 to protect settlement gaps?
7. Asked whether the council would be intensifying density at Sir John Moore Barracks site?
8. Queried why allocating greenfield sites when there is available brownfield sites in the city area.
9. Advocated for a stronger focus on developing brownfield sites owned by the Council, suggesting that these should be utilised to meet housing targets before greenfield sites are considered.
10. Raised issues about the preservation of settlement gaps and the adequacy of infrastructure to support new developments, particularly in rural areas.

Councillor Tod thanked all members of the public and Councillors for attending the meeting. These points would be responded to by officers and Cabinet accordingly during the meeting.

Cabinet considered the report and appendices in detail and officers responded to questions thereon. During discussion, the queries and comments raised during public participation and by invited councillors were also responded to. In particular, the following points were noted in relation to report CAB3462.

#### **Legal and Procurement implications**

Andrew Fraser-Urquhart KC advised that the duty to cooperate had two aspects. The first was the legal duty to cooperate with other local authorities in meeting their unmet needs. This had to be demonstrated to the Inspector at the public examination by a variable audit trail of the attempts to agree. It must be noted that this is a requirement to cooperate not a duty to agree. If it cannot be demonstrated that the duty to cooperate has been fulfilled, the plan will be unlawful without further ado and cannot be approved.

The second aspect to the duty is contained in NPPF policy on the requirement in plan making to meet the unmet need of neighbouring authorities. It is important to note that the new NPPF appears to strengthen the obligations on local authorities to meet their own needs in full and the need of others that cannot.

This is another aspect of reasons why it would be sensible to approve the plan now so that a proper opportunity is provided during the preparation of the next local plan properly to consider a potentially strengthened duty to cooperate.

### **Compatibility with the NPPF**

Councillor Tod asked about the compatibility of the plan with the NPPF consultation, in particular the consistency of the proposed approach with Annex 1 of the draft NPPF. Andrew Fraser-Urquhart KC advised that the law required the Inspector to be satisfied that the plan was in general conformity with the NPPF. The question then arises as to which NPPF as both the existing and the new draft were currently in existence. In the event the council proceeds to adopt the current plan the transitional provisions of the new NPPF would require the Inspector to consider conformity with the old NPPF. Mr Fraser-Urquhart considered that there were no concerns in this regard and the Inspector was very likely to conclude that the plan was in conformity with the old NPPF.

Mr Fraser-Urquhart continued that the transitional provisions made clear that the council would be under an obligation immediately to begin work on the new local plan. It was wrong to suggest that proceeding with this local plan would be to mislead the public. In any event there would be no difficulty in amending the introductory paragraphs of the local plan to make it clear that work will begin on a new local plan to accommodate the increased housing targets. Similarly it was wrong to suggest that the suggested process was to avoid difficult decisions as it was simply a matter of how to make those difficult decisions, whether to postpone all existing work or make a fresh start with a new local plan. The second approach was likely to be cheaper and more efficient. All the questions raised by, for example, Councillor Horrill and Mr Tait were the kind of things to be considered by the new local plan.

### **Local Plan Regulation 18 public consultation**

The Strategic Planning Manager confirmed that it was permissible for new site allocations to be introduced at the Regulation 19 stage provided the council demonstrated why sites had been introduced. This would be done when the council went out to consultation on Regulation 19.

The Strategic Planning Manager confirmed that all comments received in relation to Regulation 18 had now been published on the council's website with the final comments published the previous week. He would check the comments published in the light of comments received during public participation in relation to South Wonston.

### **Integrated Impact Assessment (IIA) and Habitats Regulations Assessment (HRA)**

Councillor Tod asked about the role of the IIA and HRA. Mr Fraser-Urquhart KC advised that HRA was a legal requirement which deals solely with significant impacts on protected European sites. It was unlawful to have development which has a significant adverse impact on the integrity of such site or species unless there were overriding reasons in public interest to do so.

The IIA was a relatively new process. There is a legal requirement to undertake a Sustainability Appraisal of a local plan and this requirement has been subsumed within a process called IIA. The IIA was only part of the evidence base and was a fairly high level assessment using a consistent methodology which was applied across the district. It is not determinative but a tool that assists officers who make the final policy and allocation decisions. Accordingly, even if some aspects of the IIA assessment are disputed it remains a valid part of the evidence base. It was to be remembered that objectors have the ability to make representations about any aspect of the IIA both at the Regulation 19 stage and, indeed, at the local plan examination.

### **Equality Impact Assessment (EIA)**

Councillor Becker highlighted that the EIA had found that there was a small disadvantage for some people. It was noted that the council was producing a health topic paper in 2025 and that there were also positive impacts so overall the impacts balanced out.

### **Employment and Retail**

Councillor Tod noted that the requirement for Bushfield Camp allocation or equivalent was still required.

### **Strategic Transport Assessment**

The Strategic Planning Manager emphasised that the council's powers were largely limited to lobbying the county council and bus companies in this area. Mr Fraser-Urquhart KC advised that the only levers available to the council were negative in terms of preventing development coming forward unless certain provisions in terms of strategic transport were provided.

## **Meetings held with government**

The Strategic Planning Manager confirmed that various meetings had been held, including most recently with officers from MHCLG. The feedback was that they were encouraged with the council's intention to bring forward the local plan and put officers in touch with the Planning Inspector. Councillor Tod referred to a letter he and the Chief Executive had received from the Secretary of State for Housing, Communities and Local Government and Deputy Prime Minister. He had also attended an online meeting held with the Deputy PM and other local authority leaders and he was confident that the council was in line with current government thinking.

## **Local Plan Planning Inspectorate (PINS) advisory service**

The Strategic Planning Manager advised that the council is in the process of agreeing a service level agreement (SLA) with PINs.

## **Biodiversity and the Natural Environment**

Councillor Learney stated that she was satisfied that the council's local plan policies fully covered the issues that the South Downs National Park policy on Ecosystem Services referred to as raised by Councillor Lee.

## **Development Allocations that are needed to meet the Development Strategy**

Councillor Tod requested further information regarding sewage issues raised in relation to the Sutton Scotney.

The Strategic Planning Manager advised that regular meetings were held with Southern Water and the council had received a letter from Southern Water outlining the work it was intended to carry out in Colden Common and Sutton Scotney. The pipeline in Sutton Scotney was under construction he was confident it would be completed before the development was phased to come forward in 2030. Mr Fraser-Urquhart KC emphasised that allocation was not the same as the grant of planning permission and permission could be refused if there were good planning reasons or conditions could be imposed.

## **South Downs National Park**

Councillor Tod highlighted that the impact of 40% of the district being within the SDNP area should be referenced in the consultation on the new NPPF.

## **Affordable housing**

The Strategic Planning Manager advised that the next iteration of the Local Plan could consider any decisions for new sites to come forwards such as sites for affordable housing Provision.



Cabinet then considered each of the policies in turn as set out in Appendix 1 and noted the main changes between the Reg 18 Local Plan and the Reg 19 Local Plan. In particular the following points were noted:

Policy CN8 – The Strategic Planning Manager provided an explanation of the new policy on embodied carbon.

Policy D9 – Cabinet noted this had been deleted.

Policies E9 and E10 – Cabinet noted that Agri-Voltaics was covered by the NPPF and the carbon neutrality policy. Mr Fraser-Urquhart KC advised that the draft NPPF included radical changes in relation to renewable energy which moved forward from the old policy regime to the extent that local authorities should approve all forms of renewable energy.

Policies NE11,12 & 13 – in relation to comments made during public participation, Cabinet noted that new sports allocations had been made in Kings Barton and North Whiteley. The Strategic Planning Manager provided further explanation regarding how sport provision came forward.

Policy H1 – the changes to housing numbers were clarified.

Policy H2 – The Strategic Planning Manager clarified the treatment of windfall sites and office to residential and confirmed the policy was applied consistently across the district.

Policy H12 to H18 – The Planning policy officer advised that the council could not demonstrate a five year supply in relation to site allocations for provision for gypsies and travellers. Consequently there would be a presumption in favour of permitting development unless the council could demonstrate adequate provision. He confirmed that the information in the table in Policy H13 was correct. There was no intention to increase intensification as part of the planning process although the Policies did allow for growth.

#### **Points raised in public speaking not covered by discussion during document review.**

In response to points raised during public participation and by invited councillors, Councillor Tod provided an update on the current position regarding the council's own land assets.

Cabinet considered the IIA and HRA (as contained in Appendix 2 and Appendix 3 of the report) in the light of the earlier explanation provided by Mr Fraser-Urquhart KC.

Cabinet considered the risk assessment as contained in Appendix 4 of the report.

Cabinet noted that the contents of report CAB3462 and appendices had been considered by Scrutiny Committee on 29 July 2024 and key actions arising from

that meeting, in addition to an officer response and any proposed changes were included as Appendix 5 to the report being considered today.

In relation to comments made by Councillor Horrill, Councillor Tod clarified that the government intended to establish a separate task force on proposals for new towns. Mr Fraser-Urquhart KC confirmed this topic was not mentioned in the draft NPPF.

Cabinet referred back to points raised during public participation and by invited councillors and agreed that these had all been addressed during discussion of the report and appendices as summarised above.

Councillor Tod proposed to make recommendation 5 clearer with regard to the impact of the NPPF consultation on this decision. The amendment was seconded by Councillor Learney. The following additional words were added to the end of Recommendation 5 in the cabinet report:

**....and to enable any clarification necessary to outline how the proposals are consistent with government policy and the latest consultation version of the NPPF.**

Councillor Tod thanked everyone involved in consultation and scrutiny of the report. He thanked the Strategic Planning Manager and his team for their work.

Cabinet agreed to the following for the reasons set out in the report and outlined above.

**RECOMMENDED (TO COUNCIL):**

- 1. That the Winchester District Proposed Submission Local Plan (Regulation 19) (Appendix 1) and the accompanying Integrated Impact Assessment (Appendix 2) and Habitats Regulations Assessment (Appendix 3) are approved for Publication for a period of 6 weeks anticipated to start on 29 August 2024;**
- 2. That following Publication, the Winchester District Proposed Submission Local Plan (Regulation 19) and supporting documents be submitted to the Secretary of State for Examination, together with the Regulation 19 representations and a summary;**
- 3. That authority be delegated to the Strategic Planning Manager in consultation with the Cabinet Member for Place and Local Plan to prepare an addendum to the Plan that may be necessary to address soundness issues raised by representations received in response to the Regulation 19 public consultation and submit this addendum along with the Local Plan to the Planning Inspectorate;**
- 4. That authority be delegated to the Strategic Planning Manager in consultation with the Cabinet Member for Place and Local Plan to agree to any Main Modifications and to undertake a 6 week public consultation on any Main Modifications that arise out of the**

**Local Plan examination process and for this information to be forwarded to the Planning Inspectorate;**

**5. That authority be delegated to the Strategic Planning Manager in consultation with the Cabinet Member for Place and Local Plan to make any necessary editorial changes and minor amendments to the Winchester District Proposed Submission Local Plan (Regulation 19), Integrated Impact Assessment and Habitats Regulations Assessment, prior to Publication, Submission and during the Examination, to assist with consistency, explanation, graphic design and presentation and to enable any clarification necessary to outline how the proposals are consistent with government policy and the latest consultation version of the NPPF.**

The meeting commenced at 10.00 am and concluded at 2.05 pm

Chairperson

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CAB3459  
CABINET

REPORT TITLE: PARTNERSHIP FOR SOUTH HAMPSHIRE NUTRIENT  
MITIGATION PROPOSAL

11 SEPTEMBER 2024

REPORT OF CABINET MEMBER:

Cllr Jackie Porter, Cabinet Member for Place and Local Plan and;

Cllr Chris Westwood, Cabinet Member for Housing

Contact Officer: Robert Green Tel No: 01962 848 583 Email  
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WARD(S): ALL WARDS

PURPOSE

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).

Developments which require Nitrate mitigation only can be approved as there is sufficient Nitrate mitigation available in the market.

Further advice was issued in March 2022 requiring the further mitigation of Phosphorus for new overnight accommodation within the catchment of the River Itchen.

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.

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.

The council's strategy to enable nutrient mitigation solutions is threefold.

Firstly, the council is generating nutrient credits by upgrading its own waste-water 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.

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 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.

These initiatives complement each other to address the demand for nutrient credits in the district.

The purpose of this report is to seek permission to accept the PfSH funding and delegate authority to enter into agreements to implement the PfSH WwTW upgrade project.

#### RECOMMENDATIONS:

##### That Cabinet recommends Council:

1. Approves an HRA capital budget of £900,000 to implement works on plant upgrades funded by and on behalf of Partnership for South Hampshire (PfSH).

##### That Cabinet:

2. Subject to Council approval of the budget:
  - a) Approves capital expenditure of up to £200,000, funded by the Ministry of Housing, Communities and Local Government (MHCLG) via Partnership for South Hampshire (PfSH), for feasibility and initial works.
  - b) Approves capital expenditure of up to £700,000, funded by MHCLG via PfSH, for the implementation of works on further plant upgrades following agreed business cases with PfSH.

3. Delegates 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 sell credits generated.
4. Delegates the procurement of any works or services 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).

IMPLICATIONS:1 COUNCIL PLAN OUTCOME

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

The upgrade of PTPs ensures that water quality discharged from the plants is improved and operates using more efficient plant. The associated water efficiency measures result in reduced water usage.

## 1.2 Homes for all

The mitigation and selling of nutrient credits would enable the assessment and determination of planning applications which at time of writing equates to 134 units of housing.

The project also ensures that the Regulation 19 Local Plan demonstrates nutrient mitigation options to meet the housing requirements up to 2040 and that the City Council can mitigate its own New Homes programme in the delivery of affordable housing.

The creation of a Nutrient Mitigation scheme allows developments to provide homes across the District, including Affordable Housing provision.

## 1.3 Vibrant Local Economy

A number of developments held in abeyance are to be completed by local small to medium sized enterprises, including local developers and construction companies and the creation of a Nutrient Mitigation scheme allows for development to be achieved, resulting in construction employment and supporting the local economy.

## 1.4 Living Well

A council motion was passed on 6 July 2022 to protect our local rivers and waterways by taking account of the cumulative impact of pollution including sewage discharge. The investment for the replacement of PTPs with improved and more efficient equipment results in water quality improvements, reducing the amount of pollution from sewage discharge in these areas.

## 1.5 Your Services, Your Voice

Ensuring a supply of housing is important to make sure the Council is able to show that it is delivering new homes in line with the requirements of the Local Plan, to meet housing delivery tests and to establish it has a 5-year housing land supply.



## 2 FINANCIAL IMPLICATIONS

- 2.1 The structure of the proposed partnership working is that WCC will procure on behalf of PfSH works to upgrade our WwTW's on their behalf, creating credits that can be used as mitigation for development.
- 2.2 PfSH agreed a fund of £900,000 at the Joint Committee on 23 July 2024. This will be provided to WCC, subject to a Memorandum of Understanding (MoU) and/or Inter Authority Agreement (IAA) which outlines how the funds can be spent, to undertake WwTW upgrades only.
- 2.3 An initial £200,000 will be provided to fund feasibility works and to undertake works on a small number of plants.
- 2.4 A further £700,000 will be provided once all technical work has been completed and assessed. The plant upgrades will be subject to business cases completed by WCC alongside PfSH Officers and agreed with PfSH Chief Executives prior to the release of further grant funding.
- 2.5 PfSH will market the 'credits' generated by the upgrades. Any revenue will be managed by PfSH and recirculated back into further nutrient mitigation schemes across the region.
- 2.6 WCC will retain the ownership of the WwTWs and will directly financially benefit as the upgrades to these plants will be funded by grant. The existing plants are already maintained by the council and additional budget is not required for their maintenance as a consequence of these works.
- 2.7 Where WCC carries out procurement, contract management, any other administration and monitoring of the sites being upgraded for the creation of PfSH credits, WCC will be reimbursed by PfSH for these costs. These arrangements will be secured by the MoU/IAA.
- 2.8 At each stage, the amount to be transferred to WCC from PfSH/FBC will be agreed before any spend is committed.

## 3 LEGAL AND PROCUREMENT IMPLICATIONS

- 3.1 The £900,000 provided by PfSH/FBC will be subject to a Memorandum of Understanding and/or Inter-Authority Agreement. These will ensure that WCC spend the funds on nutrient mitigation projects to enable the procurement and administration of the projects.
- 3.2 The selected projects will be agreed alongside PfSH prior to commencement of works.
- 3.3 The Inter-Authority agreement will establish the principles of the collaborative relationship between members of PfSH. It sets out the working and funding

arrangements in a co-operative way to meet shared obligations and objectives, to deliver the projects to be funded by PfSH across the region, including the WCC PTP upgrades.

- 3.4 Monitoring of the nutrient credit scheme arising from the plant upgrade may fall to WCC or another PfSH authority, however any WCC resources used will be reimbursed by PfSH under the terms of the IAA. The monitoring arrangements will be secured under appropriate legal arrangements. The ownership of the PTPs or any other council owned assets will remain with the council.
- 3.5 Any works or services procured by WCC on behalf of PfSH/FBC will be in accordance with the council's Contract Procedure Rules and where applicable external legislation.

#### 4 WORKFORCE IMPLICATIONS

- 4.1 Under the agreements, PfSH/FBC may commission WCC to procure construction works and client manage this procurement. WCC will recharge PfSH/FBC for these costs at a rate agreed in advance.
- 4.2 Following completion of the works, the PfSH team will provide the administrative resource for the sale of generated credits with no further demand on the WCC existing workforce in this respect.
- 4.3 The monitoring of the works is to be established by the PfSH agreements but may rely on the Service Lead – Engineering. Remuneration will form part of the agreement to ensure this work is resourced.
- 4.4 Legal and finance resources will be required to provide safe entrance to the agreements and ensure the proposal does not disadvantage WCC. These resources will be absorbed into business-as-usual project resources. These resources cannot be paid for by PfSH as they will be advising WCC in its position in the arrangement.

#### 5 PROPERTY AND ASSET IMPLICATIONS

- 5.1 All sites are owned and operated by the City Council. The works result in improved efficiency of the plants and replaces infrastructure to improve water efficiency.
- 5.2 As council owned infrastructure, the council will be required to upgrade and invest in the PTPs over their lifetime. The use of the grant to upgrade a number of the PTPs means a future HRA capital budget is not required for these upgrades, providing a benefit to the HRA.

## 6 CONSULTATION AND COMMUNICATION

- 6.1 The City Council sent Expression of Interest requests to planning applications currently held in abeyance to seek interest in buying credits. Out of 29 letters sent, 14 replied with a confirmed interest.
- 6.2 Careful evaluation is being made of the scale of the work necessary for the WwTWs that will be upgraded, which serve both HRA and private properties.
- 6.3 Ward members will be briefed on the works to be undertaken and a clear communication plan for local residents will be put in place before works commence.
- 6.4 Consultation is also being undertaken on the wider administration of the council's WwTWs, separate to this project.

## 7 ENVIRONMENTAL CONSIDERATIONS

- 7.1 The projects by their nature mitigate nutrient inputs into protected water systems, allowing development to take place without causing wider harm to the protected features.
- 7.2 In addition, the replacement of the PTP improves the water quality outputs of the council's WwTWs. Whilst also providing credits for mitigation, this results in local improvements to water quality as a result of the project.
- 7.3 A council motion was passed on 6 July 2022 to protect our local rivers and waterways by taking account of the cumulative impact of pollution including sewage discharge. Investment in the upgrade of WwTWs with improved and more efficient equipment results in water quality improvements, including in rivers, reducing the amount of pollution from sewage discharge.

## 8 PUBLIC SECTOR EQUALITY DUTY

- 8.1 The equalities impact assessment concluded that these works would benefit the health of the water, which will indirectly benefit the health of the Winchester communities.
- 8.2 There are no people disadvantaged by this project when measured against all protected characteristics.

## 9 DATA PROTECTION IMPACT ASSESSMENT

- 9.1 None Required

10 RISK MANAGEMENT

<b>Risk</b>	<b>Mitigation</b>	<b>Opportunities</b>
Financial Exposure <i>Demand for credits may be removed or reduced by legislative changes.</i>	WCC legal and finance teams will ensure we have the correct legal construct in place to prevent spend outside of correct authorities.  The upgrades will be funded by grant. If insufficient income is generated from credits, it will not impact WCC directly.	
Exposure to challenge <i>Challenge from competitor mitigation schemes.</i>	Fair credit price set by PfSH.	
Innovation <i>WwTW are complex systems and project may not deliver as many credits as expected</i>	Hydrogeological reports used to identify the exact number of credits – to be confirmed by Natural England prior to works being instructed.  Experience from previous works means the council is aware of how to develop the projects on time and within budgets.	
Reputation <i>Un-fair distribution of available credits may damage relationship between developers and LPA</i>	Developers will have choice in the Winchester market for credits, this is an advantage to them.	
Achievement of outcome <i>Delays with Local Plan examination</i>	Local Plan demand being calculated to be ensured it can be met by this and wider mitigation schemes.	

<i>Management of existing applications held in abeyance</i>	If paper is approved and a mitigation option is therefore available, the LPA will be required to refuse applications who have not chosen to join the mitigation scheme or provide alternative mitigation.	
Property <i>Council housing continues to require nutrient mitigation</i>	Projected council housing demand has been subtracted from the credits available for the market – forms part of separate HRA project.	Development of council housing, providing affordable units for those in need.
Community Support	N/A	
Timescales <i>Local Plan examinations</i>	These works will be commissioned with timeframes taking account of the proposed Local Plan examination timetable to ensure nutrient neutrality can be demonstrated.	
<i>Planning permissions continue to be held in abeyance</i>	The creation of a nutrient scheme will allow the LPA to grant consent to applications, if the nutrient scheme is joined.	
Project capacity <i>Insufficient resourcing</i>	Experience of previous works means the council understands the resource required.	
Other <i>Housing Land Supply/Delivery test – delays to residential schemes may start to impact on the council’s land supply and Housing Delivery Test results, possibly leading to</i>	This project, alongside future projects enabled by the re-investment of revenue generated, ensures that the Local Plan can be adopted, and delivery tests upheld.	

<p><i>pressure for un-planned development, Government intervention, and fewer new homes available.</i></p>	<p>This is subject to the local plan examination.</p>	
<p><i>NPPF is being updated and may result in increased housing requirements which increases demand.</i></p>	<p>This project will complement other mitigation schemes such as working collaboratively with private companies to provide further mitigation in the market.</p>	
<p><i>Natural England may not agree with using sites as mitigation.</i></p>	<p>Natural England's Discretionary Advice Service will be used proactively throughout the project to understand any potential concerns in the planning stages of the project. Natural England have provided positive responses to the previous project.</p>	

11 SUPPORTING INFORMATION

11.1 Background

11.2 Nitrate Neutrality impacts all parts of the district. CAB3219 outlines and approves a Position Statement which sets out a strategy that enables planning applications which require nitrogen mitigation to be approved subject to a planning condition, providing developers the opportunity to source credits from a number of third-party suppliers prior to the occupation of development.

11.3 Since June 2022, proposals within the catchment of the River Itchen are also required to mitigate Phosphorus. The Itchen catchment covers a central section of the district, including larger settlements such as Winchester, New Alresford and Colden Common. Third-party mitigation options are limited in number and whilst some on-site mitigation options have been used, the Local Planning Authority has been unable to process many planning applications which require phosphorus mitigation in this area. Currently, 37 applications are held in abeyance, amounting to 183 units.

11.4 The emerging Winchester District Local Plan 2020 – 2040 is scheduled for examination in 2025. The Local Plan has a demand for 6,247 Nitrogen credits and 355 Phosphorus credits in the Itchen catchment. Proposed changes to the method of calculating housing requirements within the revised National Planning Policy Framework (NPPF) may increase this demand further.

It should be noted that 2 sites have significant Phosphorus demands. Alternative mitigation measures are available, and Local Planning Authority Officers are working with site promoters to reduce or remove Phosphorus requirements, this will reduce the overall demand figure.

#### 11.5 Details of Proposal

11.6 Winchester City Council owns 28 Wastewater treatment works (WwTW), many of which use Package Treatment Plants (PTPs) to treat wastewater. If a PTP is upgraded to remove more nutrients than the existing equipment, the difference can be used as a 'credit' to mitigate other development.

11.7 All of the 28 plants have potential to generate nitrate credits.

17 of the plants are within the Itchen catchment and have the potential to generate nitrate and phosphorus credits. 2 of these plants have already been upgraded by the HRA, and CAB3470 outlines a project to upgrade further plants. These HRA upgrades will generate credits which can be sold to the wider market and therefore form part of the council's overall strategy for nutrient mitigation. The HRA will select plants which best meet their needs once technical work is completed.

This proposal outlines how the council's assets can be used to generate credits for the market using PfSH funding, working alongside the HRA projects.

11.8 PfSH have a dedicated team focussed on nutrient neutrality. PfSH have successfully applied for £9.6million funding as part of the Local Nutrient Mitigation Fund. This is to be invested in mitigation schemes across the region.

11.9 The PfSH Joint Committee approved a fund of £900,000 to be provided to WCC to undertake WwTW upgrade works on their behalf. An initial allocation of £200,000 will be provided for feasibility works and to undertake the works on the first plants. The remaining £700,000 will follow once initial technical work has been completed, assessed and business cases have been collectively agreed by PfSH Chief Executives.

11.10 To test the solution, we have desktop assessed ten sites to see what mitigation might be produced. These figures are still considered estimates whilst we await hydrogeological reports.

Site	Nitrogen Credits	Phosphorus Credits
Beech Grove, Owslebury	597	74
The Pastures, Cheriton	162	20
Couch Green, Martyr Worthy	187	23
Baring Close, Itchen Abbas	102	12
Itchen View, Itchen Stoke	76	9
North Drive, Littleton	82	10
Hobbs Close, Bishops Sutton	239	29
Kiln Lane, Old Alresford	119	14
The Brook, Old Alresford	170	21
Woodlark Cottages, Bighton	34	4
<b>TOTAL</b>	<b>1,768</b>	<b>216</b>

11.11 The initial works on the 10 plants show that the plants have capacity for credit generation which can be used as mitigation.

11.12 The investigation and investment into further plants (both within this PfSH project and the HRA project) will provide additional credits available for the market. The following demand and supply could be achieved based on the 10 assessed plants alone:

	Nitrogen	Phosphorus
Total Itchen catchment demand ( <i>applications in abeyance and local plan requirements</i> )	6,483	364
Indicative supply from the next 10 sites assessed so far	1,768	216

11.13 It should be noted that two large schemes held in our local plan pipeline result in a demand for 201 phosphate credits, a significant proportion of the overall demand.

There are on-site mitigation options available to these developments which are being considered and the city council will continue to work with developers to achieve this. The sites have been included at this stage as a worst-case scenario, however following further work it is expected there would be a significant reduction of the overall demand figure.



- 11.14 The recommendations request permission to agree an initial £200k from PfSH for initial feasibility studies and authorise use of the funds.

The following £700k will fund works on the remaining plants so there is certainty they can be completed.

Whilst studies have been completed on the initial 10 sites which show significant credit generation, there is potential for any remaining funds to be used to upgrade further sites, subject to business cases agreed with PfSH, in order to generate further credits available for the market and Local Plan allocations.

- 11.15 As a PfSH project, the management, pricing and risk sits with PfSH and as a result any revenues will also be retained by the Partnership. A condition of the funding is that any revenue is recirculated back into regional nutrient mitigation schemes, providing further opportunities for mitigation options.

#### 11.16 Water Efficiency Measures

- 11.17 Winchester City Council is also to receive £90,000 from PfSH to run water efficiency projects. These projects will create further nitrate and phosphate credits. It is a condition of the arrangements that credits created by water efficiency projects can only be recycled into credits offset against new council-owned homes. This is agreed as WCC intends to build 1000 homes in the next 10 years.

30 units are available for upgrades immediately, and this will form part of a future HRA project with the potential for further credit generation.

#### 11.18 Third-party mitigation providers

- 11.19 The City Council has been approached by a number of private companies who upgrade PTPs and then seek to sell the credits generated to the wider market. This is an identical process to the council's own project; however, it does not involve any council assets or funding.

- 11.20 The council as Local Planning Authority (and competent authority under the Habitat Regulations) need to ensure they have sufficient information submitted to assess the suitability of this mitigation.

- 11.21 The City Council has produced a standard requirements list for section 106 legal agreements and a fair monitoring fee which allows the council to monitor these schemes. This allows further credits to be available for the market.

## 11.22 Summary

The council strategy to provide nutrient mitigation and release housing applications is in three schemes.

The first is to sell excess credits derived by the completed upgrades undertaken by the HRA. The HRA will also undertake further upgrades, generating additional credits. This has been considered and approved by CAB3470 (July 2024).

The second is to work with PfSH, using grant funding, to upgrade further PTPs out of the council's stock of 28. The sites all generate nitrate credits, and 17 provide phosphorus mitigation. Initial investigations from 10 sites show a significant number of credits will be generated, and the government grant requires all projects to achieve cost recovery in order to invest any income into further mitigation projects and to provide further benefits, providing on-going security that further projects can be funded and secured. PfSH are also providing grants for water efficiency measures, which will form part of a separate project which also generates further credits.

The third is to work alongside third-party companies as they upgrade their own PTPs. The LPA will assess this on a case-by-case basis to ensure the mitigation is acceptable, and secure finances and resources for future monitoring.

When combined, a significant number of credits are generated to ensure there is provision for applications held in abeyance and future Local Plan requirements.

## 12 OTHER OPTIONS CONSIDERED AND REJECTED

- 12.1 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.

- 12.2 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.

For the reasons above, this option is rejected.

BACKGROUND DOCUMENTS:-

Previous Committee Reports:-

CAB3219 – Nitrate Neutrality – Wednesday 22 January 2020

CAB3301 – Nutrient (Nitrate) Neutrality Update – Wednesday 21 July 2021

CAB3470 – Housing Revenue Account Nutrient Mitigation Proposal – Monday 16 July 2024

Other Background Documents:-

None

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CAB3467  
CABINET

REPORT TITLE: RENEWAL PROCUREMENT OF THE COUNCIL ENERGY SUPPLY CONTRACT

11 SEPTEMBER 2024

REPORT OF CABINET MEMBER: Cllr Martin Tod, Leader and Cabinet Member for Asset Management

Contact Officer: Andrew Goodes, Energy Manager Tel No: 07867 457602 Email: [agoodes@winchester.gov.uk](mailto:agoodes@winchester.gov.uk)

WARD(S): ALL

PURPOSE

The purpose of this report 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.

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.

In addition, through the correct energy procurement strategy it ensures that Winchester City Council continues to purchase green energy. This assists the council with meeting its net zero targets and is addressing the climate emergency.

RECOMMENDATIONS:

1. Approve procurement of electricity and gas via end user agreements with Hampshire County Council, under the LASER Energy Framework.
2. Agree 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. Agree to continue to purchase green electricity and green gas as per the existing contracts.

4. Agree 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).
5. Agree that delegated authority be granted to the Service Lead: Legal to execute and enter into all necessary contractual agreement.

IMPLICATIONS:1 COUNCIL PLAN OUTCOME

- 1.1 Tackling the Climate Emergency and Creating a Greener District
- 1.2 The council currently procures renewable electricity through the existing end user agreement with Hampshire County Council (HCC). Green electricity is purchased via Renewable Electricity Guarantee of Origin (REGO) certificates. Green gas is procured through Total Energies via a call off contract on the LASER Framework. Green gas is purchased via Renewable Gas Guarantees of Origin (RGGO) certificates. The purchase of certificated green/renewable energy will ensure the council can continue to report lower carbon emissions.
- 1.3 By continuing to purchase REGO certificates for the council's electricity, the council will save 481 tonnes CO<sub>2</sub>e in comparison to DESNZ's 2024 standard UK grid electricity carbon emissions factor. The forecast annual carbon saving for the purchase of gas RGGO certificates is 331 tonnes CO<sub>2</sub>e. This equates to a saving of 36.8% against our total market-based scope 1 and 2 CO<sub>2</sub>e emissions in 2022-23.

2 FINANCIAL IMPLICATIONS

- 2.1 Forecast Energy Cost
- 2.2 The table below shows forecast energy costs by financial year until March 2029 for the duration of this contract. The total energy cost over the four years (April 2025 to March 2029) are forecast to be £3.75 million. Existing baseline budgets are in place and expected to cover forecast costs in 2024/25. Future prices are uncertain but the estimates below show a reduction in costs is expected compared to 2024/25. Budgets are adjusted annually in line with annual forecasts and any increase in costs would be met by contractual inflation budgets as part of the MTFS.
- 2.3 Green energy in the form of RGGOs was introduced in April 2024 and it was agreed that 2024/25 costs would be funded from the climate emergency general fund budget. In order to continue RGGOs from 2025/26 onwards a budget growth bid of £28k and rising to £39k by 2028/29 will be required. This is expected to be proposed in the November MTFS Cabinet paper.
- 2.4 Energy prices cannot be forecast accurately due to volatility in energy markets, variable energy usage, rising non commodity energy costs and the extent of the electrification of energy use (heat pumps/EV charging etc). This table also includes the costs of green energy, management fees and AMR. A breakdown of renewable tariff costs, AMR and management fees can be found below in section 11.6.

WCC Forecast Energy Costs by Financial Year					
Year	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029
<b>Electricity (£)</b>	£881,979	£720,712	£762,801	£792,398	£815,377
<b>Gas (£)</b>	£155,679	£155,617	£164,705	£166,253	£171,074
<b>Total Energy (£)</b>	£1,037,658	£876,328	£927,506	£958,651	£986,452

- 2.5 Using 2024-2025 as an example the breakdown between GF and HRA is shown in the table below. A similar percentage split between GF and HRA is likely to continue, assuming no material changes in the council's estate and in building operation.

Utility	GF (£)	HRA (£)	GF (%)	HRA (%)
<b>Electricity (£)</b>	£478,407	£403,572	54%	46%
<b>Gas (£)</b>	£56,156	£99,523	36%	64%
<b>Total Energy (£)</b>	£534,563	£503,095	52%	48%

### 3 LEGAL AND PROCUREMENT IMPLICATIONS

- 3.1 The LASER Energy Framework Agreement to which this report relates was established in accordance with the provisions of Regulation 33 of the Public Contracts Regulations 2015 and is fully compliant with the Public Contract Regulations 2015 and the council's own Contract Procedure Rules.
- 3.2 The council may select one or more contractors from a Framework established by a public body where the council has been identified in the Contract Notice as an approved user. The council is permitted to use the framework without having to run separate tender processes for either the appointment of energy suppliers or contract management services.
- 3.3 Utilising the services of HCC via the Framework agreement enables the council to navigate the complexities of a rapidly evolving energy procurement market whilst maximising the benefits of public sector collaboration.
- 3.4 Npower and Total Energies are the council's incumbent suppliers and are also the top ranked suppliers on the LASER Energy Frameworks including on price and social value. The proposal is to direct award call-off contracts to these two organisations and this is permitted by the Frameworks.
- 3.5 The council will enter into gas and electricity supply third party deeds of agreement with Hampshire County Council. As specified in the agreement this



will be on supplier terms and conditions with framework providers for a 4-year period. This will enable the procurement of energy through HCC who are on the LASER Framework.

#### 4 WORKFORCE IMPLICATIONS

- 4.1 It is proposed that the works will be managed and administered by officers within the Asset Management Team.

#### 5 PROPERTY AND ASSET IMPLICATIONS

- 5.1 The council's operational properties will benefit from the supply of renewable electricity. These include offices, sheltered housing schemes, communal areas such as stairwells within council housing blocks, public conveniences, sport pavilions, sewage treatment works and car parks.
- 5.2 The Council's properties also benefit in the same way from green gas. Scope 3 properties (where energy use is not under the council's control) are excluded from the procurement of green gas. These sites are Danemark Court, Makins Court, Matilda Place, Milford/Gordon Watson House and Whitewings House. Green gas can be secured for these supplies in the future should it be decided. Having this control is important because green energy costs more, the council can help protect tenants financially during this cost of living crisis by either not securing a green tariff for certain supplies or by choosing not to pass on green energy costs.
- 5.3 Serviced charged properties will also benefit from the council's cheaper energy rates when they are billed. Due to the buying power of Hampshire County Council they have access to an energy contract type they would not typically have access to.

#### 6 CONSULTATION AND COMMUNICATION

- 6.1 Consultation has taken place with Hampshire County Council's energy Framework Manager/wider energy team and WCC's estates team. There is also consultation between WCC Procurement, WCC Legal, WCC Finance and the Carbon Neutrality Action group.

#### 7 ENVIRONMENTAL CONSIDERATIONS

- 7.1 Contracting with Hampshire County Council who are on the LASER Framework would contribute toward fulfilment of the Winchester Climate Emergency Carbon Neutrality Action Plan. Winchester City Council aims to be a carbon neutral organisation by 2024, a key pathway identified to achieve this is to increase the purchase of renewable energy. The plan calls for the

sourcing of 100% of all electricity purchased by the council to come from renewable sources by 2021.

Through the LASER framework the Winchester City Council can purchase Renewable Electricity Guarantee of Origin (REGO) certificates. Through this framework the council are also able to purchase Renewable Gas Guarantees of Origin (RGGO) certificates, this commenced in April 2024 via a call off contract with Total Energies. RGGO certificates can be difficult to source and through this framework there is the benefit of being able to source these independently with local generators or through the council's existing gas supplier Total Energies.

## 8 PUBLIC SECTOR EQUALITY DUTY

8.1 None

## 9 DATA PROTECTION IMPACT ASSESSMENT

9.1 None

## 10 RISK MANAGEMENT

<b>Risk</b>	<b>Mitigation</b>	<b>Opportunity</b>
<i>Property</i>	None	
<i>Timescales</i> New energy contract not agreed prior to existing contract expiring in March 2024, resulting in WCC being billed on default energy rates.	This cabinet report recommends the replacement contract with Hampshire County Council is in place prior to expiry. Currently the existing arrangement will be auto renewed with HCC and HCC will continue purchasing energy for WCC using the LASER Framework. This ensures the council are not at risk of being billed on default energy rates which are typically 50% higher.	
<i>Project capacity</i> Insufficient staff resources to implement the contract.	Both WCC and HCC have already allocated resources to implement and monitor the contract. HCC have a dedicated energy team, while at WCC energy purchasing arrangements are managed by the Estates team.	Working collaboratively with HCC reduces the amount of time WCC need to spend on the energy contract. This could mean more time to spend on energy bill validation cost savings or support on renewable energy projects to address the climate emergency.

Innovation	None	
<i>Financial / VfM</i> There is a risk prices will fluctuate as differing factors impact the energy market	A fixed contract is likely to cost more over the course of the duration of the contract. It is likely a flexible contract will be cheaper overall. In addition, flexible energy is typically purchased in smaller volumes enabling the risk to be spread.	Should energy prices continue to fall further, a flexible contract means the council can benefit more quickly from any reductions in wholesale energy costs.
<i>Legal</i> A risk of a challenge on procurement grounds	A direct award contract to an energy supplier may not be possible. The use of a compliantly procured framework reduces the risk of a procedural challenge and speeds up the process to ensure a contract is in place prior to expiry.	
<i>Reputation</i> Disconnection of energy supplies and reputation of energy suppliers.	Typically supplies on a Framework are not disconnected because there is a better relationship between the account manager and customer. Also, the account is billed on a parent account, so debt is typically allocated to the customer, rather than individual supplies reducing risk of disconnection. LASER has already done the necessary checks and has awarded reputable energy suppliers for the Framework.	
<i>Other</i>	None	

## 11 SUPPORTING INFORMATION:

### 11.1 Current Contract

The Councils current energy (electricity and gas) contracts are with end user agreements with Hampshire County Council. HCC enters the framework call off agreements to buy energy for all the councils under their basket (which includes WCC). WCC are then billed for this energy directly by the Framework suppliers. The end user agreement (section 3) with HCC states that WCC must also follow the same terms and conditions as on the Framework. WCC does not have a contractual arrangement directly with the energy suppliers (the only exception to this is the RGGO green gas certificates call off contract between WCC and Total Energies). While there is no contract between WCC and the energy suppliers, the council do maintain a relationship with the Framework energy suppliers, WCC are billed directly

by the energy suppliers for the energy consumed and as a direct customer WCC have an assigned account manager at the energy supplier for queries etc.

Hampshire County Council are under the LASER Framework running for four years from 1<sup>st</sup> October 2020 to 30<sup>th</sup> September 2024. In December 2022 this contract was extended by 6 months to 31<sup>st</sup> March 2025. The default position is that the council's will be auto enrolled for the new energy purchasing arrangements under the LASER Framework which will run from 1<sup>st</sup> April 2025 to 31<sup>st</sup> March 2029. From April 2019 a green REGO (Renewable Guarantees of Origin) certified tariff was secured for all electricity supplies. From April 2024 a green RGGO (Renewable Gas Guarantees of Origin) certified tariff was secured for all gas supplies under classified as scope 1 in the council's greenhouse gas emissions reporting. From December 2022 Winchester City Council began paying automatic meter readings (AMR) charges for all electricity and gas meters.

The council currently procures electricity (green/renewable) and gas via a third-party agreement with Hampshire County Council (HCC). HCC have in turn contracted with LASER Energy Buying Group under an Access Agreement for the supply of energy through a Framework Agreement to administer the purchase of energy supplies. The supplier of electricity is Npower and the supplier of gas is Total Gas. Existing energy costs are outlined in section 11.7 below.

## 11.2 Flexible Energy Contracts

Winchester City Council's contract type is a flexible contract for both electricity and gas. Therefore, the energy used is purchased on the council's behalf by the LASER Framework Manager at Hampshire County Council. The energy volumes are purchased at different times spreading the buying risk with the aim of avoiding market peaks and taking advantage of dips in energy prices. While a flexible purchasing strategy reduces budget certainty, it tends to lead to cheaper energy prices as the energy is often purchased at the correct times. This is particularly true during periods of higher volatility as good decision making by an energy trader often ensures energy is purchased when prices are lower. Whereas when agreeing a fixed contract, the energy may be inadvertently be purchased during a price peak and locked in for a duration of years. In addition, fixed price contacts have a premium added to them to ensure they can be locked in when signed in case of movements in wholesale energy rates.

WCC's electricity contract is also a pass-through contract. For a pass-through contract all the non-commodity distribution, transmission and environmental electricity costs are itemised separately on the billing rather than being fixed in advanced and included in the p/kWh unit rate. As these charges are billed to the council monthly on a flexible basis there is opportunity to gain financially when these charges are below their forecast rate. Non commodity electricity charges are significant and for 2024-25 they comprise over 50% of a typical electricity bill excluding Vat.

Flexible contracts are typically only available to large energy users with an annual volume of over 5GWh for each for gas and electricity. WCC's annual volume is just

over 4GWh. Therefore, WCC are only able to secure this type of contract by being part of a larger basket in the Hampshire County Council portfolio.

This flexible purchasing strategy has yielded significant financial gain to Winchester City Council over recent years by reducing exposure to peaks in global energy markets. In addition, by being on the framework with a large energy supplier, all the council's electricity and gas supplies are billed on one parent account for each of electricity and gas. This ensures one payment and one invoice a month to pay reducing the administrative burden.

### 11.3 Green Energy Procurement

As per section 1.1 above WCC procure renewable electricity and green gas using REGO/RGGO certificates. REGO/RGGO certificates are issued per megawatt-hour of renewable generation fed into the UK's national electricity and gas grids. The electricity is largely generated from wind, hydro, biomass and solar sources. The gas is generated through the anaerobic digestion of organic matter such as plant material or animal waste. The suppliers (Npower for electricity and Total Energies for gas) buy the equivalent certificates from green energy generators and sell the correct volume of certificates matching and retiring them against with the council's energy consumption. The REGOs/RGGOs meet stringent carbon reporting requirements and have been verified by an independent sustainability body. The Green Gas Certification Scheme regulates the issue, transfer and retirement of green gas certificates. The UK REGO scheme is managed by the energy regulator Ofgem.

As per section 1.1 the procurement of green energy has significantly reduced WCC's carbon emissions. Compared to the carbon reporting of 2022-23, not purchasing green energy would increase the council's scope 1 emissions by 331 tonnes (+88%) and scope 2 emissions by 481 tonnes (+327%). Winchester City Council have procured REGOs since April 2019 and RGGOs since April 2024. Therefore, this recommendation will continue the existing purchase of green energy certificates. This illustrates that through energy procurement the council is addressing the climate emergency and creating a greener district.

Winchester City Council declared a Nature Emergency in 2023. Climate change is driving nature's decline, and a thriving natural environment supports our health and wellbeing. The release of harmful carbon emissions is damaging natural habitats. Weather and temperature changes make it harder for many animals and plants to survive.

### 11.4 Automatic Meter Readings (AMR)

Since December 2022 the council have paid for automatic meter readings (AMR) on our electricity and gas supplies. AMR ensures that:

- Actual meter readings are used on council energy billing improving accuracy for both energy consumption and energy cost.

- Half hourly energy usage data is received which helps the council better understand how and when energy is used across the portfolio enabling better energy management practices, supporting energy reduction and supporting energy efficiency projects.

Accurate billing is key for the council not only financially but also environmentally. This is because the energy consumption data taken from utility billing is used for the council's annual carbon footprint reporting.

Having accurate AMR data assists with energy reduction projects such as heat pumps or solar PV installations. Having these hourly demand figures ensures the renewable energy project can be sized appropriately compared to the buildings existing energy demand. This optimises the project in terms of achieving the best payback times.

### 11.5 Energy Supplier Credentials

Having a reputable energy supplier is key consideration for Winchester City Council. The council want to work with energy suppliers with strong green credentials. Therefore, these energy suppliers should not only offer green energy tariffs, but should also be investing in renewable energy projects. On the LASER Framework for the council's current and proposed arrangements the electricity supplier is Npower and the gas supplier is Total Energies.

Npower now part of Eon Group employs 5700 people in the UK. Npower has a portfolio of over 600 generation sites producing 500MW of renewable energy. Eon plans to invest 42 million euros into Europe's green energy transition, focusing on energy networks and infrastructure.

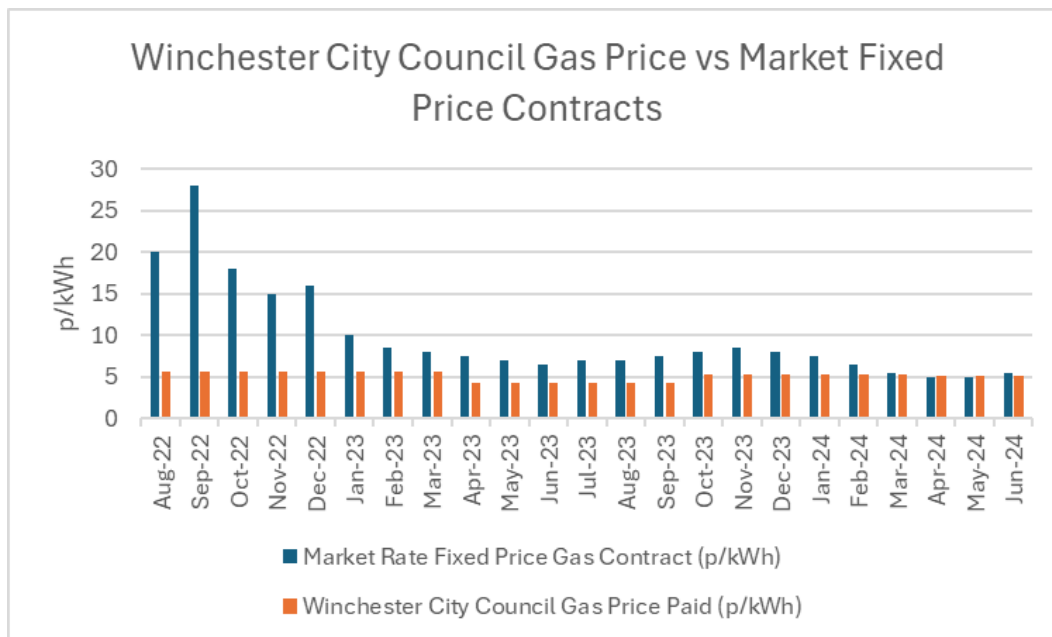
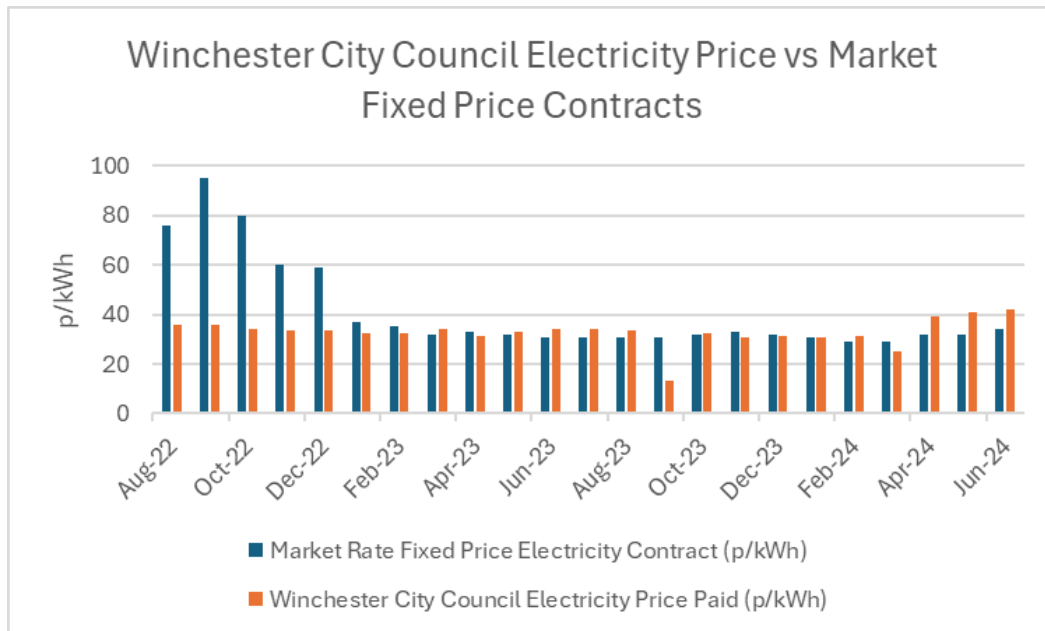
Total Energies the council's existing gas supplier employs 1,800 people in the UK and they are currently investing in over 5GW of renewable energy generation, including the 1.1GW Seagreen offshore wind farm. A large portion of gas supplied to the UK by Total energies comes directly from the North Sea. Total Energies are also investing in green gas and have a target to generate 2TWh of green gas by 2025 globally.

### 11.6 Historical and Forecast Energy Prices

Even though the recommendation is to proceed with a flexible energy contract the contract values are not yet known. This is because the energy the council will be consuming has not yet been purchased, non-commodity energy costs are not all yet published and WCC's energy consumption figures can only be forecast. The council's historical energy costs and energy markets can be analysed to forecast future energy costs and assess the performance of the council's energy contracts over recent years.

While energy markets are far less volatile than in 2022, a lot of variability remains. Please refer to Appendix A for further information on historical wholesale energy costs. Due to high wholesale energy prices in recent years, higher energy costs have been passed on by energy suppliers to their customers and customers have been paying significantly more for their electricity and gas in recent years. In addition to higher wholesale energy prices, non-commodity energy costs have also continued to rise and are forecast to keep doing so. The rise in these non-commodity costs is in the region of 8% each year.

Figures 3 and 4 below show Winchester City Council's monthly energy rates compared to typical one year fixed priced contracts agreed in the same month.



These graphs illustrate how a flexible purchasing strategy has significantly reduced exposure to global energy markets and kept the council's energy prices both steadier and lower. This is due to the fact the council's energy volumes are purchased at different times spreading the risk, as opposed to a fixed price contract where a single rate is locked in for the entire volume of energy. Going back to August 2022 to June 2024 the saving is £363,370 for electricity and £198,525 for gas when comparing the unit rates to the respective months.

The council are currently paying slightly more than market rates in 2024-25 this is because the energy was purchased in the past when prices were higher, this purchasing strategy causes a lag time between energy market prices and the council's energy rates. The savings achieved predominantly in 2022 and 2023 will far outweigh, the increase in energy costs in 2024 and 2025. Note the cost of green gas has been excluded from the graph above to compare like for like. Also note had the council's energy costs been higher, financial support would have received from the government's Energy Bill Relief Scheme (EBRS) and the Energy Bill Discount Scheme (EBDS).

The table below shows the previous energy costs by financial year from April 2020. This table below also includes the costs of green energy, AMR and the management fees, as these charges are incorporated into the council's energy billing.

<b>WCC Energy Costs by Financial Year</b>				
<b>Year</b>	2020-2021	2021-2022	2022-2023	2023-2024
<b>Electricity (£)</b>	£414,106	£571,690	£728,903	£701,046
<b>Gas (£)</b>	£95,258	£102,953	£182,357	£164,295
<b>Total Energy (£)</b>	£509,364	£674,643	£911,260	£865,341

WCC pay an additional cost for the green energy tariffs received. REGO and RGGO certificates are traded and their costs can be volatile. REGO costs have increased in recent years as more green energy users are increasing demand for green electricity tariffs, this is combined with a reduction in imported European Guarantees of Origin (GOOs) certificates. UK demand for renewable REGO/RGGO backed tariffs has more than double since 2015 to over 120TWh. Currently WCC's green energy costs are paid for via the GF or the HRA depending on the properties coding. The exception to this is that RGGO gas costs (for 2024/25 only) are to be paid for from the one-off climate emergency budget.

The costs paid by WCC for REGOs and RGGOs are outlined in the table below. RGGOs have only been secured from April 2024. For 2024-25 while the renewable tariff rate is known, the cost is estimated because it is not yet known how much energy the council will consume in 2024-25. For 2024-25 green energy costs are forecast to comprise 6% of the council's total net energy bill cost (5% of total for electricity, 16% of total for gas).



Historical WCC REGO and RGGO Costs			
Year	2022-2023	2023-2024	2024-2025
<b>REGO Rate (p/kWh)</b>	0.661	1.111	1.735
<b>Annual REGO Cost (£)</b>	£15,213	£25,796	£40,285
<b>RGGO Rate (p/kWh)</b>	n/a	n/a	1.5
<b>Annual RGGO Cost (£)</b>	n/a	n/a	£25,538

The table below shows forecast REGO and RGGO by financial year until March 2029. Given the current supply and demand relationship it is likely high levels of volatility will remain and this is likely to be combined with at least some increase in cost. Much like energy prices these costs are also very difficult to predict. The total cost over the four years (April 2025 to March 2029) for renewable energy is forecast to be £362,500 over the duration of this contract.

WCC Forecast REGO and RGGO Costs				
Year	2025-2026	2026-2027	2027-2028	2028-2029
<b>REGO Rate (p/kWh)</b>	2.2	2.5	2.7	2.9
<b>Annual REGO Cost (£)</b>	£50,060	£55,749	£59,005	£62,108
<b>RGGO Rate (p/kWh)</b>	1.7	2	2.2	2.5
<b>Annual RGGO Cost (£)</b>	£28,364	£32,702	£35,253	£39,259

Winchester City Council currently pay an additional cost for AMR across the council's electricity and gas supplies. AMR readings are used to improve the accuracy of energy billing and the council can access data which can be used to improve energy efficiency. Without this there would be a far greater percentage of estimated energy bills. These are often overestimated by utility suppliers and don't get corrected even after many years. It also reduced the requirement of manually reading utility meters. Having this in place has helped the council identify significant savings in utility billing in 2024. The savings linked to AMR are £49,777 helping towards the council's TC25 target of achieving savings. In terms of energy this equates to 172,586kWh of electricity and 21,500kWh of gas. For carbon, this saving equates to 36 tonnes of CO<sub>2</sub>e. In addition to AMR savings in energy costs can also

be achieved through this framework. LASER can liaise on the council's behalf if required to assist with bill queries such as change of tenancies or unit rate discrepancies.

The historical AMR costs are outlined in the table below, future AMR costs are expected to stay at about the same level.

<b>WCC AMR Costs</b>			
<b>Year</b>	<b>2022-2023</b>	<b>2023-2024</b>	<b>2024-2025</b>
<b>Electricity AMR Rate (£/month)</b>	3.75	3.75	3.75
<b>Annual Electricity AMR Cost (£)</b>	£13,493	£13,493	£13,493
<b>Gas AMR Rate (£/month)</b>	4.17	4.17	4.58
<b>Annual Gas AMR Cost (£)</b>	£1,900	£1,900	£2,090

AMR cost have been stable over recent years and are likely to remain so going forwards. The table below shows forecast AMR costs by financial year until March 2029. The total cost over the four years (April 2025 to March 2029) for renewable energy is forecast to be £62,332 over the duration of this contract. These AMR costs will be kept under review and monitored going forwards.

<b>WCC Forecast AMR Costs</b>				
<b>Year</b>	<b>2025-2026</b>	<b>2026-2027</b>	<b>2027-2028</b>	<b>2028-2029</b>
<b>Electricity AMR Rate (£/month)</b>	3.75	3.75	3.75	3.75
<b>Annual Electricity AMR Cost (£)</b>	£13,493	£13,493	£13,493	£13,493
<b>Gas AMR Rate (£/month)</b>	4.58	4.58	4.58	4.58
<b>Annual Gas AMR Cost (£)</b>	£2,090	£2,090	£2,090	£2,090

The management cost involved is incorporated within the unit price and fixed costs of the council's energy billing. Management fees are charged by both LASER and Hampshire County Council. 2024-25 management fees are outlined in the table below and they should stay approximately the same for the contract duration. The total management fee is £23,784 annually, equating to 2.35% of the forecast contract value. The total cost over the four years is £97,652.

Utility	LASER Management Fee Rate (£/supply/year)	LASER Management Fee Cost (£)	HCC Management Fee Rate (p/kWh)	HCC Management Fee Cost (p/kWh)
<b>Electricity</b>	£35.02	£12,747	0.28	£6,501
<b>Gas</b>	£85.09	£3,404	0.07	£1,761
<b>Total</b>		£16,151		£8,262

### 11.7 Details of the Framework

In 2023 HCC conducted market testing benchmarking exercises by their energy procurement specialists in the HCC Energy Team to ensure the Framework continues to offer good value for money against other types of contract. The new LASER framework offers the good value, strong cost management expertise, access to additional energy efficiency products and services with minimum disruption.

LASER was established in 1989 to manage Kent County Council's energy purchasing and has since grown to become the second largest Professional Buying Organisation in the UK. They have experience in purchasing for the public sector and achieving savings through significant aggregation of over 180 authorities.

Contracting Winchester City Council's energy purchasing with LASER through Hampshire County Council will aid the fulfilment of WCC's Climate Emergency Carbon Neutrality Action Plan. The plan calls for the sourcing of 100% of all electricity purchased by the council to come from renewable sources. LASER can meet the council's aspirations for the purchase of both renewable electricity and gas via Renewable Energy Guarantee Origin (REGO) certificates. The Business Energy product (supplying the REGO's from Npower and the RGGOs from Total Energies) meets stringent carbon reporting requirements and have been verified by an independent sustainability body.

### 11.8 Value for money

LASER offers a service of either managed or unmanaged (procurement only) services. WCC currently has a procurement only service via the end user agreement with HCC. The benefits are that WCC have access to technical expertise at HCC to ensure the contracts are providing value for money. This value for money is illustrated in section 11.6 above. Furthermore, HCC purchases energy for all organisations on its basket, East Hants District Council, New Forest District Council, Test Valley Borough Council, Havant Borough Council and numerous others. Purchasing all Winchester City Council's energy through HCC will allow the council to benefit from HCC's buying power. This can help with lowering energy costs as the

shape of the energy profile is flattened and also opens up new types of contracts. HCC also provides portfolio management and advice. This combined with their active procurement strategy helps reduce the workload for WCC enabling the council to concentrate on our own portfolio, achieving savings committed to support TC25 and concentrating on delivering other energy projects.

LASER is a consortium that tenders and negotiates prices on behalf of numerous local authorities, purchasing energy totalling £2.6 billion between 2020 and 2024. LASER provides a risk-managed approach through flexible purchasing recommended by Government and provides expertise in energy-buying for local authorities. Recently energy markets have been extremely volatile and through this approach LASER estimate to have saved their customers £3.9 billion on their energy bills through their purchasing strategy.

Flexible purchasing options through LASER come via Purchase Within Period (PWP) and Purchase In Advance (PIA). PWP is when a proportion of energy is purchased in advance with the remainder of energy purchased during the 6-month supply window. Energy can be purchased up to three years in advance using this strategy. Energy market prices can often get lower the closer one gets to the point of delivery. However, using PWP does not safeguard one as well as PIA does in times of rising market prices which have occurred in more recent years. PIA facilitates the purchase of estate energy volume prior to the delivery period. Tranches of energy can be purchased in advance when prices are considered favourable. HCC in recent years have moved more toward the PIA strategy. This benefitted WCC financially because energy prices in 2020 were at a 10 year low before increasing to record highs in 2022. The PIA product meant that large amounts of WCC's 2022 and 2023 energy usage was purchased by the Framework Manager when prices were lower, ensuring Winchester City Council were less exposed to the energy price crisis. The purchase within period strategy proved successful in early 2023 when prices were falling as energy could be purchased very close to the point of use.

LASER supports HCC by providing risk management reporting, market intelligence and calls every 2 weeks. This helps ensure decisions taken on energy procurement are always well informed.

As well as offering good value on the energy purchased through this arrangement, the council are also able to achieve good value on green energy certificates and AMR costs. On top of this the contract management fees from Hampshire County Council and LASER are competitive. These costs are forecast above in section 11.6.

WCC's energy suppliers (npower and Total Energies) are the top scoring framework tenderers and hence demonstrate both good financial value and social value.

## 11.9 Conclusion

The recommendation to sign the end user agreements for electricity and gas with Hampshire County Council. This will ensure Winchester City Council continue to procure energy through the HCC contract within the LASER Framework. The

Framework Manager should continue to flexibly purchase energy using the Purchase in Advance and Purchase Within Period strategies. These strategies have given good value to the council and represent the best value for the council moving forwards. This strategy has achieved significant savings during a very turbulent period in energy markets. While this level of energy volatility is not expected in the future, the council are more protected from energy price spikes using this strategy.

Further evidence of good value is indicated through benchmarking exercises energy market prices completed by HCC which determined that LASER presents the best option for itself and its associated partners. The council will also benefit from the purchasing power of a professional buying organisation.

In addition, the LASER Framework offers good value in terms of suppliers, query management, account management and reporting.

## 12 OTHER OPTIONS CONSIDERED AND REJECTED

### 12.1

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 contract energy prices are typically 50% higher which would increase the council's annual spend for energy by around £500,000.

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 as LASER or any other intermediary.

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.

The council could look to procure collaboratively with 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.

### 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 for the council's use.

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 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.

### Option 4 – Third Party Intermediary

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. 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.

#### BACKGROUND DOCUMENTS:-

None

#### Previous Committee Reports:-

CAB3238 Energy Supply Contracts 24/06/2020.

#### Other Background Documents:-

None

#### APPENDICES:

Appendix A - Historical Wholesale Energy Prices

## CAB3467 Appendix A:

### Historical Wholesale Energy Prices

Please see figures 1 and 2 below showing historical energy prices. Global energy costs increased in 2021, as global energy demand returned to normal following the pandemic. European gas supplies were further constrained due to the delayed opening of the Nord Stream 2 gas pipeline in November 2021. Price rises accelerated further in 2022 predominantly due to the war in Ukraine, leading to sanctions that removed Russian gas from the European energy supply chain. On top of this there were outages at French nuclear plants, interruptions in gas from Norway, increased competition from east Asia and an explosion at the Freeport LNG export facility in Texas. Seasonal energy prices peaked in August 2022 at £1000/MWh for electricity and over £7/therm for gas.

Since 2022 energy prices have predominantly fallen. Currently prices are at around £80/MWh for electricity £0.9/therm for gas. Europe has successfully adapted without Russian gas and European gas supply chains and gas in storage have remained adequate in both of the following winters. That said global energy supply chains are more fragile than they were, so under certain scenarios, there is the potential for further significant increases and volatility in energy prices.

Figure 1 – Seasonal ahead wholesale electricity prices

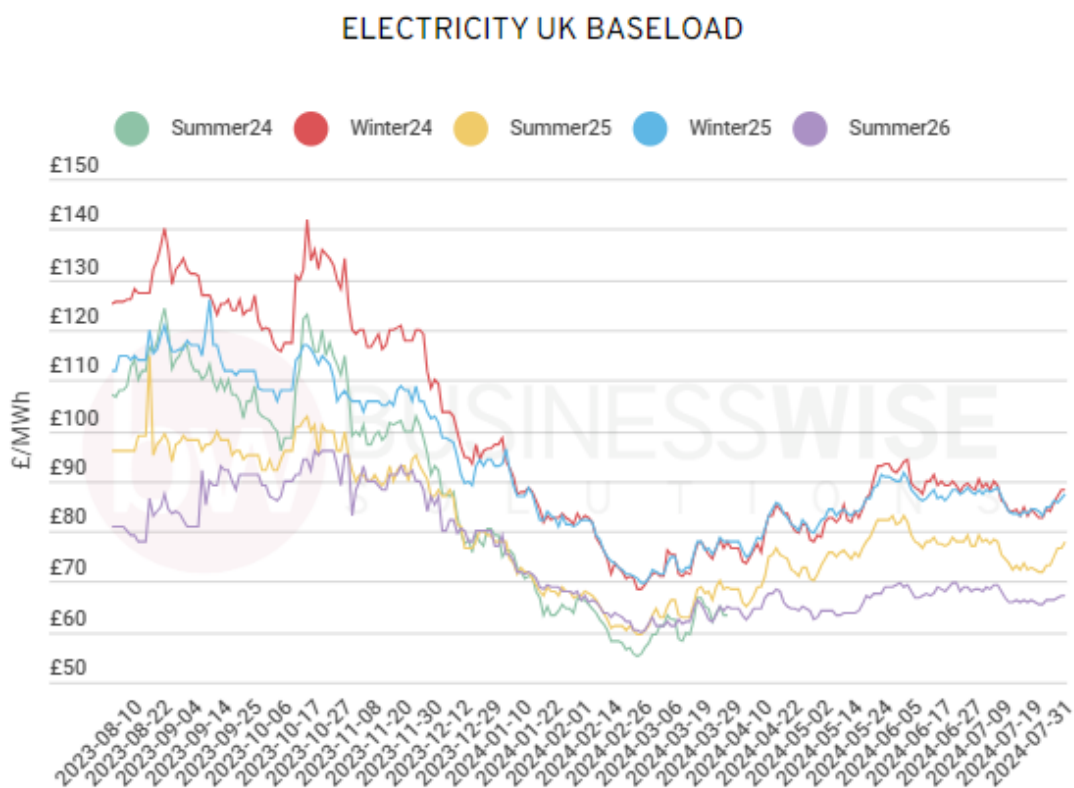
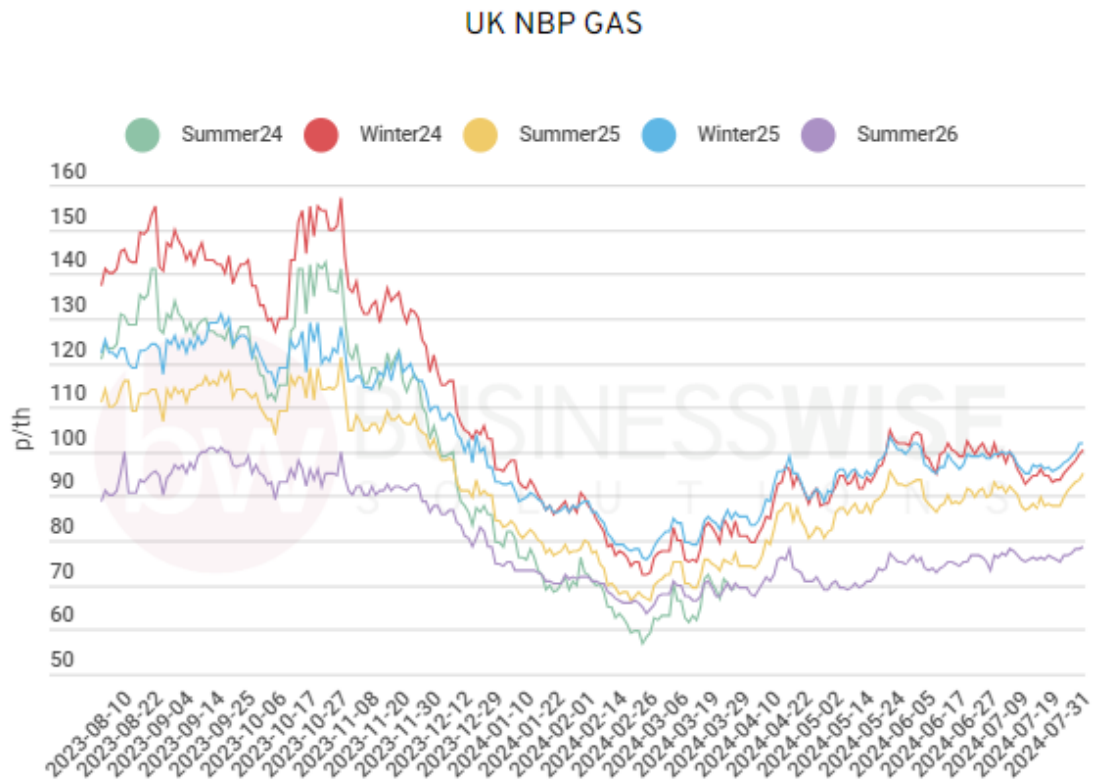


Figure 2 – Seasonal ahead wholesale gas prices





CAB3464  
CABINET

REPORT TITLE: GENERAL FUND OUTTURN 2023/24

11 SEPTEMBER 2024

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

PURPOSE

This report provides an overview of the General Fund Revenue outturn and Capital Programme outturn for 2023/24.

The 2023/24 General Fund budget was approved by Council in February 2023 (CAB3444 refers) based upon a one-year spending review announcement. The 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.

RECOMMENDATIONS:

That Cabinet:

1. Note the General Fund Revenue Outturn and Capital Programme Outturn as set out in the report;
2. Approve the transfers to and from the Major Investment Reserve as detailed in Appendix 1 and note the reserves and closing balances at 31 March 2024 (as set out in Appendix 2);
3. Approve the revised 2024/25 capital programme as set out in appendix 5; and
4. Note the revised 2024-2034 capital programme as set out in appendix 6.

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. This included revenue and capital funding for the carbon neutrality programme; funding to support the delivery of the Central Winchester Regeneration programme; additional funding to provide extra staffing to ensure high quality services were maintained (for example around the Pride in Place works); and budget to support the Health and Wellbeing Strategy and its focus on partnership working.
- 1.2 The council plan outcome focussing on Homes for All is supported by the Housing Revenue Account Business Plan considered elsewhere on this agenda (CAB3465).

2 FINANCIAL IMPLICATIONS

- 2.1 As set out in the report.

3 LEGAL AND PROCUREMENT IMPLICATIONS

- 3.1 Local authorities are required by law to have a balanced budget. However, what is meant by 'balanced' is not defined in law and Chief Finance Officers are to use their professional judgement to ensure that the local authority's budget is balanced, robust and sustainable.
- 3.2 The Local Government Act 1972 (Section 151) makes the Chief Financial Officer responsible for the proper administration of the Council's financial affairs. The responsibilities of the Chief Finance Officer, including in relation to section 114 notices, are set out primarily in section 151 of the Local Government Act 1972.
- 3.3 All Members and officers have a general responsibility which is a fiduciary duty to residents to take reasonable action to provide for the security of the assets under their control and for ensuring that the use of these resources is legal, is properly authorised and achieves value for money. In doing so proper consideration must be given at all times to matters of probity and propriety in managing the assets, income and expenditure of the Council.

4 WORKFORCE IMPLICATIONS

- 4.1 The council employed 446 permanent and fixed term staff at 31 March 2024, as reported to Audit and Governance in July (AG126). This is one of the most significant costs to the council and therefore as services change, the staffing requirements also change. This represents a net 1FTE increase during the year.

## 5 PROPERTY AND ASSET IMPLICATIONS

- 5.1 The Asset Management Strategy (CAB3377 refers) highlights how the Council's non-housing property assets (the Estate) play a significant role in generating rental income and creating opportunity for social, economic, environmental, and cultural and regeneration interventions.
- 5.2 Overall property income for 2023/24 was £4.8m, including investment and non-investment properties. This is offset by expenditure of £1.2m, leaving a net surplus of £3.6m (excluding MRP and borrowing costs).

## 6 CONSULTATION AND COMMUNICATION

- 6.1 The 2023/24 budget (CAB3388) and Capital Investment Strategy 2023-33 (CAB3389) were set in February 2023 and this followed consultation with stakeholders, including with parish councils through the parish liaison meetings; with local businesses through discussions with the Chamber of Commerce / BID Business forum; and with the public through an on line survey.
- 6.2 Throughout the year, the financial monitoring reports have been to Scrutiny Committee quarterly.

## 7 ENVIRONMENTAL CONSIDERATIONS

- 7.1 The commitment to carbon neutrality and investment in the Carbon Neutrality Programme is maintained in full. The capital programme also included provision specifically aimed at reducing carbon emissions.

## 8 PUBLIC SECTOR EQUALITY DUTY

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

## 9 DATA PROTECTION IMPACT ASSESSMENT

- 9.1 None required

## 10 RISK MANAGEMENT

- 10.1 The new government are likely to make a number of changes to funding and scope of local government over the coming years but as yet, we have no certainty about the impact that will have on the council. Modelling of sensitivities and scenarios is kept under review and as information becomes available forecasts will be updated.

Risk	Mitigation	Opportunities
<p><i>Financial</i> Budget deficit or unforeseen under or overspends.</p> <p>Financial pressure caused by influences outside the control of the council such as high rates of inflation, high borrowing costs, and uncertainty around local government funding settlements.</p>	<p>Regular monitoring of budgets and financial position including forecasting to year end to avoid unplanned over/underspends.</p> <p>Regular monitoring of macroeconomic situation and recommended establishment of an Exceptional Inflation Pressures reserve.</p>	<p>Early notification of unplanned under / overspends through regular monitoring allows time for plans to be put in place to bring the finances back into line with budget forecast.</p>
<p><i>Legal</i> Risk that external factors, such as high inflation, have an impact on budgets that is so severe that the Council cannot balance the budget and is at risk of needing to issue a s114 notice.</p>	<p>Enhanced monitoring of key at-risk areas (including parking and commercial rent income) and the establishment of an additional risk reserve to cover exceptional inflation pressures.</p>	
<p><i>Team capacity</i> Availability of staff to effectively monitor budgets and produce / report on outturn.</p>	<p>Resources to deliver projects are discussed at the project planning stage and agreed by the project board and monitored by the Programme and Capital Strategy Board. If, at critical budgeting times, resource shortages are identified, funding has been set aside in the budget to fund external support.</p>	<p>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.</p>
<p><i>Achievement of outcome</i> Risk that the balanced budget and stable finances required by the Your services, your voice Council Plan priority is not achieved or is not perceived to be open and transparent.</p>	<p>Through the quarterly monitoring reports, officers and members can monitor the ongoing financial position.</p>	

## 11 SUPPORTING INFORMATION:

### **General Fund Revenue**

11.1 A high quality of service delivery has been maintained during the year. In addition, progress continues to be made in delivering key areas of work and the council's major projects.

11.2 The Local Government Association undertook a Corporate Peer Challenge in July 2024 which included financial planning and management. The review specifically noted:

“The council has a well-deserved and warranted reputation for prudent financial management”

“The quality of financial reporting appears strong”

“a well-controlled financial environment is in place”

“The TC25 programme is well-embedded with staff and communicated with members”

The post-review action plan also includes some work on increasing financial literacy in service managers and continuing to make the organisation ready for the transformational change of TC25.

11.3 Additional income identified in section 13 below was one-off and, whilst this was a good outcome for the council during 2023/24, the below-budget income levels from some key services shows the difficulty in forecasting income. The majority of the variances with an ongoing, baseline impact (such as NNDR savings on River Park Leisure Centre) were identified as part of the 2024/25 budget process and are therefore already reflected within baseline budget forecasts from 2024/25. The income variances do not change the scope of or need for further savings through the Transformation Challenge 2025 (TC25) programme. The TC25 programme of savings was progressed through 2024/25 and further budget savings will be identified in the November MTFS paper to Cabinet.

11.4 The final outturn position in Appendix 1 shows an increased transfer to reserves, compared to February 2022, of just under £0.9m. Whilst regular updated forecasts have been reported throughout the year, the budget is not revised mid-year, so this report highlights all significant variations compared to the original budget (many of which have been reported previously).

11.5 Careful management of earmarked reserves has resulted in an increase in overall balances at the end of 2023/24. However, significant commitments are in place against these balances and along with continued uncertainty around funding and interest rates, it is important to continue to manage reserves in a prudent manner.

## 12 Impact on the collection fund

12.1 The Council acts as billing authority for the Winchester district and is therefore responsible for the collection of business rates and council tax on behalf of Hampshire County Council, Police and Fire authorities, parish councils and Central Government.

12.2 **Council Tax** - In January, the Council forecast a collection rate of 99% based on previous experience of collection rates across the district. This was reflected in the outturn with a minor surplus variance of £144k.

12.3 **Business Rates** – The total collectable business rates for 2023/24 were over £60m within the year including significant ongoing and new reliefs. With 2017 listing appeals now completed there has been a significant reduction in the provision held to cover successful appeals. This has resulted in additional retained business rates of £1.4m in 2023/24, which is held in unusable reserves for distribution over 2024/25 and 2025/26.

## 13 Revenue Baseline Budget Variances

13.1 Total general fund baseline net service expenditure was originally budgeted at £18.3m for 2023/24. A final outturn of £16.9m is £1.4m below budget.

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

	Favourable / (Adverse) Variance £000
<u>Income Variances</u>	
a) Planning Fees	(360)
b) Land Charges	(195)
c) Building Control	(129)
d) NET Benefits	193
e) Recycling Income	165
f) Private Sector Housing	97
g) Garden Waste Income	95
h) Licensing Act 2003	90
i) Corporate Covid Income	45
j) Winchester Sport & Leisure Park	55
k) Other	83
<b>TOTAL INCOME VARIANCE</b>	<b>139</b>
<u>Expenditure Variances</u>	
a) Employees	345
b) RPLC Site & Coitbury House NNDR	260
c) Utilities - Office Accommodation	129

d) Office Accommodation	126
e) P&R Bus Contract	108
f) Support Services to Inv. Properties	121
g) Telephones	88
h) Communications	72
i) Increased Audit Fees	(68)
j) Other	58
<b>TOTAL EXPENDITURE VARIANCE</b>	<b><u>1,239</u></b>
<b>TOTAL FAVOURABLE SERVICE VARIANCE</b>	<b><u>1,378</u></b>

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

- a) Planning Fees – Income was budgeted at £1.1m for the year but only £0.76m was received in total. The baseline budget from 2024/25 has been updated to reflect lower volumes but also the government set increase in planning charges.
- b) Building Control – Income of £0.35m for 2023/24 compared to £0.52m budget and reflects a recent downward trend in overall building control income and volumes. The baseline budget from 2024/25 has been updated to reflect lower volumes and also an increase in fees.
- c) Land Charges – income of £0.25m for 2023/24 compared to £0.44m budget. This is in line with the well reported decline in house sales and the baseline budget from 2024/25 has been reduced to £0.34m.
- d) Benefit payments are distributed by the Council and recovered from government at recovery rates that deviate slightly from 100%. In 2023/24 government funding of £18.646m netted against expenditure of £18.328m, leaving an excess of £0.318m (£0.19m higher than budget).
- e) Recycling Income – rates received for recycling materials has significantly increased over the last couple of years leading to additional income of £0.17m (2023/24 actual income of £0.56m vs budget of £0.39m). Whilst this is a highly volatile source of income, higher rates are expected into 2024/25.
- f) Private sector housing – higher than forecast DFG payments in 2023/24 resulted in a higher than forecast recovery of administrative costs (£0.1m higher than budgeted).
- g) Garden Waste Income – a better than expected overall customer base caused by strong retention and sign ups led to additional income of £0.1m.
- h) Licensing Act 2003 – premises licensing income achieved is running significantly higher than budgeted (£0.09m higher than budget in 2023/24) and will be reviewed as part of the 2025/26 budget process.
- i) Corporate Covid Income – represents delayed Covid income now passed over from HCC.

- j) Winchester Sport & Leisure Park – higher than budgeted operator payment (£0.055m above budget) including a slightly lower than budgeted contractual reduction relating to the 2023/24 energy benchmarking exercise.
- k) Other income variances – a build up of smaller variances relating to additional costs recovered, and higher income in areas such as elections and IT.

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

- a) Employees – net vacancy savings and a slightly lower than budgeted inflationary increase for the year led to lower than budgeted expenditure of £0.35m (total savings of £0.69m including vacancy management target savings achieved).
- b) River Park Leisure Centre Site and Coitbury House NNDR refunds – successful appeals led to refunds of £0.26m during the year.
- c) Office Accommodation Utilities – budgets had become overinflated by forecast price increases. Lower than budgeted costs by £0.13m have been included in the baseline budget from 2024/25.
- d) P&R Bus Contract – savings of £0.11m related to supplier requested timetable reductions during the year.
- e) Support Services recharges to Investment Properties – higher than budgeted support service recharges to investment properties (reported in a separate section of the table) leading to savings of £0.12m within net service expenditure.
- f) Telephones – savings on data lines and telephones totalling £0.09m for the year.
- g) Communications – implementation of no external designer policy led to budget savings of £0.07m for the year.
- h) Increased Audit Fees – unavoidable audit fee increases relating to the audit framework and impacting on local authorities generally.
- i) Other minor savings across numerous service areas across the general fund.

13.5 An overall income surplus of £0.7m within ‘Investment Activity’ relates to:

- a) Additional net interest receivable of £0.3m caused by higher than expected S106 balances. This additional interest has been transferred to reserves to be used on the respective S106 projects.



- b) Additional investment property income of £0.4m caused by unused contingency budgets in 2023/24. Baseline budgets from 2024/25 have been updated to reflect latest forecasts.

## 14 “One Off” Budgets

- 14.1 In addition to the baseline budget to fund core services, a number of “one off” provisions were approved and included in the 2023/24 budget to fund key projects across 2023/24 and 2024/25. The original one-off revenue budgets totalled £2.150m and this was revised to £6.997m during the year taking into account of budget brought forwards and in-year approvals. The final outturn of £3.987m was therefore £3.010m below revised budget. There were also a number of additional grants received in-year which increased the budget available to carry forward. The key one-off revenue budgets are listed below:

General Fund One-off Expenditure Budgets	Original Budget	Revised Budget	Outturn	(Additional Govt. Funding) / Budget not C/F	Budget Brought Forward to 24/25
	£000	£000	£000	£000	£000
1 Central Winchester Project	400	1,240	577		663
2 Project Delivery cc1905		603	258		345
3 Transformation Programme		500	54		446
4 Car Parks	310	483	104	194	185
5 Historic Buildings / Monuments		437			437
6 Climate Emergency	250	441	38		403
7 Homes for Ukraine		383	419	(1,015)	980
8 Climate Emergency / Transport		250	89		161
9 Other smaller 'one-off' projects	1,190	2,660	2,448	(1,161)	1,373
	<b>2,150</b>	<b>6,997</b>	<b>3,987</b>	<b>(1,982)</b>	<b>4,992</b>

- 1) 2023/24 outturn underspend reflects a re-profiling of the work programme with the spend now anticipated in 2024/25.
- 2) Additional project capacity to support other major projects – a total budget of £1m was approved in October 2021 (CAB3318 refers). The budget supports revenue spend which is required to deliver major projects which will eventually be mainly capital in nature. The budget is therefore allocated and spent based on the timescales of these individual projects. A budget of £0.258m has been carried over to 2024/25 and there may be further re-profiling of the budget based on the timescales of the individual projects.
- 3) Transformation programme – this budget has been allocated to the TC25 programme in order to have the resources available to complete the work needed to support projects which will deliver the future baseline savings needed to balance the medium-term budget.

- 4) The car parks maintenance programme reflects an annual paper taken to Cabinet (CAB3440 refers). A release of budget totalling £194k will remain available within reserves towards future maintenance plans.
  - 5) Historic Buildings / Monuments budget has been brought forward to 2024/25 to reflect latest spend forecasts.
  - 6) Climate Emergency work – this budget supports ongoing climate emergency revenue projects. The underspend has been carried over to 2024/25.
  - 7) Homes for Ukraine – significant additional in-year government funding of over £1m has led to a total budget carry over of £0.98m to 2024/25.
  - 8) Climate Emergency work – this budget supports ongoing climate emergency revenue projects. The underspend has been carried over to 2024/25.
  - 9) Other “one off” budgets include the provision to support the preparation of the Local Plan, Winchester Movement Strategy, and other smaller projects. Significant in-year additional new burdens funding was received, in particular in relation to Homelessness, which was been carried over to 2024/25.
- 14.2 Work on all of these provisions is continuing and it is anticipated that all budgets will be fully committed in 2024/25. Budget profiles have been amended to reflect this and will require transfers from the Earmarked Reserves.

## 15 Outturn by Council Plan outcome

- 15.1 The Council Plan outcome summary outturn below shows the full general fund revenue outturn position for 2023/24.
- 15.2 The final net surplus of £0.896m has been transferred to earmarked reserves. The full budget variance analysis is shown in section 13 above and variances in the table below show variations to original budget which may for example be additional expenditure which is fully funded by government grants.

<b>General Fund Summary Council Plan 2023/24 Outturn (£000)</b>	<b>Original Budget</b>	<b>Actual</b>	<b>Variance ADV / (FAV)</b>
Environment	6,315	6,437	122
Living Well	3,917	3,721	(196)
Homes for All	2,186	2,401	215
Vibrant Local Economy	1,306	1,530	224
Your Services, Your Voice	6,556	6,305	(251)
<b>TOTAL</b>	<b>20,281</b>	<b>20,395</b>	<b>114</b>
<b>FUNDING AND OTHER ACTIVITY</b>	<b>(21,887)</b>	<b>(25,384)</b>	<b>(3,497)</b>
<b>TRANSFER TO (FROM) EARMARKED RESERVES</b>	<b>1,606</b>	<b>4,093</b>	<b>(2,487)</b>
<b>SURPLUS TRANSFERRED TO TRANSITIONAL RESERVE</b>		<b>(896)</b>	<b>(896)</b>

15.3 The causes of the variances above are explained as:

- a) Funding and Other Activity outturn was £3.5m higher than originally budgeted for. This was through additional government funding and retained business rates. The additional government funding related to £2.2m of new burdens funding received during the year related to Homes for Ukraine and Preventing Homelessness. The retained business rates £1.4m favourable outturn was primarily through the release of 2017 provision for business rates appeals no longer required.
- b) Environment – additional expenditure relates to expenditure on the future of waste project where budget was brought forward from 2022/23.
- c) Living Well – lower than budgeted expenditure relates to a River Park Leisure Centre NNDR saving explained in 13.4 (b) above.
- d) Homes for all – additional expenditure on Homes for Ukraine which was fully funded by government grant.
- e) Vibrant Local Economy - additional expenditure relates to expenditure on the Central Winchester Regeneration project where budget was brought forward from 2022/23.

- f) Your Services, Your Voice – an overall underspend relates mainly to the re-profiling of one-off expenditure budgets, such as the transformation programme.

## 16 Government financial support

16.1 In total, funding of £22.9m was £3.7m higher than the original budget of £19.2m. All of this funding is one-off in nature but there is a distinction between retained business rates which is available for general use and Other Government Grants, significantly new homes bonus, which is available for specific purposes such as Homelessness and Homes for Ukraine.

16.2 The Government distributed a number of specific support packages during the year. The city council has received/claimed during 2023/24:

	<u>£000</u>
a) Homes for Ukraine	1,398
b) Preventing Homelessness	597
c) Rough Sleeping Grant	63
d) Housing Benefits New Burdens Funding	58
e) Defra Biodiversity Grant	54
f) Electoral Integrity Grant	51
g) EBSS AF ADP Admin	40
h) Asylum Dispersal Grant	38
i) Domestic Abuse Grant	36
j) Transparency Grant	24
k) Pavement Licensing Grant	4
l) Tenant Satisfaction Measures Grant	2
m) Affordable Housing New Investment	2
<b>Total:</b>	<b>2,365</b>

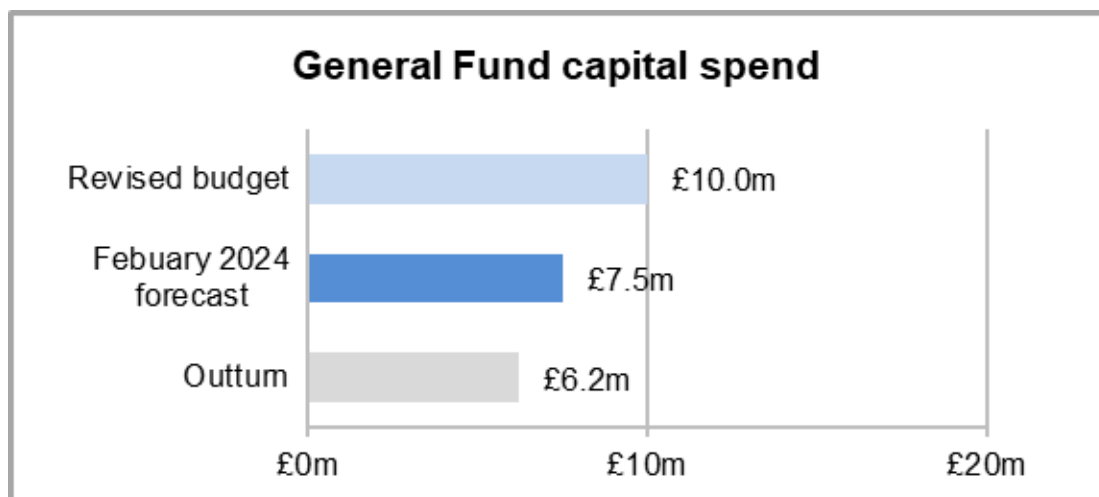
## 17 Earmarked Reserves

17.1 General Fund earmarked reserve balances have increased from £38.2m at April 2023 to £41.3m at the end of March 2024. This increase was mainly caused by additional government funding relating to Homes for Ukraine and Homelessness which has been transferred to earmarked reserves for spend in 2024/25.

17.2 Earmarked reserve balances are set out in appendix 2. The 'operational reserves' balance totals £11.5m at the end of 2023/24 and is forecast to reduce to just under £8m by the end of 2024/25 based on existing budgeted draws from reserves. This balance also includes reserves set aside for Homelessness and Future of Waste where budget spending plans will come forward in due course.

## 18 General Fund Capital

- 18.1 Total capital expenditure in year was £42.4m - of which £36.2m relates to the Housing Revenue Account (HRA). The detailed HRA outturn is reported separately to Cabinet (CAB3465).
- 18.2 General Fund capital expenditure amounted to £6.2m. Excluding the SAPS scheme (see below), this compares to an original budget of £12.4m, set in February 2023 (CAB3389) and a revised budget of £10.0m (including 'brought forwards' and other revisions) set in September 2023 (CAB3416). Following subsequent approvals and reprogramming, the forecast expenditure was amended to £7.5m as reported in February 2024 (CAB3443). Further details by project are provided in Appendix 4.
- 18.3 In addition, a budget of £4m in respect of the Strategic Asset Purchase Scheme (SAPS) was allocated. When the scheme was approved by Council a SAPS Board was created which includes members and officers; the board receives recommendations of potential purchases and the s151 officer has delegated authority to make acquisitions up to £4m following discussions with the board, subject to due diligence, or recommend to Cabinet and Council to approve for acquisitions above £4m. During the financial year no suitable purchases were identified.



## 19 Key items of expenditure

- 19.1 The following are some of the key items of expenditure in 2023/24:

i. **King George V (KGV) Pavilion**

*Total Budget: £3.3m*

*Exp: Prior years £0.79m*

*2023/24 £2.3m*

*Total £3.09m*

Work on the new pavilion was completed in spring 2024 and has been available to users since June. It is now in the final account stage. 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.

ii. **Disabled Facilities Grants** *23/24 Budget: £1.23m*

*Exp: recurring* *2023/24 £1.6m*

The Private Sector Housing (PSH) Team is responsible for the administration of Disabled Facilities Grants (DFGs). Such grants enable residents of private and / or social housing who are disabled or have a mobility or other limiting condition to apply for adaptations to be undertaken in their home. Such adaptations can include the installation of stair lifts, level access showers, kitchen adaptations or ramping etc. and enable residents to remain in their homes rather than having to move, go into hospital or residential care. In 2023/24 the PSH Team approved 80 DFG applications enabling families to be kept together.

The original budget was based on the annual grant receivable from government. The actual spend exceeded this but was funded by £107,000 additional grant received and unapplied DFG grant received in prior years of which £0.7m is now remaining. Spending has been higher as an additional DFG case officer has been employed which has allowed more cases to be processed as well as a small number of individual cases which involved significant expenditure.

iii. **Friarsgate – demolition and overage** *Total Budget: £0.57m*

*Exp: Prior years £0.032m* *2023/24 £0.473m* *Total £0.505m*

The demolition of the former Friarsgate Medical Centre was completed in 2023/24 in preparation for the interim open space and the wider Central Winchester Regeneration scheme. The total cost of the demolition came in around £25,000 (10%) lower than budget. As a consequence of the demolition, an overage payment to the former owner was triggered at a cost of £281,000 which was £39,000 lower than budget.

These works are funded by prudential borrowing and so the capital saving will result in lower ongoing borrowing costs.

iv. **Friarsgate – interim open space** *Total Budget: £0.441m*

*Exp: Prior years £0.078m* *2023/24 £0.035m* *Total £0.113m*

Following the demolition of the former medical centre, work commenced in late 2023/24 on the interim open space, Friarsgate Park, which will serve as a meanwhile use while plans are drawn up for the wider Central Winchester

Regeneration scheme in the longer term. The park includes benches and planters, as well as a small bridge and beds of wildflowers. The park has been completed in the first half of 2024/25.

- v. **King's Walk improvements** *Total Budget: £0.385m*  
*Exp: Prior years £0.069m*      *2023/24 £0.306m*      *Total £0.375m*

Works to King's Walk to provide improvements to the ground floor & public realm were completed just under budget. These works included external greening, lighting, and internal alterations to create a refreshed image and to enhance connectivity and visibility between Kings Walk and the High Street.

- vi. **CIL funded community projects** *23/24 Budget: £0.85m*  
*Exp:* *2023/24 £0.23m*

Several grants totalling £234,000 were paid over in 2023/24 as part of the ongoing CIL funded community projects programme. As these are external projects, often relying on other funding sources, the exact timing is uncertain and subject to delay. The scheme allows community groups to apply for a share of between £10,000 and £200,000 for essential infrastructure projects. Supported projects included the refurbishment of a community centre, a new insulated roof for Reading Rooms, and the provision of several recreational facilities – a cycle pump track, and outdoor gym, a new skatepark, and an outdoor play facility.

- vii. **UKSPF & REPF** *23/24 Budget: £0.25m*  
*Exp:* *2023/24 £0.16m*

The UK Shared Prosperity Fund (UKSPF) is the UK's replacement of the EU European Structural and Investment Programme and provides local authorities funding for communities, places, businesses, people and skills. Funding is provided for both revenue and capital purposes. In 2023/24, £12,000 was provided for the capital purchase of lighting for the Glowing Galaxies event held in February 2024 after the success of the Enchanted Light Garden Event in 2023.

The Rural England Prosperity Fund (REPF) is a top up to UKSPF and is the replacement for the EU funded LEADER Programme used to support the development of rural economies. Capital grants are awarded to small businesses, voluntary organisations, charities, and community groups. In 2023/24 a total of £144,000 in capital grants were paid to help with the installation of solar PV and heat pumps, a new Scouts barn, and the purchase of a coffee roaster machine and a staging and sound system.

- 19.2 In addition to the projects detailed above, the following projects completed in 2023/24: North Walls play area; RPLC decommissioning; St Giles Hill

stabilising works (Matley's yard); the purchase of new AV equipment for the Guildhall; and capital grants to the Theatre Royal and to Bishop's Waltham Parish Council for a footpath and cycle link. Works were also carried on several other schemes – detail of expenditure on all capital projects is provided at Appendix 4.

## 20 Reforecast of capital programme

- 20.1 The 2024/25 capital programme has been reforecast to include adjustments made for brought forward budgets from 2023/24 and other adjustments such as budget reductions following tender or reforecasting to the subsequent period.
- 20.2 With the exception of budgets funded by external grant or unfinanced (prudential borrowing), reduced budgets result in funding being released back to earmarked reserves or to the capital receipts reserve where it becomes available to fund future projects.
- 20.3 Full details of all changes to the 2024/25 capital programme are provided in Appendix 5 and the impact on the overall 10 year capital programme is provided at Appendix 6.

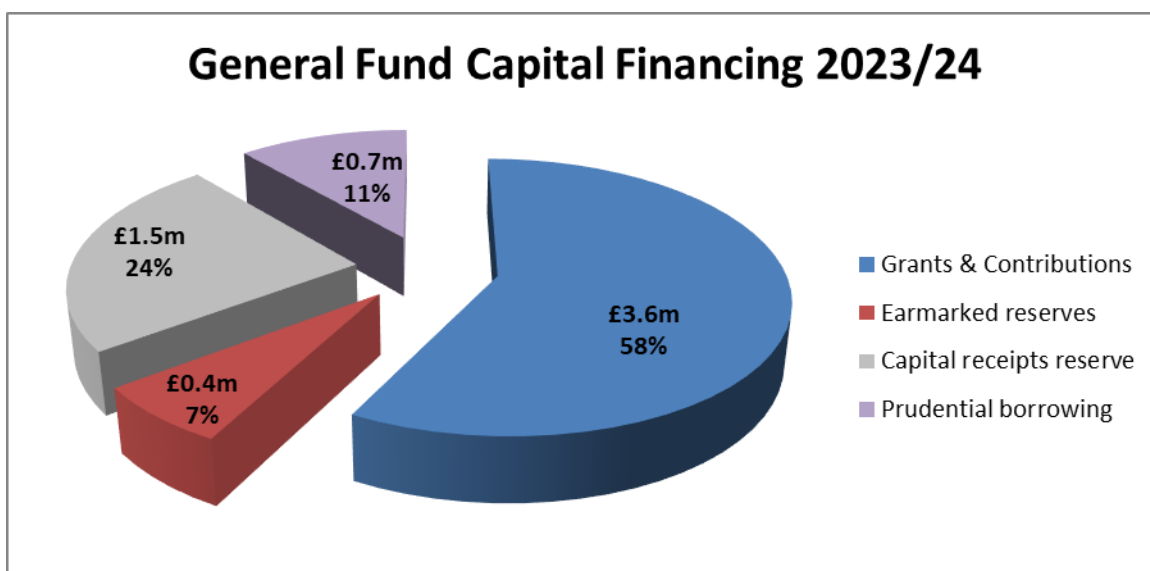
## 21 Flexible use of capital receipts

- 21.1 Ordinarily, capital resources such as capital receipts can only be used on capital expenditure (i.e. the creation or enhancement of a capital asset). However, the MHCLG Secretary of State issued a direction to local authorities in order to give them the freedom to use capital receipts from the sale of their own assets (excluding Right to Buy receipts) to help fund the revenue costs of transformation projects and release savings, including through redundancy, for the financial years 2016/17 to 2021/22. The government has recently extended this to 2024/25 but councils are no longer able to make use of the flexibility to fund discretionary redundancy costs following the extension. By using capital receipts, the council is able to avoid the negative impact of on its annual revenue budget of one-off costs but this will reduce the available resources for future capital projects.
- 21.2 In the Capital Investment Strategy approved in February 2021 (CAB3283), £194,000 of eligible capital receipts were set aside for this purpose which were applied to partially fund £266,000 in severance costs in 2020/21. This resulted in ongoing annual savings of circa £700,000 per annum. No further use of capital receipts has been made since then and the council currently has no specific plans to apply further capital receipts to transformation plans through its flexible use of capital receipts strategy (most recently approved in the Capital Investment Strategy in February 2024 (CAB3443)). However, the approved strategy allows it do so should there be qualifying spend and if sufficient eligible capital receipts are available.

## 22 Capital financing



- 22.1 The sources of finance available for capital projects include capital receipts, grants and contributions, reserves, revenue contributions, and prudential borrowing or “Capital Financing Requirement” (unfinanced capital expenditure met by future revenue provision). Under the Prudential Code, the council can invest in a capital programme so long as its capital spending plans are “affordable, prudent and sustainable”. The financing of the 2023/24 General Fund capital expenditure is illustrated in the following graph. The single largest source of finance was capital grants and contributions including £1.6m in Disabled Facilities Grant funding and £1.5m of Community Infrastructure Levy (CIL) funding.



- 22.2 Where capital expenditure is to be financed in future years by charges to revenue, the expenditure results in an increase in the council’s borrowing need known as “Capital Financing Requirement” (CFR), a measure of the capital expenditure incurred historically by the council that has yet to be financed. While the council has sufficient cash and investment balances, it is able to internally borrow but as CFR increases, and cash and investment balances decrease, it will need to increase its external borrowing in addition to the £159.7m the council has already borrowed to finance HRA projects including the HRA self-financing settlement. In the General Fund an annual charge called Minimum Revenue Provision (MRP) is required to finance prior year unfinanced expenditure; this reduces the CFR over the lives of the related assets. In 2023/24 additional provision for financing capital of £0.6m was made in the General Fund; this was funded by the capital receipt from the sale of Upper Brook St. Car Park and was applied to reduce the CFR in respect of the leisure centre which will reduce the ongoing MRP revenue cost. This is shown as voluntary provision for the financing of capital in the table below.

<b>Capital Financing Requirement</b>	<b>General Fund £000</b>	<b>Housing Revenue Account £000</b>	<b>Total £000</b>
<b>Capital Financing Requirement at 1 April 2023</b>	<b>71,653</b>	<b>199,777</b>	<b>271,430</b>
Unfinanced capital expenditure - in year	698	12,856	13,554
Minimum revenue provision (MRP)	(1,591)	0	(1,591)
Voluntary provision for the financing of capital	(600)	(87)	(687)
<b>Capital Financing Requirement at 31 March 2024</b>	<b>70,160</b>	<b>212,546</b>	<b>282,706</b>
<b>Made up of:</b>			
External borrowing	0	159,722	159,722
Internal borrowing	70,160	52,824	122,984

### 23 Commercial activities: property

- 23.1 The council owns an investment property portfolio (assets held solely for rental income or capital appreciation) which was valued at £71.6m as at 31 March 2024 (£70.0m as at 31 March 2023) and generated gross income of £4.27m and net income after costs, including minimum revenue provision, of £2.74m in 2023/24. This income helps contribute to the Council Plan outcomes. This represents an average net yield of 3.8%.
- 23.2 In 2023/24, the council disposed of part of its share in a Partnered Home Purchase (PHP) scheme shared property following staircasing.

*Property held for investment purposes in £000s*

<b>1 April 2023</b>	<b>71,033</b>
Acquisitions	0
Enhancements	3
Disposals	(87)
Gains/(losses) in fair value	697
Transfer (to)/from PPE (operational assets) *	0
<b>31 March 2024</b>	<b>71,646</b>

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

### 24 Proportion of financing costs to net revenue stream

- 24.1 Although capital expenditure is not charged directly to the revenue budget, interest payable on loans, MRP, and any revenue funded reductions in the borrowing need are charged to the General Fund (GF) or Housing Revenue Account (HRA) income and expenditure statements as appropriate. The net annual charge is known as financing costs - this is compared to the net

revenue stream: Council Tax, Business Rates, and general government grants in the case of the GF; and rents and other charges in the case of the HRA.

- 24.2 The Council's General Fund capital programme includes a number of unfinanced projects (i.e. funded by prudential borrowing). MRP (equivalent to the repayment of loan principal) is applied annually and commences in the financial year following an asset becoming operational and increases the financing costs.
- 24.3 The General Fund financing costs as a proportion of net revenue stream are lower than forecast due to higher than forecast income from council tax, business rates, and non-ringfenced government grants. The HRA financing costs are lower than budgeted as the council had sufficient cash and investment balances to delay additional external borrowing thus reducing the interest cost against forecast.

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

	<b>2022/23 actual</b>	<b>2023/24 forecast</b>	<b>2023/24 actual</b>	<b>2024/25 budget</b>
GF financing costs (£m)	1.6	1.6	1.6	1.8
GF proportion of net revenue stream	8.2%	7.9%	7.2%	9.0%
HRA financing costs (£m)	5.4	7.1	5.3	8.2
HRA proportion of net revenue stream	17.4%	21.4%	15.9%	22.4%

## 25 OTHER OPTIONS CONSIDERED AND REJECTED

- 25.1 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.

BACKGROUND DOCUMENTS:-

Previous Committee Reports:-

CAB3444 - General Fund Budget 2024/25 dated 08 February 2024

CAB3443 – Capital Investment Strategy 2024-2034 dated 08 February 2024

CAB3430 - General Fund Budget Options and Medium Term Financial Strategy dated 21 November 2023

Other Background Documents:-

None

APPENDICES:

Appendix 1 – General Fund Summary Outturn

Appendix 2 – General Fund Earmarked Reserves

Appendix 3 – Winchester Town Account Outturn

Appendix 4 – General Fund Capital Expenditure 2023/24 outturn

Appendix 5 – Revised 2024/25 General Fund Capital Programme

Appendix 6 – Revised 2024-2034 General Fund Capital Programme

General Fund Revenue 2023/24 (£m)	Original Budget	Forecast	Outturn	Variance to Original Budget
<b>Funding</b>				
Council Tax (excluding Parish Precepts)	9.360	9.360	9.504	0.144
Retained Business Rates	6.680	6.680	8.082	1.402
Revenue Support Grant	0.156	0.156	0.156	0.000
New Homes Bonus	1.629	1.629	1.629	0.000
Services Grant	0.087	0.087	0.090	0.003
3% Guarantee	0.894	0.894	0.885	-0.009
Rural Services Delivery Grant	0.054	0.054	0.054	0.000
New Burdens & Other Grants	0.295	2.145	2.543	2.248
	<b>19.154</b>	<b>21.005</b>	<b>22.944</b>	<b>3.790</b>
<b>Investment Activity</b>	2.745	2.968	3.433	0.688
<b>Resources available</b>	<b>21.900</b>	<b>23.973</b>	<b>26.377</b>	<b>4.477</b>
<b>Baseline resource requirements</b>	<b>-18.289</b>	<b>-18.009</b>	<b>-16.911</b>	<b>1.378</b>
<b>One-off net expenditure</b>	<b>-2.005</b>	<b>-6.894</b>	<b>-3.869</b>	<b>-1.864</b>
<b>Reserve Related Movements</b>	<b>-1.606</b>	<b>0.931</b>	<b>-5.597</b>	<b>-3.991</b>
<b>Total net resource requirements</b>	<b>-21.900</b>	<b>-23.973</b>	<b>-26.377</b>	<b>-4.477</b>
<b>Budget Surplus / (Shortfall)</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>
<b>Surplus transfer to Transitional Reserve</b>			<b>0.896</b>	<b>0.896</b>

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

	2023/24	2023/24	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	Op. Bal.	Forecast	Cl. Bal.	Forecast Closing Balances									
<b>OPERATIONAL RESERVES</b>													
Major Investment Reserve	(7,687)	(3,790)	(6,351)	(4,305)	(4,581)	(4,581)	(4,581)	(4,581)	(4,581)	(4,581)	(4,581)	(4,581)	(4,581)
Community Grants & Commissions	(588)	(260)	(444)	(322)	(257)	(257)	(257)	(257)	(257)	(257)	(257)	(257)	(257)
Cost of Living / Living Well (Supporting People)		(170)	(166)	(155)	(155)	(155)	(155)	(155)	(155)	(155)	(155)	(155)	(155)
Digital Transformation		(400)	(400)	(400)	(400)	(400)	(400)	(400)	(400)	(400)	(400)	(400)	(400)
Greener Faster		(250)	(214)	(214)	(214)	(214)	(214)	(214)	(214)	(214)	(214)	(214)	(214)
Flood Support Schemes	(66)		(46)										
Future of Waste		(500)	(500)	(1,030)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)
Landscape Mitigation	(10)	(8)	(10)	(8)	(6)	(4)							
Local Development Framework (LDF)	(911)	(904)	(798)	(739)	(739)	(739)	(739)	(739)	(739)	(739)	(739)	(739)	(739)
New Burdens - Ukraine	(462)		(1,442)										
New Burdens	(879)	(1,390)	(919)	(599)	(599)	(599)	(599)	(599)	(599)	(599)	(599)	(599)	(599)
Pride in Place		(140)	(101)	(101)	(101)	(101)	(101)	(101)	(101)	(101)	(101)	(101)	(101)
Regeneration		(300)	(106)										
	<b>(10,603)</b>	<b>(8,112)</b>	<b>(11,497)</b>	<b>(7,872)</b>	<b>(8,551)</b>	<b>(8,549)</b>	<b>(8,545)</b>	<b>(8,545)</b>	<b>(8,545)</b>	<b>(8,545)</b>	<b>(8,545)</b>	<b>(8,545)</b>	<b>(8,545)</b>
<b>ASSET RESERVES</b>													
Property - Asset Management Reserve	(3,818)	(3,600)	(3,995)	(3,253)	(3,253)	(3,253)	(1,713)	(1,713)	(1,713)	(1,463)	(1,463)	(1,463)	(1,448)
Car Parks Property	(2,044)	(1,262)	(2,039)	(1,276)	(1,121)	(1,091)	(1,061)	(1,031)	(1,001)	(971)	(941)	(911)	(881)
Information Management and Technology	(468)	(355)	(451)	(377)	(330)	49	(4)	60	(138)	(194)	43	(192)	(297)
	<b>(6,331)</b>	<b>(5,218)</b>	<b>(6,485)</b>	<b>(4,906)</b>	<b>(4,704)</b>	<b>(4,295)</b>	<b>(2,778)</b>	<b>(2,684)</b>	<b>(2,852)</b>	<b>(2,627)</b>	<b>(2,361)</b>	<b>(2,566)</b>	<b>(2,626)</b>
<b>RESTRICTED RESERVES</b>													
S105 (Interest)	(386)	(386)	(888)	(888)	(888)	(888)	(888)	(888)	(888)	(888)	(888)	(888)	(888)
Community Infrastructure Levy - General Fund	(11,585)	(9,473)	(11,695)	(9,523)	(8,848)	(8,848)	(8,848)	(8,848)	(8,848)	(8,848)	(8,848)	(8,848)	(8,848)
Community Infrastructure Levy - Winchester Town	(1,142)	(679)	(701)	(349)	(349)	(349)	(349)	(349)	(349)	(349)	(349)	(349)	(349)
Winchester Town Reserve	(408)	(185)	(378)	(317)	(273)	(259)	(352)	(352)	(352)	(352)	(352)	(352)	(352)
	<b>(13,520)</b>	<b>(10,722)</b>	<b>(13,662)</b>	<b>(11,077)</b>	<b>(10,358)</b>	<b>(10,344)</b>	<b>(10,437)</b>	<b>(10,437)</b>	<b>(10,437)</b>	<b>(10,437)</b>	<b>(10,437)</b>	<b>(10,437)</b>	<b>(10,437)</b>
<b>RISK RESERVES</b>													
Municipal Mutual Insurance	(139)	(139)	(139)	(139)	(139)	(139)	(139)	(139)	(139)	(139)	(139)	(139)	(139)
Transitional Reserve	(3,752)	(4,530)	(5,620)	(7,324)	(9,308)	(9,308)	(9,308)	(9,308)	(9,308)	(9,308)	(9,308)	(9,308)	(9,308)
Exceptional Inflation Pressures	(2,902)	(2,902)	(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	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)
	<b>(7,793)</b>	<b>(8,571)</b>	<b>(9,661)</b>	<b>(11,364)</b>	<b>(13,348)</b>	<b>(13,348)</b>	<b>(13,348)</b>	<b>(13,348)</b>	<b>(13,348)</b>	<b>(13,348)</b>	<b>(13,348)</b>	<b>(13,348)</b>	<b>(13,348)</b>
<b>Total General Fund Earmarked Reserves</b>	<b>(38,248)</b>	<b>(32,624)</b>	<b>(41,305)</b>	<b>(35,220)</b>	<b>(36,961)</b>	<b>(36,537)</b>	<b>(35,109)</b>	<b>(35,015)</b>	<b>(35,183)</b>	<b>(34,958)</b>	<b>(34,692)</b>	<b>(34,897)</b>	<b>(34,957)</b>
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)	(2,789)
Usable Capital Receipts Reserve - General Fund	(4,898)	(11,436)		(9,382)	(9,720)	(10,042)	(10,267)	(10,616)	(10,968)	(11,324)	(11,683)	(12,046)	(12,412)

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**WINCHESTER TOWN ACCOUNT - 2023/24 Outturn**

	2023/2024 Budget	2023/2024 Outturn	2023/2024 Variance
<b>Cost of Services</b>			
<b>Recurring Budgets:</b>			
Allotments	(4,000)	(3,879)	(121)
Bus Shelter Cleaning / Maintenance / New Provision	20,000	11,930	8,070
Cemeteries	83,028	97,360	(14,332)
Christmas Lights	7,500	7,500	0
Neighbourhood Service Officers (Contribution)	45,000	45,000	0
Footway Lighting	33,043	20,465	12,578
Grants and Vision Delivery	80,000	64,812	15,188
Support Costs for Grant Scheme	2,000	2,000	0
Maintenance Work to Council Owned Bridges	5,500	0	5,500
Night Bus Contribution	12,029	9,049	2,980
Public Conveniences (Contribution)	50,000	50,000	0
Recreation Grounds & Open Spaces	758,666	764,789	(6,123)
<b>GROWTH - revenue play area reactive maintenance</b>			0
Tennis Court Improvements			0
Recreation Grounds & Open Spaces - Additional Budget	50,000	0	50,000
Town Forum Support	5,000	5,000	0
<b>Total Cost of Services</b>	<b>1,147,766</b>	<b>1,074,026</b>	<b>73,740</b>
<b>Taxation and Non-specific grant income</b>			
Council Tax Income	(1,186,879)	(1,186,879)	
Interest on Balances	(11,988)	(11,017)	
<b>Total Taxation and Non-specific grant income</b>	<b>(1,198,867)</b>	<b>(1,197,896)</b>	
<b>Transfers to/(from) Earmarked reserves</b>			
(Surplus added to Reserves) / Deficit taken from Reserves	(51,101)	(123,870)	
Capital Expenditure funded by Town Reserve	274,000	153,850	
Reserve			
<b>Opening Reserve Balance (at 1st April)</b>	<b>(408,220)</b>	<b>(408,220)</b>	
<b>Closing Reserve Balance (carried forward)</b>	<b>(185,321)</b>	<b>(378,239)</b>	
Closing Reserves forecast as % of net expenditure	<b>16%</b>	<b>35%</b>	

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## General Fund capital expenditure outturn 2023/24

This appendix details the revised budget approved in September 2023 (CAB3416) and approved changes since then. Further adjustments were made to the forecast in February 2024 (CAB3443) which are included for reference below

	Priority	2023/24							Comments
		Revised budget (CAB3416)	Approved changes and adjts.	Approved budget	Actuals	Under / (over) spend	Reforecast (Feb 24)	Variance to reforecast	
		£000	£000	£000	£000	£000	£000	£000	
<b>General Fund</b>									
<b>Approved*</b>									
Disabled Facility Grants	Homes for all	1,230	-	1,230	1,603	(373)	1,230	(373)	Overspend funded from additional grant received (£0.1m) and prior year unspent grant
King George V Pavilion replacement	Living well	2,517	-	2,517	2,299	218	2,517	218	Opened in June 2024
IMT Assets	Your services, your voice	401	-	401	209	192	401	192	Exp. on corporate network (£197k) and Uninterruptable Power Supply (£12k)
SAPS - Car Park at the Dean, Alresford	Vibrant local economy	600	-	600	-	600	-	-	Reforecast to 2024/25
CIL funded community projects	Living well	759	90	849	234	615	327	93	Several external projects yet to commence
North Walls Pavilion replacement	Living well	718	-	718	-	718	40	40	£40,000 approved for fees reforecast to 2024/25
Friarsgate Medical Centre - demolition & overage	Vibrant local economy	538	-	538	473	65	499	26	Complete - savings on both demolition and estimated overage payment
Friarsgate Medical Centre - interim open space	Vibrant local economy	172	-	172	35	137	172	137	Reforecast to 2024/25
Kings Walk improvements	Vibrant local economy	317	-	317	306	11	317	11	Project complete
Kings Walk Fire Safety Improvements	Vibrant local economy	-	-	-	64	(64)	-	(64)	Capital works identified in revenue maintenance expenditure.
Chesil Multi Storey car park - resurfacing	Vibrant local economy	150	-	150	-	150	-	-	Resurfacing works now expected to be completed in 2024/25
Car Parks	Vibrant local economy	287	-	287	5	282	192	187	Resurfacing of P&R occurred in Q1 2024/25
Car Parks - public convenience improvements	Vibrant local economy	200	10	210	-	210	210	210	Works to be completed in 2024/25
Public convenience improvements - approved	Living well	-	210	210	-	210	-	-	Works to be completed in 2024/25
KGV Park Plan	Living well	13	-	13	13	0	13	0	Purchase of portable goals
North Walls - tennis court resurfacing (Town)	Living well	150	-	150	54	96	80	26	Practically complete - saving of circa £90,000 vs original budget
Open Spaces & Recreational Facilities - North Walls	Living well	150	-	150	150	-	150	-	Project complete
Open Spaces & Recreational Facilities - KGV play area	Living well	124	-	124	4	120	124	120	Completed in April 2024
Meadowside Leisure centre - solar PV	Living well	-	125	125	-	125	125	125	Transferred from Energy Management budget - now expected in 2024/25
River Park Leisure Centre site - decommissioning	Living well	129	-	129	122	7	129	7	Project complete
St Giles Hill chalk face stabilising works - Matley's Yard	Vibrant local economy	180	-	180	162	18	170	8	Project complete
Housing Company - purchase of share capital	Homes for all	150	-	150	-	150	150	150	Purchase of share capital in early 2024/25
Bishop's Waltham footpath & cycle link	Living well	50	-	50	50	-	50	-	Project complete
Winchester Sport & Leisure Park	Living well	32	-	32	67	(35)	32	(35)	Project complete - final account stage
Open Spaces & Recreational Facilities - Abbey Gardens	Living well	-	-	-	1	(1)	-	(1)	Project complete in prior year - late invoice
City Offices decarbonisation	Climate Emergency	38	-	38	9	29	13	4	Project complete
Durngate flood prevention works	Climate Emergency	53	-	53	2	51	4	2	Project complete
Goods Shed, Barfield Close	Vibrant local economy	59	-	59	-	59	-	-	Site now leased to HCC
Theatre Royal grant	Living well	59	-	59	60	(1)	59	(1)	Project complete
Hampshire Community Bank - share purchase	Vibrant local economy	62	-	62	-	62	62	62	Timing of final 25% tranche uncertain
Decked car park at former Vaultex site	Vibrant local economy	-	-	-	22	(22)	-	(22)	Purchase of battery for energy storage

**General Fund capital expenditure outturn 2023/24**

	Priority	2023/24							Comments
		<i>Revised budget (CAB3416)</i>	<i>Approved changes and adjs.</i>	<b>Approved budget</b>	<b>Actuals</b>	<b>Under / (over) spend</b>	<i>Reforecast (Feb 24)</i>	<i>Variance to reforecast</i>	
		<i>£000</i>	<i>£000</i>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<i>£000</i>	<i>£000</i>	
UK Shared Prosperity Fund - approved schemes	Living well	20	9	29	12	17	20	8	"Glowing galaxies" equipment purchased
Rural Prosperity Fund - approved schemes	Living well	-	174	174	144	30	174	30	Several grants awarded
59 Colebrook Street refurbishment	Vibrant local economy	-	-	-	2	(2)	-	(2)	Initial spend - budget allocated to 2024/25
Garrison Ground Drainage improvements	Living well	-	-	-	55	(55)	-	(55)	Additional remedial works identified in revenue expenditure
Guildhall microphones	Your services, your voice	24	-	24	18	6	18	-	Project complete
Winchester Town bus shelters	Living well	-	21	21	-	21	21	21	Bus shelters procured in Q1 2024/25
Jane Austen statue - capital grant	Vibrant local economy	-	10	10	-	10	10	10	
<b>Total Approved*</b>		<b>9,182</b>	<b>649</b>	<b>9,831</b>	<b>6,174</b>	<b>3,657</b>	<b>7,309</b>	<b>1,135</b>	

**General Fund capital expenditure outturn 2023/24**

	Priority	2023/24							Comments
		Revised budget (CAB3416)	Approved changes and adjs.	Approved budget	Actuals	Under / (over) spend	Reforecast (Feb 24)	Variance to reforecast	
		£000	£000	£000	£000	£000	£000	£000	
<b><u>Subject to Appraisal*</u></b>									
Asset Management Plan	Your services, your voice	20	-	20	-	20	20	20	Provisional budget for reactive capital works not required in year
Energy Management Projects	Climate Emergency	250	(125)	125	-	125	-	-	£125,000 transferred for Solar PV at Meadowside LC
UK Shared Prosperity Fund	Living well	9	-	9	-	9	9	9	Remaining unallocated sum in 23/24
Rural Prosperity Fund - unallocated	Living well	186	(174)	12	-	12	12	12	Allocated to schemes
Public convenience improvements - Middle Brook St & Changing Pla	Living well	-	150	150	-	150	50	50	Works to be completed in 2024/25
CIL funded community projects - unallocated	Living well	300	(300)	-	-	-	-	-	Allocated to projects (CAB3426)
Relocation of bone store to F2 - racking	Your services, your voice	75	-	75	-	75	75	75	Capital spend expected in 2024/25
<b>Subject to Appraisal*</b>		<b>840</b>	<b>(449)</b>	<b>391</b>	<b>-</b>	<b>391</b>	<b>166</b>	<b>166</b>	
<b>Total General Fund</b>		<b>10,022</b>	<b>200</b>	<b>10,222</b>	<b>6,174</b>	<b>4,048</b>	<b>7,475</b>	<b>1,301</b>	

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

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

SAPS - unallocated	Vibrant local economy	4,000	-	4,000	-	4,000	-	-	No suitable purchases identified
<b>Total SAPS - unallocated</b>		<b>4,000</b>	<b>-</b>	<b>4,000</b>	<b>-</b>	<b>4,000</b>	<b>-</b>	<b>-</b>	

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## Revised 2024/25 General Fund capital programme

This appendix details the original budget approved in February 2024 (CAB3443), approved changes since then, adjustments for brought forward balances from 2023/24 and other changes

	Priority	2024/25					Comments
		Original budget (CAB3443)	Approved changes	Brought forward from 2023/24	Other changes incl. reforecast	Revised budget	
		£000	£000	£000	£000	£000	
<b>General Fund</b>							
<b>Approved*</b>							
Disabled Facility Grants	Homes for all	1,230	-	-	-	1,230	£0.7m of unspent grant from prior years is held in the capital grants unapplied account
IMT Assets	Your services, your voice	30	-	179	-	209	
WCFC all weather 3G pitch	Living well	1,466	-	-	-	1,466	
CIL funded community projects	Living well	771	-	93	-	864	
SAPS - Car Park at the Dean, Alresford	Vibrant local economy	1,065	-	-	(465)	600	Land purchase only in 2024/25
59 Colebrook Street - shared accommodation	Homes for all	610	-	(3)	-	607	Small amount of initial spend in 2023/24
Guildhall fire safety improvement works	Your services, your voice	485	-	-	-	485	
Car Parks	Vibrant local economy	433	-	170	-	603	
Chesil Multi Storey car park - resurfacing	Vibrant local economy	299	-	-	-	299	
Chesil Multi Storey car park - replacement lighting	Vibrant local economy	120	-	-	(70)	50	Works now estimated at £50,000. Budget saving released back to property reserve
Public conveniences improvements	Living well	210	-	-	-	210	
Friarsgate Medical Centre - interim open space	Vibrant local economy	191	-	137	-	328	
KGV Park Plan	Living well	187	17	-	(147)	57	Additional budget approved for portable goals part funded by Football foundation
Meadowside Leisure centre - new equipment	Living well	22	-	-	-	22	
King George V Pavilion replacement	Living well	-	-	218	-	218	
Car Parks - public convenience improvements	Living well	-	-	210	-	210	
Housing Company	Homes for all	-	-	150	-	150	
Meadowside Leisure centre - solar PV	Climate Emergency	-	-	60	-	60	
Open Spaces & Recreational Facilities - KGV play area	Living well	-	-	120	-	120	
Open Spaces & Recreational Facilities - Talvera Road play area	Living well	100	-	-	-	100	
The Weirs - essential repairs	Vibrant local economy	200	-	-	-	200	
North Walls - tennis court resurfacing	Living well	-	-	7	-	7	
Hampshire Community Bank - share purchase	Vibrant local economy	-	-	62	-	62	
Winchester Sport & Leisure Park	Living well	-	55	-	-	55	Additional budget approved for improved flooring in reception area
North Walls Park Plan - path improvements	Living well	50	-	-	-	50	
St Giles Hill stabilisation works (Town)	Living well	50	-	-	-	50	
North Walls Pavilion replacement	Living well	-	-	40	-	40	Approved for fees
Winchester Town bus shelters	Living well	-	-	21	-	21	
UK Shared Prosperity Fund - approved projects	Living well	-	55	14	-	69	Additional projects approved via decision notice
Rural Prosperity Fund - approved projects	Living well	-	-	157	-	157	Additional projects approved via decision notice
Jane Austen Statue - capital grant	Vibrant local economy	-	-	10	-	10	
<b>Total Approved*</b>		<b>7,519</b>	<b>127</b>	<b>1,645</b>	<b>(682)</b>	<b>8,609</b>	

Revised 2024/25 General Fund capital programme

	Priority	2024/25					Comments
		Original budget (CAB3443)	Approved changes	Brought forward from 2023/24	Other changes incl. reforecast	Revised budget	
		£000	£000	£000	£000	£000	
<b>Subject to Appraisal*</b>							
North Walls Pavilion replacement	Living well	1,060	-	-	(1,060)	-	Main works expected in 2025/26
Demolition of former leisure centre at River Park	Living well	2,000	-	-	(2,000)	-	Not expected in 2024/25
Asset Management Plan	Your services, your voice	150	-	-	-	150	
Energy Management Projects	Climate Emergency	250	-	-	-	250	
Rural Prosperity Fund	Living well	559	42	(157)	-	444	Additional projects approved via decision notice
Former bar end depot demolition	Vibrant local economy	200	-	-	(200)	-	Planned sale - budget no longer required
UK Shared Prosperity Fund	Living well	170	(55)	12	-	127	Additional projects approved via decision notice
Public conveniences improvements (Middlebrook St & Changing Places)	Living well	100	-	50	-	150	£50,000 brought forward from 2023/24 in respect of Middlebrook St
City Offices - additional solar PV	Climate Emergency	100	-	-	-	100	
Relocation of bone store to F2 - racking	Your services, your voice	-	-	75	-	75	
<b>Subject to Appraisal*</b>		<b>4,589</b>	<b>(13)</b>	<b>(20)</b>	<b>(3,260)</b>	<b>1,296</b>	
<b>Total General Fund</b>		<b>12,108</b>	<b>114</b>	<b>1,625</b>	<b>(3,942)</b>	<b>9,905</b>	

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

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

SAPS - unallocated	Vibrant local economy	4,000	-	-	-	4,000	
<b>Total SAPS - unallocated</b>		<b>4,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,000</b>	



Revised 2024-34 General Fund capital programme

	Priority	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	TOTAL
		Revised budget	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	2024-2034 Forecast
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>General Fund</b>												
<b>Approved*</b>												
Disabled Facility Grants	Homes for all	1,230	1,230	1,230	1,230	1,230	1,230	1,230	1,230	1,230	1,230	12,300
IMT Assets	Your services, your voice	209	90	464	305	300	35	75	364	90	220	2,152
Food waste collection - vehicles	Your services, your voice	-	1,367	-	-	-	-	-	-	-	-	1,367
WCFC all weather 3G pitch	Living well	1,466	-	-	-	-	-	-	-	-	-	1,466
CIL funded community projects	Living well	864	375	-	-	-	-	-	-	-	-	1,239
SAPS - Car Park at the Dean, Alresford	Vibrant local economy	600	-	465	-	-	-	-	-	-	-	1,065
59 Colebrook Street - shared accommodation	Homes for all	607	-	-	-	-	-	-	-	-	-	607
Guildhall fire safety improvement works	Your services, your voice	485	-	-	-	-	-	-	-	-	-	485
Car Parks	Vibrant local economy	603	-	-	-	-	-	-	-	-	-	603
CIL funded HCC projects - contra-flow cycle scheme Upper High St.	Living well	-	300	-	-	-	-	-	-	-	-	300
Chesil Multi Storey car park - resurfacing	Vibrant local economy	299	-	-	-	-	-	-	-	-	-	299
Chesil Multi Storey car park - replacement lighting	Vibrant local economy	50	-	-	-	-	-	-	-	-	-	50
Public conveniences improvements	Living well	210	-	-	-	-	-	-	-	-	-	210
Friarsgate Medical Centre - interim open space	Vibrant local economy	328	-	-	-	-	-	-	-	-	-	328
KGV Park Plan	Living well	57	147	-	-	-	-	-	-	-	-	204
Meadowside Leisure centre - new equipment	Living well	22	-	-	-	101	-	-	-	-	-	123
King George V Pavilion replacement	Living well	218	-	-	-	-	-	-	-	-	-	218
Car Parks - public convenience improvements	Living well	210	-	-	-	-	-	-	-	-	-	210
Housing Company	Homes for all	150	-	-	-	-	-	-	-	-	-	150
Meadowside Leisure centre - solar PV	Climate Emergency	60	-	-	-	-	-	-	-	-	-	60
Open Spaces & Recreational Facilities - KGV play area	Living well	120	-	-	-	-	-	-	-	-	-	120
Open Spaces & Recreational Facilities - Talvera Road play area	Living well	100	-	-	-	-	-	-	-	-	-	100
The Weirs - essential repairs	Vibrant local economy	200	-	-	-	-	-	-	-	-	-	200
North Walls - tennis court resurfacing	Living well	7	-	-	-	-	-	-	-	-	-	7
Hampshire Community Bank - share purchase	Vibrant local economy	62	-	-	-	-	-	-	-	-	-	62
Winchester Sport & Leisure Park	Living well	55	-	-	-	-	-	-	-	-	-	55
North Walls Park Plan - path improvements	Living well	50	-	-	-	-	-	-	-	-	-	50
St Giles Hill stabilisation works (Town)	Living well	50	-	-	-	-	-	-	-	-	-	50
North Walls Pavilion replacement	Living well	40	-	-	-	-	-	-	-	-	-	40
Winchester Town bus shelters	Living well	21	-	-	-	-	-	-	-	-	-	21
UK Shared Prosperity Fund - approved projects	Living well	69	-	-	-	-	-	-	-	-	-	69
Rural Prosperity Fund - approved projects	Living well	157	-	-	-	-	-	-	-	-	-	157
Jane Austen Statue - capital grant	Vibrant local economy	10	-	-	-	-	-	-	-	-	-	10
<b>Total Approved*</b>		<b>8,609</b>	<b>3,509</b>	<b>2,159</b>	<b>1,535</b>	<b>1,631</b>	<b>1,265</b>	<b>1,305</b>	<b>1,594</b>	<b>1,320</b>	<b>1,450</b>	<b>24,377</b>



CAB3465  
CABINET

REPORT TITLE: HOUSING REVENUE ACCOUNT OUTTURN 2023/24

11 SEPTEMBER 2024

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

This report 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 account of delays to some schemes and reflect the likely revised spend profile in the capital programme.

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).

## RECOMMENDATIONS:

That Cabinet

1. Notes the HRA Outturn figures for 2023/24 as detailed in Appendices 1 and 2;
2. Notes the Housing capital programme outturn for Major Works and New Build as detailed in Paragraphs 11.5 to 11.7 and Appendices 3 & 4;
3. Approves the funding of the 2023/24 HRA capital programme as detailed in Paragraphs 11.8 to 11.11 and Appendix 5;
4. Approves the reforecast capital programme budget of £24.057m for 2024/25 as detailed in paragraphs 11.12 to 11.14 and Appendix 6 & 7 that takes into account potential programme slippage and the reprofiling of expected spend.

IMPLICATIONS:1 COUNCIL PLAN OUTCOME

Providing good quality housing and new affordable homes is a strategic priority for the Council. Effective management of the resources available to the Council enable it to take advantage of new opportunities and ensure that satisfaction levels remain high amongst tenants in relation to their home and community.

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

The capital programme provides for accelerated carbon reduction measures across the existing housing stock, 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

## 1.2 Homes for all

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.

## 1.3 Vibrant Local Economy

Deliver affordable accommodation that allows people to live and work in the community and contribute to the local economy.

## 1.4 Living Well

The wellbeing of residents is considered within the design of new properties, and new homes are designed to be energy efficient and to meet tenants needs. Any substitute properties are assessed according to these criteria.

## 1.5 Your Services, Your Voice

Housing tenants are directly involved in decisions regarding service provision, both through the work of TACT and through regular tenant and leaseholder digital surveys, to capture 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 Full details are included in section 11. In summary, the Council had a net deficit on its HRA revenue account of £1.258m for 2023/24, an adverse variance on the revised budget of £0.352m. This reduces the HRA general balance as at 31.3.2024 from £15.163m to £14.096m. Current HRA reserves and balances as at 31.3.2024 are shown in Appendix 5, together with current HRA borrowing.
- 2.2 Total expenditure in the Housing capital programme for 2023/24 was £36.170m, some £6.398m lower than the revised budget of £42.568m. The original budget for the year was £30.049m.
- 2.3 It is proposed to carry forward to 2024/25 £6.96m of capital budget slippage from 2023/24. In addition, the approved budgets for 2024/25 are being re-profiled and as a result reduced by £16.943m to realign them with anticipated activity and achievable forecast spend. The ten year HRA indicative approved capital programme will be amended in the forthcoming budget cycle process for 2024/25 -2033/34 to reflect these changes in the timing of proposed project milestones and also the capacity of the council to resource these activities.

## 3 LEGAL AND PROCUREMENT IMPLICATIONS

- 3.1 The Council, as a local housing authority, is required to maintain a Housing Revenue Account (HRA) with a positive working balance and keep borrowing levels within prudential rule guidelines, in accordance with s74 of the Local Government & Housing Act 1989 (the "1989 Act") prohibiting the Council to operate its HRA at a deficit. Effective management of the HRA is necessary to ensure that statutory requirements are met.
- 3.2 HRA capital projects will ensure that authorities required are in compliance with the Council constitution which includes that a project with costs in excess of £0.250m will be subject to a financial appraisal, Financial Procedure Rules and the subject of a Member decision.

## 4 WORKFORCE IMPLICATIONS

- 4.1 As at the end of the financial year 2023/24, consultation had been completed on a new structure for the service, including the proposed deletion of a number of vacant posts, changes to reporting lines to give focus to service delivery and also allocation additional resources to support the increased retrofit programme. At the time of writing this report, the structure had been implemented and recruitment to vacant posts underway.

## 5 PROPERTY AND ASSET IMPLICATIONS

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

## 6 CONSULTATION AND COMMUNICATION

- 6.1 The Outturn Report will be shared with the TACT Board.

## 7 ENVIRONMENTAL CONSIDERATIONS

- 7.1 The Housing Service considers environmental and ecological factors when developing new build properties and preparing major works plans including estate improvements, working closely with planning officers and the Council's Landscape Team where appropriate. Additional costs for meeting these responsibilities are included in project appraisals and scheme budgets.
- 7.2 The 30-year business plan agreed in February 2024 includes provision of £45m to fund the proposed fabric-first retrofit programme of works over the next 8 years. Delivery of the planned investment could lead to a reduction of 1666.22 tCO<sub>2</sub> from customers' homes by 2030.

## 8 PUBLIC SECTOR EQUALITY DUTY

- 8.1 Whilst there are no actions which arise directly from this report, officers have regard to the considerations as set out in the Equalities Act 2010 and whether an equality impact assessment will be required to be undertaken at the time of implementation on any specific recommendations.

## 9 DATA PROTECTION IMPACT ASSESSMENT

- 9.1 None required.

## 10 RISK MANAGEMENT

<b>Risk</b>	<b>Mitigation</b>	<b>Opportunities</b>
Financial Pressures <i>Continuing inflationary pressures affecting the construction supply chain, energy and, labour costs, rises in borrowing costs, the impact of the cost of living crisis, and issues</i>	The annual process of constructing a robust base HRA 30 year business plan and its underlying key assumptions and sensitivity analysis will	Allowing better informed resource allocation decisions to be made.

<i>over the rent settlement, coupled with environmental phosphate and nitrate issues will adversely affect the capacity and viability of the HRA</i>	help to identify and quantify the potential financial consequences and impact	
<i>Exposure to Challenge 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. Failure to meet legal requirements and challenge from ROSH</i>	Government statutory requirements and policy changes are being monitored to identify any new risks or opportunities that they may bring.	To create new housing developments within new guidelines and drawing on innovative thinking.
<i>Innovation The creation of a Housing Company to support the new build programme is introduced without reference to existing rules and consents.</i>	External legal and business planning advice has been sought to ensure the Council has the most appropriate and effective solution and that any developments are only undertaken if they are financially viable.	A Housing Company has the potential to increase the options for housing tenure and to help to meet unmet demand.
<i>Reputation Failure to complete major housing projects due to lack of resources would have a direct impact on both customer satisfaction and the Council's reputation.</i>	Business planning tools with regular updates are utilised to make sure resources are available to complete projects.	Its important to ensure that a whole of life approach to developing affordable high quality sustainable housing is considered from the outset
Achievement of outcome		
<i>Property That Council owned dwellings fail to meet decent home standards</i>	An effective, funded programme of future works and sound financial planning ensures that these standards are met and then maintained.	

<p>Community Support <i>Lack of consultation will affect tenant satisfaction and cause objections to planning applications for new build developments.</i></p>	<p>Regular communication and consultation is maintained with tenants and leaseholders on a variety of housing issues. The Council consults with local residents and stakeholders on proposed new build schemes.</p>	<p>Positive consultation brings forward alternative options that may otherwise not have been considered.</p>
<p>Timescales <i>Delays to new build contracts may result in increased costs and lost revenue.</i></p> <p><i>Delays to major works may result in the loss of decent home status for individual properties.</i></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>Continual updating of asset management plans and major works budgets allows potential issues to be addressed quickly.</p>	
<p>Project capacity <i>The HRA can borrow funds in addition to utilising external receipts and reserves but it must be able to service the loan interest arising and repay debt in the future.</i></p> <p><i>Staffing resources (not always in Housing) reduce the ability to push forward new schemes at the required pace.</i></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>Staffing resources have been reviewed to support the delivery of the enhanced new build programme.</p>	<p>The Council monitors government announcements on the use of RTB receipts and potential capital grant funding.</p> <p>In light of recent departures from this team the opportunity to reconfigure it and bring in different skill sets is being reviewed.</p>
<p>Other</p>		

## 11 SUPPORTING INFORMATION:

### HRA Outturn 2023/24

Details of the 2023/24 financial performance are analysed in Appendix 1 (subjective summary) and Appendix 2 (service summary).

- 11.1 Overall, the HRA produced a deficit of £1.258m. The outturn deficit is £0.352m higher than the £0.907m Revised Budget (CAB3417).



11.2 Within the subjective summary (Appendix 1), the material variances were:

- a) Employee costs: £0.352m Favourable variance, representing an underspend against the overall employee budget of 6.5%. This is reflective of continuing difficulty in recruiting staff and ongoing restructuring within Property and Estates.
- b) Premises costs: £1.692m Adverse variance is predominantly due to demand led repairs and maintenance. During 2023/24, the authority saw a significant increase of over 30% across the HRA in the number of jobs being completed or work in progress. Concurrently, persistent inflation on materials costs, has been significantly above the headline CPI rate. In addition, a historic underpayment of cumulative inflation was identified during the year, of which £1.3m related to prior years, contributed to an overspend of £2m on maintenance spend. The impact on 2024/25 and future years of the business plan, along with potential mitigations, is being assessed as part of the business planning exercise for 2024/25. The overspend has been partially offset by a reduction in cleaning costs following the reprocurement of the cleaning contract commencing July 2023, and on utility costs following a softening in energy prices in the second half of 2023/24.
- c) Other costs: £0.291m Favourable variance. This is made up of a number of variances. The main variances contributing to this are underspend on the professional and consultancy budget (£0.173m), an underspend on staff car park permits & travel claims (£0.07m), and lower than budgeted compensation payments (£0.08m).
- d) Interest & depreciation £0.229m Favourable variance is the net result of interest payments on debt being £1.622m under budget, and end of year depreciation charges being £1.393m over budget. The budget for interest payments on debt had assumed both a higher level of capital spend financed by borrowing and higher debt financing charges and was largely due to the use of internal borrowing (see Appendix 5). Depreciation is an estimate based on the prior year; actual depreciation is affected by several factors such as the annual valuation of the council's housing stock, and underlying component costs and will therefore vary from forecast.
- e) External Income: Favourable variance of £0.806m, of which £0.41m relates to overachievement of dwelling rents, £0.140m overachievement on Temporary Accommodation rents and £0.19m recovery of costs through successful insurance claims.
- f) Interest receivable: The interest receivable, or item 8 credit, is the net interest on balances and internal borrowing. The adverse variance is due to increasing interest costs on internal borrowing.

11.3 Within the service summary (Appendix 1), the material variances were:

- a) Vacant Dwellings: Adverse variance of £0.083m. This variance relates to Council Tax charges on empty properties which, in 2023/24 amounted to £0.12m. The 2024/25 business plan includes a more realistic budget for void council tax charges.
- b) New build programme support: Favourable variance of £0.121m. This variance is driven by vacancies within the programme support team.
- c) Communal Services: Favourable Variance of £0.066m. This relates to the cleaning contract referred to in paragraph 11.2b.
- d) Homelessness: Favourable variance of £0.285m. Of this variance, £0.059m relates to cleaning contract referred to in paragraph 11.2b, void and collection rates of rents & service charges improved performance against budget £0.160m, and vacancy savings of £0.044m.
- e) Sheltered Housing: Favourable variance of £0.120m is predominantly due to utilities costs, following a softening in energy prices in the second half of 2023/24
- f) Responsive repairs: This is due to inflationary pressure and increase in jobs referred to in paragraph 11.2b.
- g) Interest Payable: Favourable variance £1.622m favourable. The budget for interest payments on debt had assumed both a higher level of capital spend financed by borrowing and higher debt financing charges and was largely due to the use of internal borrowing.
- h). Depreciation of fixed assets – Adverse variance £1.393m. Depreciation is an estimate based on the prior year; actual depreciation is affected by several factors such as the annual valuation of the council's housing stock, and underlying component costs and will therefore vary from forecast.
- i) Dwelling rents: Void losses and income collection rates were slightly favourable compared to the budget assumptions, generating a favourable variance of £0.41m.
- j) Interest receivable: Adverse variance £0.184m. This adverse variance is due to the use of cash balances for internal borrowing purposes and is offset by the favourable variance on external interest costs explained at paragraph 11.3 g)

#### 11.4 HRA Revenue Carry Forwards from 2023/24 to 2024/25

There are no proposed HRA Revenue Carry Forward from 2023/24 to 2024/25.

#### 11.5 HRA Capital Programme Outturn 2023/24

- 11.6 Appendices 3 & 4 detail the expenditure in 2023/24 for both the Housing Services and New Build capital programmes against both the Original Budget and the Revised Budget position.

Overall, within Housing Services (Appendix 3), £8.897m was spent against a Revised Budget of £11.095m, a variance of £2.198m on the year.

The material variances were as follows:

- a) Major repairs £0.50m adverse variance: this variance is an accumulation of minor adverse variances on external works, internal finishes and kitchens/bathrooms programme, which can be attributed to inflation on materials costs.
- b) Estate improvements £0.33m adverse variance: Difficulty in recruiting appropriate staff during 2023/24 has led to under delivery against the estates delivery programme. The programme will need to be reprofiled as part of the 2024/25 business planning.
- c) Fire Safety provision £0.32m favourable variance: This relates to compartmentation works, which was not procured during 2023/24 due to staff vacancy in the second half of the year. Procurement is expected to commence in Q2 of 2024/25 and contained within the 2024/25 budget for fire safety. It is proposed to reprofile the remaining budget to future years as part of the business planning process.
- d) Climate Change emergency £1.9m favourable variance. 2023/24 saw a significant increase in retrofitting, and as at the end of 2023/24 there was £1.4m cavity wall and loft insulation works commissioned but not yet completed. Budget will therefore require carrying forward. The remaining £0.5m will be reprofiled into 2024/25 to support the current year programme of works.
- e) Sewerage treatment works £0.21m adverse variance. This budget is earmarked for the replacement tanker, which is now due for delivery in early 2024/25.

- 11.7 For the New Build Capital Programme (Appendix 4), £27.724m was spent against a Revised Budget of £31.723m, a variance of £4.200m

The material variances were as follows:

- a) Winnall £2.127m underspent. Expected completion is now expected in early 2024/25 following rectification of defects and final works. Remaining budget is therefore proposed to be slipped into 2024/25.
- b) Southbrook Cottages £0.107m favourable variance. Expected completion is now expected in early 2024/25 following rectification of defects and final works. Remaining budget is therefore proposed to be slipped into 2024/25.

- c) Nutrient Mitigation £0.11m favourable variance. During 2023/24, two schemes progressed at Northington & Goodens, total cost of £0.09m. The budget was set prior to technical feasibility work being undertaken. The outcome of feasibility and subsequent tendering resulted in an underspend of £0.11m.
- d) LAHF Property Acquisitions £1.839m favourable variance. As at the year end there were a small number of acquisitions that were awaiting full completion, which completed in July 2024. The budget for these properties, and associated assumed repair costs, will require carry forward into 2024/25.

#### 11.8 HRA Capital Programme Funding

11.9 Appendix 5 details the actual funding for the capital programme in 2023/24. The funding requirement for the year was £36.170m, £6.398m less than previously anticipated in setting the Revised Budget. The Housing Services programme was underspent by £2.198m, with the New Build capital programme being £4.200m

11.10 The average HRA cost of capital is shown here together with current HRA reserves/resources position. These resources are largely constrained in their use, with the exception of the general reserve, but provide a degree of mitigation against future new homes development and sales risk and provide a cheap form of internal financing for the capital programme.

11.11 The proposed funding of the programme firstly applies all required 1-4-1 RTB funding of £3.412m to maximise the council's position on these resources. Capital receipts from other retained RTB receipts of £4.799m, new build sales £3.568m, and other disposals £1.042m are then applied. Grant funding of £6.495m for the Local Authority Acquisition Fund scheme are then applied. A contribution of £4.029m was drawn from the Major Repairs Reserve towards Decent Homes capital works, with the remaining £12.856m unfinanced. This resulted in a net movement of £12.769m in the Capital Financing Requirement from £199.777m to £212.546m. This represents the underlining need to borrow for capital purposes, i.e. its borrowing requirement.

#### 11.12 HRA Capital Programme Re-Forecast for 2024/25

Within the capital programme, there is an increase due to slippage from the 2023/24 programme into the 2024/25 budget of £6.96m, combined with the reduction due to the re-profiling of £16.943m into future years, which is proposed in Appendix 6 & 7. The impact of these changes on the original budget of £34.04m, is a net decrease in approved budget for 2024/25 of £9.98m.

11.13 The proposed Housing Services programme has slippage of £2.695m and re-profiled budgets of £4.354m, resulting in a decrease of £1.659m. This reflects the anticipated need to spend on ongoing programmes and the carry forward of funding for key Council priorities such as climate change and fire safety

11.14 The profiling of all the New Homes scheme capital projects has also been reviewed in light of current progress against agreed projects and agreed utilisation of the unallocated new build budget line to date. As a result, the net budget after bringing forward slippage and re-profiling has been reduced by £8.324m. Of the total budget of £15.391m in 2024/25, £7.06m is committed and likely to spend. The overall impact of this on the HRA 10 year indicative programme will be identified during the next year's budget preparation process.

## 12 OTHER OPTIONS CONSIDERED AND REJECTED

12.1 No other options considered. There is a statutory requirement to approve the HRA outturn.

### BACKGROUND DOCUMENTS:-

#### Previous Committee Reports:-

CAB3417 HRA Outturn report 2022-23	13 Sept 2023
CAB3365 HRA Budget Options 2023-24	15 Nov 2022
CAB3387 Housing Revenue Account Budget 2023-24	9 Feb 2023
CAB3432 HRA Budget Options 2024-25	21 Nov 2023
CAB3445 Housing Revenue Account Budget 2024-25	8 Feb 2024

#### Other Background Documents:-

None

### APPENDICES:

Appendix 1 – Housing Revenue Account Outturn 2023/24 – Subjective Summary

Appendix 2 – Housing Revenue Account Outturn 2023/24 – Service Summary

Appendix 3 – Housing Capital Programme 2023/24 – Housing Services Outturn

Appendix 4 – Housing Capital Programme 2023/24 – New Build Outturn

Appendix 5 – Housing Capital Programme 2023/24 - Funding, Resources and Debt

Appendix 6 – Housing Capital Programme 2023/24 – Re-forecast Budget Major Works

Appendix 7 – Housing Capital Programme 2023/24 – Re-forecast Budget New Build

## HRA - INDICATIVE OUTTURN 2023/24

## APPENDIX 1

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

Report Notes

0

Employees	(5,504)	(5,504)	(5,152)	(352)	11.2 a).
Premises	(8,380)	(8,380)	(10,072)	1,692	11.2 b).
Other Costs	(4,542)	(4,560)	(4,269)	(291)	11.2 c).
Net Interest and Depreciation	(15,677)	(15,677)	(15,448)	(229)	11.2 d).
External income	32,600	32,600	33,406	(806)	11.2 e).
<b>Deficit()/ Surplus for year on HRA Services</b>	<b>(1,503)</b>	<b>(1,521)</b>	<b>(1,536)</b>	<b>15</b>	
Right to Buy Admin Fees	29	29	18	10	
Interest receivable	585	585	402	184	11.2 f).
Assets Funded by HRA	0	0	(47)	47	
Net (increase)/decrease in HRA Balance before transfers to or from reserves	(889)	(907)	(1,163)	256	
Transfer to/from Reserves	0	0	(95)	(95)	
(decrease)/Increase in HRA Balance	(889)	(907)	(1,258)	161	
	0	0	0	0	
	0	0	0	0	
<b>HRA Working Balance</b>				0	
Opening Balance	16,052	15,354	15,354	(0)	
Add Projected (Deficit)/Surplus	(889)	(907)	(1,258)	352	
<b>Projected Balance at Year End</b>	<b>15,163</b>	<b>14,447</b>	<b>14,096</b>	<b>352</b>	

## APPENDIX 2

## HRA - INDICATIVE OUTTURN 2023/24

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

Report Notes
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## Service Summary

## Housing Management General

Estate Management	(1,518)	(1,518)	(1,520)	2	
HRA General	(450)	(450)	(404)	(45)	
Tenancy Sustainment	(3,152)	(3,170)	(3,140)	(29)	
Downsizing	(65)	(65)	(48)	(17)	
Rent Accounting	(77)	(77)	(66)	(11)	
Tenants Involvement	(88)	(88)	(47)	(41)	
Vacant Dwellings	(41)	(41)	(124)	83	11.3 a)
New Build Programme Support	(935)	(935)	(815)	(121)	11.3 b)
	(6,325)	(6,343)	(6,165)	(178)	

## Housing Management Special

Communal Services	(28)	(28)	38	(66)	11.3 c)
Disabled Adaptations	(152)	(152)	(187)	35	
Estate Improvements	(552)	(552)	(519)	(34)	
Homelessness	(347)	(347)	(62)	(285)	11.3 d)
Home ownership	215	215	212	3	
Sewage Works	(406)	(406)	(406)	0	
Sheltered Housing	(1,142)	(1,142)	(1,022)	(120)	11.3 e)
	(2,412)	(2,412)	(1,945)	(466)	

## Repairs

Responsive Maintenance	(3,237)	(3,237)	(4,233)	996	
Voids	(1,681)	(1,681)	(1,891)	210	
Cyclic	(1,080)	(1,080)	(1,350)	271	
Sub - total Repairs Works	(5,997)	(5,997)	(7,474)	1,477	
Repairs Administration	(1,904)	(1,904)	(1,805)	(99)	
	(7,901)	(7,901)	(9,278)	1,377	11.3 f)

Debt Management Expenses	(9)	(9)	(10)	2	
Interest Payable	(6,857)	(6,857)	(5,235)	(1,622)	11.3 g)
Depreciation of Fixed Assets	(8,821)	(8,821)	(10,214)	1,393	11.3 h)
	(15,686)	(15,686)	(15,459)	(227)	

## Rents and Other Income

Dwelling Rents	29,951	29,951	30,417	(466)	11.3 i)
Garage Rents	63	63	74	(11)	
Other Income	176	176	196	(20)	
Investment Properties	48	48	85	(37)	
Sheltered Charges	583	583	539	44	
	30,821	30,821	31,311	(490)	

<b>Deficit (/) / Surplus for year on HRA Services</b>	<b>(1,503)</b>	<b>(1,521)</b>	<b>(1,536)</b>	<b>15</b>	
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## APPENDIX 2

## HRA - INDICATIVE OUTTURN 2023/24

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

Report Notes

## Service Summary

Right to Buy Admin Fees	29	29	18	10	
Interest Receivable	585	585	402	184	
Assets financed by HRA	0	0	(47)	47	
<b>Net (increase)/decrease in HRA Balance before transfers to or from reserves</b>	<b>(889)</b>	<b>(907)</b>	<b>(1,163)</b>	<b>256</b>	
Transfer (to)/from Reserves	0	0	(95)	95	
<b>(Increase)/ decrease in HRA Balance</b>	<b>(889)</b>	<b>(907)</b>	<b>(1,258)</b>	<b>352</b>	
	0	0	0	0	
<b>HRA Working Balance</b>					
Opening Balance	16,052	15,354	15,354	0	
Add Projected (Deficit)/Surplus	(889)	(907)	(1,258)	352	
<b>Projected Balance at Year End</b>	<b>15,163</b>	<b>14,447</b>	<b>14,096</b>	<b>352</b>	

11.3 j)



## Appendix 3

## HRA CAPITAL PROGRAMME INDICATIVE OUTTURN 2023/24

	2023/24 Original Budget	2023/24 Revised Budget	2023/24 Indicative Outturn	2023/24 Variance Outturn to Revised Budget	
	£000	£000	£000	£000	
<b><u>Housing Services Programme</u></b>					
<b><u>Major Repairs</u></b>					
External Envelope Works	(1,500)	(1,500)	(1,784)	284	
External Ground Works	(300)	(300)	(321)	21	
External Window/Door/Screens	(1,192)	(1,192)	(1,001)	(192)	
Internal Structure & Finishes	(2,200)	(2,410)	(2,636)	226	
Kitchen & Bathroom Renewals	(300)	(300)	(518)	218	
Mechanical & Electrical Services	(400)	(400)	(344)	(56)	
	<b>(5,892)</b>	<b>(6,102)</b>	<b>(6,604)</b>	<b>502</b>	11.6 a).
<b><u>Improvements &amp; Conversions</u></b>					
Estate Improvements	(434)	(350)	(16)	(334)	11.6 b).
Sheltered Housing Upgrades	(74)	(20)	0	(20)	
	<b>(508)</b>	<b>(370)</b>	<b>(16)</b>	<b>(354)</b>	
<b><u>Other Capital Spending</u></b>					
Disabled Adaptations	(793)	(793)	(951)	158	
Fire Safety Provision	(507)	(816)	(470)	(345)	11.6 c).
Climate Change Emergency	(1,512)	(2,696)	(750)	(1,946)	11.6 d).
Sewage Treatment Works	(318)	(318)	(106)	(213)	11.6 e).
Total Housing Service Capital Programme	<b>(9,530)</b>	<b>(11,095)</b>	<b>(8,897)</b>	<b>(2,198)</b>	

Report Notes

## Appendix 4

## HRA CAPITAL PROGRAMME INDICATIVE OUTTURN 2023/24

	2023/24 Original Budget	2023/24 Revised Budget	2023/24 Indicative Outturn	2023/24 Variance Outturn to Revised Budget	Report Notes
	£000	£000	£000	£000	
<b>New Build Programme &amp; Other Capital</b>					
Winnall	(4,727)	(6,496)	(4,370)	(2,127)	11.7 a)
Barton Farm	0	(20)	0	(20)	
North Whitely	(14,123)	(10,932)	(10,995)	64	
Southbrook Cottages	(1,161)	(1,505)	(1,398)	(107)	11.7 b)
Dyson Drive	(201)	(50)	0	(50)	
Woodman Close	(56)	(98)	(114)	15	
CornerHouse	(50)	(27)	0	(27)	
Nutrient Mitigation	(200)	(200)	(90)	(110)	11.7 c)
LAHF Property Acquisitions	0	(12,145)	(10,306)	(1,839)	11.7 d)
	<b>(20,518)</b>	<b>(31,473)</b>	<b>(27,274)</b>	<b>(4,200)</b>	
<b>Total HRA Capital Programme</b>	<b>(30,049)</b>	<b>(42,568)</b>	<b>(36,170)</b>	<b>(6,398)</b>	

## Appendix 5

## HRA CAPITAL PROGRAMME INDICATIVE FUNDING 2023/24

	Original Budget £000	Indicative Outturn £000	Variance Outturn to Revised Budget £000	Report Notes
<b>Funding Source</b>				
Right to Buy Other Retained receipts	887	4,799	3,912	
Right to Buy 1-4-1 Receipts	4,031	3,412	(619)	
Other Capital Receipts	4,027	1,042	(2,985)	
S.106 Contributions	10,756	0	(10,756)	
CIL	755	0	(755)	
Homes England Grant	306	0	(306)	
LAHF Grant	0	6,495	6,495	
New Build Sales	0	3,568	3,568	
HRA Borrowing	0	12,856	12,856	
Major Repairs Reserve	9,287	4,029	(5,258)	
<b>TOTAL</b>	<b>30,049</b>	<b>36,200</b>	<b>6,151</b>	

**HRA Usable Reserves/Resources**

	Bal 31.3.2023 £000	Bal 31.3.2024 £000	Change £000
HRA Revenue Reserves	15,354	14,096	(1,258)
Earmarked Reserves	174	182	8
Major Repairs Reserve	26,140	32,323	6,184
Right to Buy 1-4-1 Receipts	6,729	4,830	(1,899)
Other Capital Receipts	6,403	156	(6,247)
S.106 Contributions	5,758	10,515	4,757
<b>TOTAL</b>	<b>60,557</b>	<b>62,102</b>	<b>1,544</b>

**HRA Capital Financing Requirement**

	Bal 31.3.2023 £000	Bal 31.3.2024 £000	Change £000
<b>CFR (Underlying need to borrow)</b> (Expenditure funded by Borrowing)	199,777	212,546	12,770
Annual Cost of Debt	5,361	7,230	1,869
Average Cost of Capital to HRA	2.68%	3.40%	0.72%
of Which			
<b>[a] PWLB external debt</b>	156,722	164,722	8,000
Average cost of debt	5,235	5,224	(11)
Average Cost of Capital	3.34%	3.17%	-0.17%
<b>[b] Internal borrowing</b>	43,055	47,824	4,770
Average cost of debt	126	1,995	1,880
Average Cost of Capital	0.29%	4.17%	39.41%

## Appendix 6

## HRA CAPITAL PROGRAMME PROPOSED REVISED BUDGETS 2024/25

2024/25 Original Approved Budget. £000	2024/25 Other Budget Changes £000	2024/25 Proposed B/fwd £000	2024/25 Revised Budget £000
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**Housing Services Programme****Major Repairs**

External Envelope Works	(6,110)	4,057	0	(2,053)
External Window/Door/Screens	(725)	(142)	0	(867)
Internal Structure & Finishes	(137)	0	0	(137)
Kitchen & Bathroom Renewals	(708)	(250)	0	(958)
Ground Works	0	(100)	0	(100)
Mechanical & Electrical Services	(2,725)	(343)	0	(3,067)
	<b>(10,405)</b>	<b>3,223</b>	<b>0</b>	<b>(7,182)</b>

**Improvements & Conversions**

Estate Improvements	(534)	518	(334)	(350)
Sheltered Housing Upgrades	(154)	0	(20)	(174)
	<b>(688)</b>	<b>518</b>	<b>(354)</b>	<b>(524)</b>

**Other Capital Spending**

Disabled Adaptations	(815)	(358)	158	(1,015)
Fire Safety Provision	(1,176)	521	(345)	(1,000)
Climate Change Emergency	(4,906)	450	(1,946)	(6,402)
Sewage Treatment Works	(659)	0	(207)	(866)
	<b>(7,556)</b>	<b>613</b>	<b>(2,341)</b>	<b>(9,284)</b>
Total HS Capital Programme	<b>(18,649)</b>	<b>4,354</b>	<b>(2,695)</b>	<b>(16,990)</b>

## Appendix 7

## HRA CAPITAL PROGRAMME PROPOSED REVISED BUDGETS 2024/25

2024/25 Original Approved Budget. Budget. £000	2024/25 Other Budget Changes £000	2024/25 Proposed Bfwd £000	2024/25 Revised Budget £000
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## New Build Programme &amp; Other Capital

Winnall	0	(861)	(2,097)	(2,958)
Barton Farm	0	20	(20)	0
Southbrook Cottages	0	(332)	(107)	(439)
Dyson Drive	0	50	(50)	0
Woodman Close	(56)	0	15	(41)
CornerHouse	(986)	1,013	(27)	0
Nutrient Mitigation	(600)	310	(110)	(400)
LAHF Property Acquisitions	0	0	(1,839)	(1,839)
New build major repairs	(46)	46	0	0
Unallocated sites	(13,703)	12,343	0	(1,360)
<b>Total New Build Programme</b>	<b>(15,391)</b>	<b>12,589</b>	<b>(4,235)</b>	<b>(7,037)</b>
<b>Total HRA Capital Programme</b>	<b>(34,040)</b>	<b>16,943</b>	<b>(6,930)</b>	<b>(24,027)</b>

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## **Finance and Performance Report – April to June 2024**

### **Recommendation**

That Cabinet notes the progress achieved during Q1 of 2024/25 and endorses the contents of the report.

### **Index**

#### **Performance Report**

Section 1 - Tackling the Climate Emergency and Creating a Greener District

Section 2 - Living Well

Section 3 - Homes For All

Section 4 - Vibrant Local Economy

Section 5 - Your Services. Your Voice

Section 6 - Regeneration and Growth

#### **Finance report**

Section 7 - Financial report

## **PERFORMANCE REPORT**

### **Section 1 Tackling the Climate Emergency and Creating a Greener District**

Delivery highlights – April to June 2024

- Cabinet approval given to purchase nine 12-tonne food waste vehicles, the addition of an electric RCV to support a new round in the frontline service and the infrastructure to enable charging the new electric RCV at the depot.
- Park & Ride buses and Biffa vehicle fleet now using sustainably sourced Hydrotreated Vegetable Oil (HVO), delivering a 90% reduction in carbon emissions.
- All electricity supplies are now on a green energy tariff.
- Local Area Energy Plan - WCC has commenced a key piece of strategic work which proposes to bring together a plan which will focus on decarbonising heat, transport, energy generation and map new demand. As part of this, WCC submitted an expression of interest bid to be part of a trial to develop a digital Local Area Energy Plan with Scottish & Southern Energy network operator.
- A new green communications officer has recently joined the team. Work has commenced developing a communications plan to help promote carbon saving initiatives for the council and district programme, as well as other greener faster workstreams.
- A new ecologist & biodiversity officer has joined the team, who will strengthen our ecology team and increase capacity to deal with the new mandatory Biodiversity Net Gain requirement in development management.
- Progressing with implementation of the statutory Bio-diversity Net Gain (BNG) requirement in new planning applications. Regular internal meetings and liaison with other local planning authorities and external partners to ensure we are providing support to applicants as well as a high standard of assessment and delivery of BNG.
- Invasive Goldenrod treated at Topfield, Kings Worthy to benefit the growth of native flora and improve the condition of the meadow.
- Hampshire and Isle of Wight Amphibian and Reptile Group (HIWARG) and Butterfly Conservation volunteers undertaking monitoring surveys on our key biodiversity sites.
- Delivery against the Biodiversity Action Plan progressing including training undertaken by NatureSpace on district level Licensing for Great Crested Newts and renewal of our service level agreement with Hampshire Biodiversity Information Centre to undertake surveys on behalf of the council, update the Sites of Importance for Nature Conservation (SINC) register, and provide a weekly planning screening report.



## Our Carbon Neutrality Action Plan (Council)

<b>Lead Cabinet Member:</b> Cllr Kelsie Learney	<b>Project Sponsor:</b> Dawn Adey		
Programme RAG status	Timeline	Budget	Carbon
<p>Carried out review and updated all actions for the Council Carbon Neutrality Action Plan (CNAP) programme for 2024/25. Various ambitious projects have been identified to help the council work towards its carbon neutrality target. These actions will make a significant impact for the council programme. In last quarter, the Sustainability Manager and Green Communications Officer have joined the council and are assisting with the delivery of the Council's carbon neutrality targets. Data collection was completed for annual carbon footprint report for 2023/24.</p> <p>Good progress has been made across all pathways for Q1.</p> <p><b>Progress achieved during the last quarter:</b></p> <ul style="list-style-type: none"> <li>• From 1 April: all electricity supplies are now on a green energy tariff; all scope 1 gas sites are supplied by green gas for 2024/25 and WSLP &amp; MLC have switched to a green electricity tariff.</li> <li>• All housing fleet vehicles are now 100% electric.</li> <li>• From 1 June both P&amp;R and Biffa fleet are using sustainably sourced hydrotreated Vegetable Oil (HVO), delivering a 90% reduction in carbon emissions.</li> <li>• Commissioned consultant to carry out a solar photo voltaic (pv) feasibility study to understand potential for additional rooftop and carport solar at 5 WCC sites – initial draft of study received.</li> <li>• Mapping and developing communications plan for CNAP.</li> </ul>			
<p><b>Actions for the next quarter:</b></p> <ul style="list-style-type: none"> <li>• Outcome and analysis of council's annual carbon footprint report for 2023/24.</li> <li>• Investigate measures to increase the efficiency of the heating system at City Offices.</li> <li>• Complete tender process for LED lighting replacement at Chesil Car Park. Works to commence in September.</li> <li>• Implement communications plan and launch sustainability staff intranet pages.</li> </ul>			

## Our Carbon Neutrality Action Plan (District)

<b>Lead Cabinet Member:</b> Cllr Kelsie Learney	<b>Project Sponsor:</b> Dawn Adey		
<b>Programme RAG status</b>	<b>Timeline</b>	<b>Budget</b>	<b>Carbon</b>
<p><b>Progress achieved during the last quarter:</b></p> <p>A key challenge for the district Carbon Neutrality Action Plan (CNAP) is tracking the carbon saved and impact the council is having under the 5 pathways. To facilitate this, SMART targets have been identified for the district actions for 2024/25. The actions will make a significant impact, ensuring that we have ambitious plans and projects to help the council work towards its carbon neutrality targets.</p> <p>In last quarter the following new staff have joined the council: Sustainability Manager, Retrofit Coordinator, Green Economic Development Officer and Green Communications Officer and are assisting with the delivery of the Council's carbon neutrality targets.</p> <p>Overall good progress has been made across all pathways for Q1.</p> <p><b>Progress achieved during the last quarter:</b></p> <ul style="list-style-type: none"> <li>• Housing: <b>Council:</b> 47/265 properties have been retrofitted <b>Private homes:</b> HUG2 campaign -19 properties retrofitted.</li> <li>• Expression of interest bid for WCC to take part in a pilot to initiate the development a digital Local Area Energy Plan.</li> <li>• Progressing on Cargo Bike last mile delivery scheme.</li> <li>• UKSPF funding awarded to 2 green skills projects to promote and raise awareness of retrofit training opportunities in area.</li> <li>• Scoping exercise to identify and engage with businesses with large solar pv potential.</li> <li>• Installation of solar panels at Gratton Pavilion, Sutton Scotney. 8 community buildings developed decarbonisation plans.</li> <li>• Supporting the development of the Local Nature Recovery Strategy.</li> </ul>			
<p><b>Actions for the next quarter:</b></p> <ul style="list-style-type: none"> <li>• WCC successful with bid for pilot to help develop a Digital Local Area Energy Plan – project initiation and workshops.</li> <li>• Set up project management for large scale renewable energy scheme.</li> <li>• Deliver CNAP GEDS forum and review outcomes. Promote and launch 10 decarbonisation audits for businesses.</li> <li>• Deliver Carbon Neutrality Open Forum which is focused on Nature based solutions.</li> <li>• Identify and bring together work plan for sites for carbon sequestration based on Arcadian report.</li> <li>• Develop communications plan to engage and support residents and community groups to reduce carbon emissions.</li> </ul>			

## Future of Waste and Recycling

<b>Lead Cabinet Member:</b> Cllr Kelsie Learney	<b>Project Sponsor:</b> Simon Hendey	
<b>Programme RAG status</b>	<b>Timeline</b>	<b>Budget</b>
<p><b>Progress achieved during the last quarter:</b></p> <ul style="list-style-type: none"> <li>• The Council confirmed its preference for a fully co-mingled dry mixed recycling collection system to HCC and the Project Integra partners on 16 April 2024. HCC will now review the data and decide what disposal facility it will provide based on whole system recycling levels, costs, and carbon impacts.</li> <li>• All frontline Refuse Collection Vehicles (RCV) are now operating on Hydrotreated Vegetable Oil (HVO). This will lower the carbon emissions of the service by 683 tonnes CO2e per year.</li> <li>• A new Communications Officer has joined the team in June 2024 and will provide dedicated comms support for this project, ensuring that the engagement and consultation plans are robust and inclusive. Additional support will be requested to Cabinet later this year, such as Recycling Officers, who will facilitate better engagement with our communities and encourage improved participation in existing and new services.</li> <li>• On 19 June 2024 Cabinet approved recommendations to purchase nine 12 tonne food waste vehicles, the addition of an electric RCV to support a new round in the frontline service and the infrastructure to enable charging the new electric RCV at the depot.</li> <li>• Re-routed rounds are set to start in October 2024. These have been re-balanced following housing growth over the last few years and are optimised for efficiency, resilience, and carbon reduction. The change will affect around 60% of households who will be informed prior to any collection day changes. Additional resources will be put in place to cover any increase in customer contact over the transition period.</li> <li>• DEFRA rejected the council's appeal against the capital funding allocation for the purchase of vehicles and bins for the new food waste service. No further capital funding will be made available by government; however, the project's anticipated capital costs remain within the overall allocated capital budget for the project.</li> </ul>		
<p><b>Actions for the next quarter:</b></p> <ul style="list-style-type: none"> <li>• Biffa to procure an electric RCV for use on the optimised new routes from October 2024.</li> <li>• Upgrade depot infrastructure for charging the electric RCV.</li> <li>• Prepare comms and ensure all residents are well informed before the new rounds begin.</li> <li>• Biffa to procure the 9 x 12t specialist food waste vehicles.</li> <li>• Work with the Estates team to provide additional depot space to house the new food waste trucks and their crews.</li> <li>• Prepare for focus groups on food waste collection service in Winter 2024/25.</li> </ul>		

## Nutrient Mitigation Solution

<b>Lead Cabinet Member:</b> Cllr Jackie Porter, Cllr Chris Westwood	<b>Project Sponsor:</b> Dawn Adey	
<b>Programme RAG status</b>	<b>Timeline</b>	<b>Budget</b>
<p><b>Progress achieved against last quarter.</b></p> <ul style="list-style-type: none"> <li>• Initial desk-based reports have been completed to investigate the nutrient credit potential of 8 council-owned Waste water Treatment Works.</li> <li>• Technical reports have been commissioned and are underway to determine which sites should be selected and upgraded.</li> <li>• For the wider Partnership for South Hampshire (PfSH) project, the pre-election period has postponed governance meetings.</li> <li>• Internal investigations and review of technical reports has continued to inform the September Cabinet report and ensure the project is ready to move to the next gateway if approved by Cabinet.</li> </ul>		
<p><b>Actions for the next quarter:</b></p> <ul style="list-style-type: none"> <li>• The HRA-led water treatment work upgrade projects were considered by Cabinet on 16 July 2024 (CAB3470).</li> <li>• A report outlining the PfSH project, and the wider Nutrient Mitigation Strategy will be taken to Cabinet on 11 September 2024.</li> <li>• Final technical reports will also be received in this quarter and procurement and instruction on the first plant upgrades will be completed.</li> <li>• The Local Planning Authority continue to work with private individuals to enter into relevant legal agreements in relation to the upgrade of package treatment plants which would generate nutrients credits.</li> </ul>		

**Tackling the Climate Emergency and Creating a Greener District - Progress against our plans**

Ref	Project	Cabinet Member	Delivery Date	Status R/A/G
1	Develop an electric vehicle strategy	Cllr Learney	Apr 25	
2	Install EV rapid chargers where they are needed across the district	Cllr Learney	Aug 24	
3	Complete the final phase of the repairs to the Weirs	Cllr Learney	Jul 24	
4	Deliver programme of retrofit carbon reduction measures to our housing stock	Cllr Westwood	Mar 25	
5	Review and implement nutrient neutrality mitigation measures	Cllr Porter	Dec 24	
6	Adopt an air quality strategy, complying with National Air Quality Standards	Cllr Porter	Dec 24	
7	Introduce doorstep food waste collections and increase recycling	Cllr Learney	Apr 26	
8	Increase our recycling rates by introducing a simpler approach in line with Government programme for waste reforms	Cllr Learney	Apr 26	
9	Switch our buses and waste collection lorries to low or no carbon fuels	Cllr Learney	Jul 24	
10	Adopt and implement an Active Travel Plan	Cllr Learney	Apr 25	
11	Continue to embed sustainable procurement across our contracts and supply chain to support the carbon neutrality programme.	Cllr Cutler	Mar 25	
12	Investigation into provision of a natural burial area at the cemetery	Cllr Becker	Jun 25	

Tackling the Climate Emergency and Creating a Greener District - Measuring our progress

Long range trackers (Annual)									
No.	Performance measure	Cabinet member (Cllr)	Lead Director	20/21	21/22	22/23	23/24	Target 23/24	Target 24/25
TCE1	Carbon emissions for the council (tonnes)	Learney	Dawn Adey	2,665	4,147	3,837	Not yet available	3,700	2,000
			Lead Director	2020	2021	2022	2023	Target 2023	Target 2024
TCE2	Carbon emissions for the district (tonnes)	Learney	Dawn Adey	506,900 545,300	578,300	555,200	Not yet available	520,000	500,000

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Practical real-time measures (Quarterly)										
No.	Performance measure	Cabinet member (Cllr)	Lead Director	Q1 - 23/24	Q2 - 23/24	Q3 - 23/24	Q4 - 23/24	Q1 - 24/25	Target 24/25	Status
TCE3	% of household waste sent for reuse, recycling and composting	Learney	Simon Hendey	42.37%	42.31%	38.53%	36.13%	42.84%	40%	
TCE4	Residual household waste kg / household (average per household)	Learney	Simon Hendey	104.55	102.00	102.83	102.63	105.36	<420 kg/hh	
TCE5	Energy usage (kWh) corporate buildings: Electricity <sup>1</sup>	Learney	Simon Hendey	131,647	125,340	164,739	151,545	116,815	Measure only	n/a
TCE6	Energy usage (kWh) corporate buildings: Gas <sup>1</sup>	Learney	Simon Hendey	84,981	26,644	180,191	198,383	59,794	Measure only	n/a
TCE7	Retrofit adjustments – total number of houses completed (running total for financial year) <sup>2</sup>	Westwood	Simon Hendey	Programme commenced 02/05/23		226	358	47	265	
TCE8	Retrofit adjustments – total number of measures completed across the houses in TCE7 (running total for financial year) <sup>2</sup>	Westwood	Simon Hendey	Programme commenced 02/05/23		301	543	81	890	
TCE9	Renewable energy generated (kWh) from solar panels <sup>3</sup>	Learney	Simon Hendey	158,836	121,809	33,138	43,197	138,388	Measure only	n/a

Comments:

**TCE7 & 8:** Completion of retrofit measures is expected to increase during the second half of the year once contractors have been appointed. One of the three contractors required for the delivery of the Retrofit Programmes has been appointed and is due to start work.

Footnotes:

<sup>1</sup> *Relates to electricity and gas usage at the City Offices campus (City Offices, main Guildhall plus West Wing); Due to the way metering is set up this includes the whole of each building - so university, CAB and NHS offices are recharged a percentage for their use.*

<sup>2</sup> *Figures from 23/24 relate to that year's programme of properties and measures (i.e. a different set); 24/25 begins a new set of properties and measures. The two KPI work together, so the total number of properties targeted have multiple measures targets against them. I.e. 265 properties have been targeted, and those properties will aim to have 890 measures completed on them.*

<sup>3</sup> *Data reported relates to: WCC Sites (City Offices, Cipher House, Vaultex,), Winchester Sport and Leisure Park, Biffa and Marwell Zoo.*

## **Section 2 Living Well**

### Delivery highlights – April to June 2024

- Winchester Sport and Leisure Park has been recognised as one of the top leisure facilities in England after achieving an Outstanding rating in a national Quest assessment.
- The new sports pavilion at KGV recreation ground in Winchester was completed and the first cricket match held using the new facilities.
- Work commenced on a new £1.4m 3G artificial pitch at Winchester City Football Club.
- A new season of park yoga started, with sessional highs of 50 attendees at Whiteley and 150 at Winchester.
- Consultants appointed to produce a new Playing Pitch Strategy, due for completion in the summer of 2025.
- The Homes for Ukraine team, comprising staff from across both housing and communities teams, was a finalist in the Local Government Chronicle awards in the category of Small Team of the Year.
- An exhibition exploring stories from Ukrainians who are now part of Winchester's community was open to the public from 25 May to 6 June.
- The feedback from the Talavera Road Play Area Refurbishment consultation was published on the website on 22 April. The results of the consultation have been collated and will be used to inform the design of an upgraded play area.
- Anti-Social Behaviour (ASB) Grip Fund – received £37.5K for additional ASB patrols using public guardians i.e. Bid Rangers and Neighbourhood Services Officers in addition to police officer patrols within the police identified hot spot location.
- A new project 'Violence Against Women and Girls (VAWG) Strategy' has been launched to help tackle violence against women and girls in Winchester. The main focus is to improve safety in public places and for those on nights out.
- A Live Longer Better grant of £15,000 has been awarded by Hampshire County Council to improve health life expectancy and reduce health inequalities by promoting physical activities for older adults. This will involve setting up a community of practice involving the Social Inclusion Partnership's Health Inequalities Subgroup.
- The First Foot Forward Employment Course for council tenants ran in May/June, this was in partnership with Itchen College and Winchester Job Centre.



**Living Well - progress against our plans**

Ref	Project	Cabinet Member	Delivery Date	Status R/A/G
1	Work closely with local charities and voluntary organisations to review our Integration Programme for Ukrainian guests	Cllr Becker	Dec 25	
2	Develop a network of private and public sector spaces throughout the district to support a Spaces of Sanctuary scheme	Cllr Becker	Sept 24	
3	Work with developers at each major development area to provide public facilities, green spaces and areas to play	Cllr Becker	Dec 24 Ongoing	
4	Develop a Community and Wellbeing Strategy	Cllr Becker	Mar 25	
5	Deliver a wide range of physical activities through school and community sports coaching programmes	Cllr Becker	Feb 25	
6	Enable, engage and empower young, disadvantaged people to fulfil their potential through participation in sport and outdoor activities	Cllr Becker	Sep 24	
7	Support for residents with the cost-of-living crisis with the roll out of Council Tax Hardship Grants	Cllr Cutler	Mar 24	<b>Completed</b>
8	Deliver a programme supporting residents to live longer better	Cllr Becker	Mar 25	

Living Well - Measuring our progress

Long range trackers (Annual)								
No.	Performance measure	Cabinet member (Cllr)	Lead Director	20/21	21/22	22/23	23/24	Target 24/25
LW1	% of adults participating in 150+ mins of sport or physical activity per week within the Winchester district	Becker	Dawn Adey	n/a	73.7%	73.0%	73.3%	Measure only
LW2	Number of unemployed (source: Economic Activity data)	Thompson	Dawn Adey	1,800	1,700	1,235	Not yet available	Measure only

Practical real-time measures (Quarterly)										
No.	Performance measure	Cabinet member (Cllr)	Lead Director	Q1 - 23/24	Q2 - 23/24	Q3 - 23/24	Q4 - 23/24	Q1 - 24/25	Target 24/25	Status
LW3	Winchester Sport and Leisure Park - total number of visits	Becker	Dawn Adey	262,177	286,167	287,617	304,205	339,755	1,233,094	
LW4	Winchester Sport & Leisure Park – total number of all concessionary rate visits	Becker	Dawn Adey	96,140	112,564	105,824	128,983	131,095	442,798	
LW5	Meadowside - total number of visits	Becker	Dawn Adey	18,052	14,367	18,296	21,410	19,506	73,050	
LW6	Meadowside - total number of all concessionary rate visits	Becker	Dawn Adey	953	884	644	444	2,552	10,242	
LW7	Number of housing benefit claimants (rolling total)	Cutler	Liz Keys	2,955	2,916	2,865	2,811	2,726	Measure only	n/a
LW8	Number of Council tax reduction claimants (rolling total)	Cutler	Liz Keys	5,776	5,757	5,839	5,898	5,854	Measure only	n/a
LW9	Average time taken to process new housing benefit claims (days)	Cutler	Liz Keys	25	24	21	19.4	20.73	24 days	
LW10	Number of reported fly-tips (actual incidents) <sup>4</sup>	Porter	Simon Hendey	255	200	181	244	168	<1,100	
LW11	% of fly-tips cleared within contract deadlines/days	Porter	Simon Hendey	n/a	n/a	n/a	n/a	80%	80%	

No.	Performance measure	Cabinet member (Cllr)	Lead Director	Q1 - 23/24	Q2 - 23/24	Q3 - 23/24	Q4 - 23/24	Q1 - 24/25	Target 24/25	Status
LW12	Number of reported graffiti incidents (online form totals)	Porter	Simon Hendey	30	18	9	15	26	<169	
LW13	Number of "Public Space" issues reported (online form totals inc. litter, bins, etc.) <sup>5</sup>	Porter	Simon Hendey	124	133	85	199	143	<600	

Footnotes:

<sup>4</sup> Figures are net total of 'actual' reports received (less any that have been identified as duplicates, out of district, private land etc.)

<sup>5</sup> Figures are now based on total form reports received for 'Clean my Street' reports relating to bins/bring sites, street mess – human, syringes, spilt waste, street sweeping, overflowing litter/dog waste bins etc.-- glass, litter, alongside report forms submitted for Park Areas and Public Conveniences. The previous kpi for 23/24 - the 'litter' line was only one specific row item from the form, not inclusive of the wider set of reported 'street mess issues being collated this year (Specific totals for litter / street mess and public convenience reports will be in comments below)

### **Section 3 Homes for All**

#### Delivery highlights – April to June 2024

- Nine shared ownership apartments have been purchased at Foxglove Housing in Winnall.
- Working in conjunction with police and wider Community Safety Partnership to roll out the ASB Summer Campaign.
- “Venta Living Ltd commenced trading on 14 June 2024. The first tenancy also commenced on 14 June and by the end of June three apartments had been let. Demand remains buoyant, and the apartments are currently being advertised on Rightmove as well as having been promoted locally.”
- Refurbishment and alteration work to 59 Colebrook Street to provide accommodation for our Ukraine guests is progressing well. Re-roofing has been completed including upgrading of the insulation, internal alterations and refurbishment is well underway and anticipated for completion in December 2024.
- Good progress is being made on the Temporary Accommodation (TA) Strategy work with a supply and demand analysis of households requiring housing assistance from the council developed with a projection of supply and demand data until March 2026. Stakeholder consultation is taking place, a financial forecast to support the plan and activities is underway with options being explored to expand the current portfolio of TA accommodation.
- It’s a year since the council started the Domestic Abuse Housing Alliance (DAHA) improvement project. The officer team are close to finalising the portfolio of evidence that demonstrates compliance within the improvement framework. Should the compliance activity assessment phase be successful, we can expect to receive the DAHA accreditation by the end of this year.
- Successfully appointed 5 out of the 6 members to the TACT Board including 2 Tenants, 1 Sheltered Housing resident, 1 Shared Owner, and 1 Independent member, each bringing valuable and diverse perspectives and insights to the board.
- A questionnaire was sent to 5,000 tenants asking for feedback on the improvements in the repairs and maintenance contract. Results are being analysed. Three tenant workshops were held during June to promote through direct communication with interested tenants, social media and other tenant engagement channels.

## New Homes Programme

<b>Lead Cabinet Member:</b> Chris Westwood	<b>Project Sponsor:</b> Simon Hendey	
<b>Programme RAG status</b>	<b>Timeline</b>	<b>Budget</b>
<p><b>Progress achieved during the last quarter:</b></p> <p>Following completion of the Winnall scheme in Q4 2023/24, new flats and houses have begun to be occupied. This includes shared ownership homes and, following the signing of a lease with Venta Living Ltd (the council's housing company), homes for market rent.</p> <p>Good progress has been made on market engagement with SME and volume housebuilders with the aim of securing new build units for use as council housing. An offer has been accepted on one site and there are ongoing discussions on several other sites.</p> <p>Feasibility studies are underway on several council commissioned schemes with the aim of making them financially viable against a challenging economic backdrop.</p>		
<p><b>Actions for the next quarter:</b></p> <ul style="list-style-type: none"> <li>• Complete feasibility studies on pipeline council commissioned schemes.</li> <li>• Complete project and appoint professional services for The Cornerhouse, Winchester (e.g. architects) (council commissioned scheme).</li> <li>• Make offers on further new-build acquisitions opportunities and progress deals already secured.</li> <li>• Further sales of SO postcode area properties.</li> </ul>		

**Homes for All - progress against our plans**

Ref	Project	Cabinet Member	Delivery Date	Status R/A/G
1	Review HRA Business Plan in light of the economic circumstances and review current planned services and programmes.	Cllr Westwood	Sept 24	
2	Deliver the outcomes and expectations of the standards set by the Regulator of Social Housing	Cllr Westwood	Mar 25	
3	Review of Hampshire Home Choice Framework	Cllr Westwood	Mar 26	
4	Deliver council housing retrofit carbon reduction programme	Cllr Westwood	Mar 25	
5	Develop and implement an Older Persons Accommodation Strategy	Cllr Westwood	Mar 26	
6	Seek opportunities for homes to be offered across the district by Venta Living Ltd	Cllr Westwood	Ongoing	
7	Collaborate with partners to deliver the aims set out in the Winchester Community Safety Delivery Plan 24/25	Cllr Westwood	Mar 25	
8	Review and refresh the Preventing Homelessness and Rough Sleeping Strategy	Cllr Westwood	Mar 26	
9	Develop a Temporary Accommodation Strategy	Cllr Westwood	Mar 26	
10	Complete the Domestic Abuse Housing Alliance (DAHA) accreditation and embed new policies and processes across the organisation	Cllr Westwood	Sept 25	

Homes for all - Measuring our performance

Long range trackers (Annual)										
No.	Performance measure	Cabinet member (Cllr)	Lead Director	20/21	21/22	22/23	23/24	Target 23/24	23/24 Status	Target 24/25
HFA1	% of all WCC homes achieving energy efficiency rating of C or above	Westwood	Simon Hendey	62%	63%	65%	Not yet available	70%	tbc	70%
HFA2	Net total new home completions across the district (rolling total)	Westwood	Simon Hendey	n/a	121	139	268	1,000 by 2030		1,000 by 2030
HFA3	Homelessness – numbers recorded as rough sleepers (as at year end)	Westwood	Simon Hendey	n/a	n/a	2	3	0	Annual Count	0

Practical real-time measures (Quarterly)										
No.	Performance measure	Cabinet member (Cllr)	Lead Director	Q1 - 23/24	Q2 - 23/24	Q3 - 23/24	Q4 - 23/24	Q1 - 24/25	Target 24/25	Status
HFA4	Average time for homeless household to receive offer of a permanent home (days)	Westwood	Simon Hendey	n/a	n/a	n/a	n/a	95	365 days	
HFA5	Numbers on housing waiting list	Westwood	Simon Hendey	1,468	1,539	1,504	1,538	1,592	Measure only	n/a
HFA6	Voids cumulative re-let time (general/older persons) (days)	Westwood	Simon Hendey	12.52	13.52	14.37	15.63	22.59	13	

Comments from CHOS on quarter where status is amber or red:

**HFA6:** The increase in void relet time is due to multiple factors including a change in procedures by the contractor during the quarter. An action plan is in place to improve relet times during Q2.

## **Section 4 Vibrant Local Economy**

### Delivery highlights – April to June 2024

- An open call for Rural England Prosperity Funding (REPF) resulted in 31 applications totalling an over-subscribed £1million with a geographical spread across the Winchester district.
- The UK Shared Prosperity Partnership Board meeting was held on 7 June 2024 and members were able to comment on the REPF applications, above, as well as received an update on project outputs and outcomes from 2023/2024.
- Three applications for Green Business Grants received so far. Top 20 business premises across the district able to take roof top solar panels mapped to influence engagement and adoption of carbon saving investments.
- Tender for the procurement of a Winchester city centre street market operator was advertised on 17 June 2024.
- Event planning toolkit and associated Event Management guidance has been published on [Council's website](#).
- Updated information boards with maps have been installed in car parks, outside the front of the Guildhall Winchester and in Middlebrook Street to aid wayfinding and improve visitor welcome.
- In-destination marketing campaign to promote Winchester district as a sustainable tourism destination continued with promotion of Walking Weekend and National Walking Month in May with display in VIC and social media and e-newsletter content.
- Eye-Openers self-guided trail leaflet printed and distributed in Visitor Information Centre. Free download on [visitwinchester.co.uk](http://visitwinchester.co.uk) or available to purchase from VIC £3.50. Trail showcases public art, crafts and galleries across the Winchester district, supporting and enhancing the profile of the creative and cultural sector.
- Footfall to the Visitor Information Centre remains in line with numbers last year. Year to date over 25,000 visitors have been welcomed and provided with information on what to do see and do in Winchester and the wider district.



**Vibrant Local Economy - Progress against our Plans**

Ref	Project	Cabinet Member	Delivery Date	Status
1	Produce event toolkit and associated event management guidance	Cllr Thompson	June 24	<b>Completed</b>
2	Installation of new information boards with maps and wayfinding information	Cllr Thompson	June 24	<b>Completed</b>
3	Undertake consumer marketing activity including production of a public art trail leaflet	Cllr Thomason	Sep 24	<b>Completed</b>
4	Support independent business (food and drink, retail) and market towns across the district	Cllr Thomspson	Dec 24	
5	Support employment and skills projects and plans	Cllr Thompson	Mar 25	
6	Develop a Sustainable Tourism Strategy for the district	Cllr Thompson	Mar 25	
7	Develop and deliver a programme of Jane Austen 2025 PR and marketing	Cllr Thomspson	Jan 25	
8	Support local investment through both the UK Shared Prosperity and Rural Prosperity Funding programme	Cllr Thompson	Mar 25	
9	Deliver the action in the Green Economic Development Strategy	Cllr Thompson	Mar 25	
10	Deliver Digital Growth Factory (UK Shared Prosperity 24/25 funded project)	Cllr Thompson	Mar 25	
11	Explore future uses of the Guildhall and Abbey House	Cllr Tod	Spring 25	
12	Review of Concessionary Rental Policy	Cllr Tod	Jan 24	<b>Completed</b>
13	Implementation of a new Business Rates exemption and relief to support green technologies.	Cllr Cutler	Mar 24	<b>Completed</b>

## Vibrant Local Economy - Measuring our progress

Long range trackers (Annual)								
No.	Performance measure	Cabinet member (Cllr)	Lead Director	20/21	21/22	22/23	23/24	Target 24/25
VLE1	% of economically active people in employment (aged 16-64 - source: NOMIS)	Thompson	Dawn Adey	77.4%	83.7%	75.1%	Not yet available	Measure only
VLE2	Business counts (micro, small, medium, large – source: NOMIS)	Thompson	Dawn Adey	8,035	8,110	8,165	8,225	Measure only

Practical real-time measures (Quarterly)										
No.	Performance measure	Cabinet member (Cllr)	Lead Director	Q1 - 23/24	Q2 - 23/24	Q3 - 23/24	Q4 - 23/24	Q1 - 24/25	Target 24/25	Status
VLE3	% of WCC revenue spend with local suppliers	Cutler	Dawn Adey	26.44%	23.43%	22.28%	31.18%	22.00%	25%	
VLE4	% residents claiming out-of-work benefits <sup>6</sup>	Thompson	Dawn Adey	2.0%	2.0%	2.0%	2.0%	2.10%	Measure only	n/a
VLE5	City centre high street footfall – total number of unique visitor count <sup>7</sup>	Thompson	Dawn Adey	489,475	678,425	688,909	468,438	429,807	Measure only	n/a

### Footnotes:

<sup>6</sup> Data provided by ONS – “CC01 Regional labour market: Claimant Count by unitary and local authority”. Published 17<sup>th</sup> of the month.

<sup>7</sup> Provided by the Winchester BID Place Informatic reports – Please note: From April 24, the calculation method and algorithms in their datasets used in their dashboard have been revised to be more robust, so the 24/25 data will be at lower volumes than for 23/24.

## **Section 5 Your Services. Your Voice**

### Delivery highlights – April to June 2024

- Successfully held District and Police and Crime Commissioner elections and HCC by-election on 2 May 24. Parliamentary General Election held on 4 July 24.
- Prepared for the commencement of the fieldwork for the biennial Residents' Survey, which was subsequently delayed owing to the calling of the Parliamentary Election on 4 July.
- Recruited a Digital Programme manager who is developing a Digital Vision and leading our digital transformation programme.
- On 6 June, the D-Day 80 Flag of Peace was raised at the Guildhall Winchester to mark the 80<sup>th</sup> anniversary of D-Day.
- The Freedom Parade to mark the Freedom of Entry to the Defence School of Logistics & Administration (DSLAs) took place in the City Centre on 26 June.
- King Alfred Place Estate improvements consultation, the plan has been amended in response to residents' feedback and an update on the revised plan was included on the website on 1 May 2024.
- Held the regular Parish Liaison meeting with clerks and chairs from parish and town councils which included discussions about the development of the new council plan and information was shared about the upcoming residents' survey and LGA peer challenge.
- Published our Equality, Diversity and Inclusion annual report for 24/25.
- Completed the closing of financial accounts and published our Annual Financial Report 23/24 before the 31 May statutory deadline.
- Held a performance and scrutiny training workshop in May for Scrutiny Committee members.
- Promoted the switch to e-billing enabling residents to view their council tax account information online.
- Following internal audit reviews of our project management methodology and decision-making achieved opinions of substantial assurance with no governance weaknesses observed.
- Completed preparation for LGA Corporate Peer Challenge which took place over 3 days in July.
- Received Cabinet approval to procure new waste vehicles which would run on Hydrotreated Vegetable Oil (HVO).
- There has been a net increase of 57 subscribers to the Your Council News newsletter with over 90% of new subscribers joining via the pop-up form on the homepage of the website.

**Transformation Challenge (TC25)**

<b>Lead Cabinet Member:</b> Cllr Neil Cutler	<b>Project Sponsor:</b> Liz Keys	
<b>Programme RAG status</b>	<b>Timeline</b>	<b>Budget</b>
<p><b>Progress achieved during the last quarter:</b></p> <ul style="list-style-type: none"> <li>• Actual budget impact reductions £625,632 to date.</li> <li>• Single quote contract negotiations - a total of £12k has been saved via contract negotiations by staff.</li> <li>• 25 projects/reviews have been completed to date.</li> <li>• City Offices and Guildhall cleaning contract - interim contract agreed for period to October 2024 and saving achieved.</li> <li>• Energy Management - Energy Manager now in place and is pro-actively managing energy portfolio and identifying supplier over-charging. Circa £100k of cost savings identified so far.</li> <li>• E-Billing Council Tax rate is 20.68%. Winner of the annual billing prize draw presented with prize.</li> </ul>		
<p><b>Actions for the next quarter:</b></p> <ul style="list-style-type: none"> <li>• Data analysis of customer contact channels to inform review of future arrangements in reception.</li> <li>• Pilot use of AI for taking and summarising meeting minutes.</li> <li>• Mobile Working – Proof of concept project – Digital inspections module tested for parking inspections during August to improve efficiencies and reduce carbon and costs.</li> <li>• Review of costs, recharges and allocations to ensure fees and charges achieve full cost recovery (ahead of annual update of fees and charges schedule of rates for 2025/26).</li> <li>• Review of portfolio of paintings, civic silver, and other items – external review undertaken, and report received. Working Group being set up to review and discuss options.</li> </ul>		

**Your Services. Your Voice - Progress against our plans**

Ref	Project	Cabinet Member	Delivery Date	Status
1	Undertake a district wide Residents' and Young Persons' survey	Cllr Becker	Aug 24	
2	Development of a corporate digital strategy that drives innovation across the council	Cllr Cutler	Sep-24	
3	Modernise the contact channels our residents and businesses use to contact and do business with the council to improve the customer journey	Cllr Cutler	2025	
4	Adoption of a Council Plan 2025-30 that is fit for the future	Cllr Tod	Jan 25	
5	Review and improve our approach to consultation and engagement, by adopting a new Consultation and Engagement Policy and Charter	Cllr Becker	Dec 24	
6	Further promotion of self-serve and digital services including the increased take-up of electronic billing (rollout of "Digital by Default") and notifications for Council Tax, Business Rates and Housing Benefits services, and the further roll out of SMS for the issue of electronic payment alerts and reminders. This will lead to more efficient process and a reduce in printing and postage costs with the additional benefit of reduced carbon.	Cllr Cutler	2025/26	
7	Review our complaints policy and processes and demonstrate learning from complaints to drive service improvements	Cllr Cutler	Jun 25	
8	Establish and introduce new tenant/leaseholder engagement programme	Cllr Westwood	May 24	
9	Deliver customer focussed digital transformation of housing services	Cllr Westwood	Mar 26	
10	Install improvements to the audio/visual systems for public facing meetings	Cllr Cutler	Apr 24	<b>Complete</b>
11	Increase subscription take up to the Your Council News email newsletter	Cllr Tod	Jun 24	

**Your Services. Your Voice - Measuring our progress**

Long range trackers (Annual)									
No.	Performance measure	Cabinet member (Cllr)	Lead Director	2021	2022	2023	2024	Target 2024	Status
YSYV1	Residents' satisfaction with the way the council runs things (Residents' Survey)	Becker	Laura Taylor	No survey	75% (SE 62%)	No survey	Not yet available	79%	n/a
YSYV2	% of Residents' Survey respondents that feel the council involves residents when making decisions	Becker	Laura Taylor	No survey	58%	No survey	Not yet available	60%	n/a

Practical real-time measures (Quarterly)										
No.	Performance measure	Cabinet member (Cllr)	Lead Director	Q1 - 23/24	Q2 - 23/24	Q3 - 23/24	Q4 - 23/24	Q1 - 24/25	Target 24/25	Status
YSYV3	% complaints responded to within 10 working days	Becker	Liz Keys	57%	62%	71%	79%	79%	90%	
YSYV4	% of upheld and partially upheld complaints	Becker	Liz Keys	68%	58%	63%	68%	47%	Measure only	n/a
YSYV5	Number of residents digitally interacting with the council (number of online reports submitted through online forms platforms)	Becker	Liz Keys	10,195	9,429	4,972	15,513	8,837	42,000	
YSYV6	Number of respondents to consultations	Becker	Laura Taylor	998	734	9,672	1,182	1,182	Measure only	n/a
YSYV7	% of major planning applications decided within time or agreed extension (WCC / SDNP)	Porter	Dawn Adey	100% / ~	100% / ~	78% / ~	100% / ~	100% / 100%	80%	
YSYV8	% of non-major planning applications decided within time or agreed extension (WCC / SDNP)	Porter	Dawn Adey	96% / 83%	93% / 82%	95% / 81%	96% / 94%	97% / 86%	80%	

Comments on quarter:

**YSYV3:** Complaint completion rate for the quarter was impacted by a lower-than-average number being completed in time in April, due to unexpected resource absence. Since then, completion percentages have steadily risen and for June were at 94%. **Staff shortages resolved, now running at 100%.**

**Section 6 Regeneration and Growth**

**Bar End Depot**

<b>Lead Cabinet Member:</b> Cllr Martin Tod	<b>Project Sponsor:</b> Dawn Adey/ Simon Hendeby	
<b>Programme RAG status</b>	<b>Timeline</b>	<b>Budget</b>
<p><b>Progress achieved during the last quarter:</b></p> <ul style="list-style-type: none"> <li>• Four bidders were interviewed in February and the shortlist is now down to a single preferred bidder.</li> <li>• Final due diligence is being undertaken and Heads of Terms (HOTs) are being negotiated.</li> </ul>		
<p><b>Actions for the next quarter:</b></p> <ul style="list-style-type: none"> <li>• A recommendation for preferred bidder will be presented to Cabinet on 15 October 2024.</li> <li>• External lawyers to be instructed.</li> <li>• Heads of Terms to be finalised.</li> <li>• Cabinet paper to be prepared.</li> <li>• Preferred bidder to commission ground condition surveys.</li> </ul>		



**Central Winchester Regeneration (CWR)**

<b>Lead Cabinet Member:</b> Cllr Martin Tod	<b>Project Sponsor:</b> Dawn Adey/Ken Baikie	
<b>Programme RAG status</b>	<b>Timeline</b>	<b>Budget</b>
<p><b>Progress achieved during the last quarter:</b></p> <ul style="list-style-type: none"> <li>• Work on the new open space at Friarsgate has continued, with hard landscaping now complete and soft landscaping well underway. The space was open in time for the Hat Fair at the beginning of July.</li> <li>• Co-Creation Workshops with key stakeholders well held in the Nutshell over a three-day period. Jigsaw plan to present their findings in the coming weeks, after a final session has been held with members. Work on the DDP is progressing with several chapters nearing the stage for initial internal review.</li> </ul>		
<p><b>Actions for the next quarter:</b></p> <ul style="list-style-type: none"> <li>• The new Friarsgate Park will be open to the public. While a few more elements will be added to enhance the space over the coming months, the majority of the work will be complete.</li> <li>• The Archaeological dig at Friarsgate Park will begin on the 22 July and run for six weeks. During this time there will be two open days where members of the public can come down and see what has been found.</li> <li>• Work will continue on the DDP, which is working towards a completion date in Q3.</li> </ul>		

## Local Plan

<b>Lead Cabinet Member:</b> Cllr Jackie Porter	<b>Project Sponsor:</b> Dawn Adey	
<b>Programme RAG status</b>	<b>Timeline</b>	<b>Budget</b>
<p><b>Progress achieved during the last quarter:</b></p> <p>Analysis of the recommendations from the Regulation 18 Local Plan consultation are being completed.</p> <p>During Q1 a number of draft Local Plan Topic Papers on a range of issues (Housing, Carbon Neutrality and Embodied Carbon, Heritage, Site Selection Process, Gypsy and Travellers and Student accommodation) that will accompany the Regulation 19 Local Plan have been completed. This was a key recommendation from the Planning Inspectorate (PINS) advisory meeting held in June 2023. The draft Local Plan topic papers have been discussed with an Inspector at the second PINS advisory meeting in April 2024.</p> <p>Work on the evidence Base continues, this needs to be concluded before the Regulation 19 Local Plan can be agreed by Cabinet / Full Council for public consultation. This includes:</p> <ul style="list-style-type: none"> <li>• Retail and Town centre study.</li> <li>• Strategic Transport Assessment.</li> <li>• Preparing and agreeing Site Delivery Statements.</li> <li>• Undertaking further work on a nutrient neutrality mitigation strategy.</li> <li>• Preparing an Infrastructure Delivery Plan; and</li> </ul> <p>Work with consultants continues to undertake additional areas of Evidence Base that have come out of the representations to the Regulation 18 Local Plan:</p> <ul style="list-style-type: none"> <li>• Flood site sequential test and Stage 2 Strategic Flood Risk Assessment.</li> <li>• Review of existing Settlement Gaps; and</li> <li>• Focused update to the Strategic Housing Market Assessment.</li> </ul> <p>Work with consultants continues to prepare the Integrated Impact Assessment, Habitats Regulation Assessment, Strategic Transport Assessment and Local Plan Viability Assessment.</p> <p>Work continues with engaging neighbouring Local Planning authorities and statutory agencies such as Southern Water, Natural England on the content of Statement of Common Grounds. Officers have also prepared the draft report for Cabinet/Full Council on the Proposed Submission Local Plan (Regulation 19) and been working with the graphic designer on the version of the Local Plan that is due to be considered at Scrutiny on 29 July 2024.</p>		
<p><b>Actions for the next quarter:</b></p> <p>Finalise:</p> <ul style="list-style-type: none"> <li>• The outstanding analysis of the Reg 18 representations,</li> <li>• The Local Plan Evidence Base and the Local Plan Topic Papers,</li> <li>• Continue to work on the Statement of Common Ground and the Statement of Compliance,</li> <li>• Work with the Communications team regarding the publicity of the date of the Scrutiny meeting,</li> <li>• Prepare for the Scrutiny meeting at the end of July; and</li> <li>• Start making arrangements for the public consultation in terms of preparing a FAQs and ensuring that the Local Plan website is up to date.</li> </ul>		

## Station Approach

<b>Lead Cabinet Member:</b> Cllr Martin Tod	<b>Project Sponsor:</b> Dawn Adey/ Ken Baikie	
<b>Programme RAG status</b>	<b>Timeline</b>	<b>Budget</b>
<p><b>Progress achieved during the last quarter:</b></p> <p><u>Concept Master Plan and public consultation:</u></p> <ul style="list-style-type: none"> <li>• Design Engine Architects have spent the last three months working on the Concept Master Plan (CMP) and the public consultation boards. An initial first draft of the CMP was shared with the Board and Reference group at the beginning of April, where feedback was provided from the group and alterations were then made. This allowed Design Engine to then begin work on the consultation material that will be used to create an on-line consultation via the Station Approach website. A draft version of the consultation boards have been shared with the Project Group and Board and their feedback has informed further iterations of the material. We are now in the process of finalising the boards for approval.</li> <li>• Due to the announcement of the General Election in July, the consultation period has been delayed until 16 September and will run for six weeks until the 27 October.</li> </ul>		
<p><b>Actions for the next quarter:</b></p> <ul style="list-style-type: none"> <li>• Public consultation material and supporting documents will be finalised.</li> <li>• The consultation will begin towards the end the quarter and run into Q3.</li> </ul>		

## Winchester Movement Strategy

<b>Lead Cabinet Member:</b> Cllr Kelsie Learney	<b>Project Sponsor:</b> Simon Hendey	
<b>Programme RAG status</b>	<b>Timeline</b>	<b>Budget</b>
<p><b>Progress achieved during the last quarter:</b></p> <p>A very good response level to the public consultation on Fulflood Liveable Neighbourhood scheme ‘co-discover’ was received by HCC and analysis is awaited The Engagement Analysis Report will show where residents in Fulflood have identified as ‘good’ and ‘not good’ for walking and cycling through and around the neighbourhood.</p> <p>Work with Solent Transport continues finalising details on a micro consolidation (delivery hub) trial in the city centre. The trial will look at social, environmental and economic impacts of a last mile city centre delivery hub over 12 months.</p> <p>Public consultation on District Local Cycling and Walking Infrastructure Plan underway to get feedback on the walking and cycle network put forward for improvements.</p> <p>Ongoing development of the City Local Cycling Walking and Infrastructure Plan.</p> <p>Ongoing work with HCC on Worthy Lane walking and cycling improvements. Phase 1 of the scheme widened shared use path, new crossing and trial continuous footways at Stoke Road and Dyson Drive, to start in the Autumn.</p>		
<p><b>Actions for the next quarter:</b></p> <p>Co-design stage with stakeholders of the Fulflood Liveable Neighbourhood scheme – a number of engagement workshops are to be undertaken with residents looking at which interventions would be supported and where so as to improve walking and cycling routes through and around Fulflood.</p> <p>Finalise details of the micro consolidation scheme to allow a 12-month trial of last mile delivery consolidation to start.</p> <p>Analysis of the District Local Cycling and Walking Infrastructure Plan public consultation responses</p> <p>Audits of the walking and cycling routes to be consulted on will be undertaken for the City Local Cycling and Walking Infrastructure Plan ready for consultation later in the year.</p> <p>Start construction of Phase 1 of Worthy Lane walking and cycling improvements by Dyson Drive and Stoke Road.</p>		

## **FINANCE REPORT**

### **Section 7 - Financial Position**

This section presents a summary of the council's financial position as of 30 June 2024 regarding the General Fund and Housing Revenue Account budgets.

#### **General Fund Revenue**

##### **Summary**

1. A balanced 2024/25 budget was set by Council in February 2024 (CAB3444 refers).
2. Inflation has steadily reduced since the budget was set in February to 2% in June 2024 (CPI). Whilst this reduction is not expected to have a material impact on 2024/25 forecasts, if inflation were to remain at current levels, then this would result in a positive impact from 2025/26 onwards.
3. Retained Business Rates – the final outturn for 2023/24 (NNDR3 return) resulted in an end of year surplus of £3.7m, with Winchester receiving a share of £1.5m. This £1.5m surplus will be distributed over 2024/25 (£1.06m) and 2025/26 (£0.44m). The cause of this variance is a significant reduction in the provision for appeals now that the 2017 rating appeals have all been determined. Whilst these decisions are incorporated into estimates from 2024/25 the forecasting of appeals remains a highly complex process, often with little information to go on, and so it is likely that further releases will take place.
4. Income forecasts
  - i) Planning Fees- £0.1m adverse in Q1. Despite government set fee increases, volume has further reduced in Q1 leading to an adverse budget variance. Work is ongoing to re-forecast income for the full year, particularly large applications which make up a large proportion of total income.
  - ii) Building Control - £0.05m adverse in Q1. Despite fee increases for Q1 2024/25, volume has fallen by a further c40% compared to Q1 2023/24. Work is ongoing to re-forecast income for the full year but to note that income in July was above budget and highlights the 'lumpy' nature of income during the year.
  - iii) Car Parking - £0.3m favourable full year forecast. Income in Q1 was significantly higher than expected due to higher usage levels across all central car parks.
  - iv) Premises Licensing - £0.09m favourable full year forecast. A post-covid recovery in licensing income was seen in the 2023/24 outturn and this is expected to continue in 2024/25 onwards.

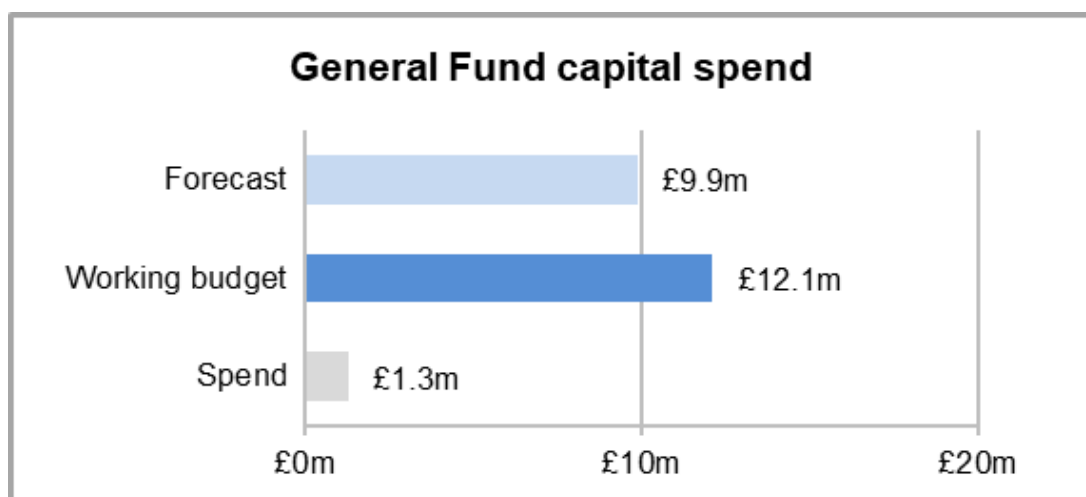
5. A baseline budget growth of £0.4m was approved from 2023/24 in relation to increased energy costs at Winchester Sport and Leisure Park. The 2023/24 energy benchmarking resulted in a net payment of £0.36m to Everyone Active but very early indications are that this could significantly reduce from 2024/25.
6. The above updated forecasts give a total forecast 2024/25 favourable budget variance of £0.24m relating to net service expenditure, plus £1.06m relating to retained business rates. These estimates will be considered as part of the 2025/26 budget process in order to determine whether any ongoing impact is expected.

### **General Fund Budget Forecast 2024/25**

	Budget	Forecast	Variance FAV/(ADV)
	£'000	£'000	£'000
Environment	7,256	7,016	240
Living Well	3,984	3,984	
Homes for All	2,512	2,512	
Vibrant Local Economy	991	991	
Your Services. Your Voice	7,269	7,269	
	<hr/>		
TOTAL before funding	<b>22,012</b>	<b>21,772</b>	<b>240</b>
TOTAL funding	<b>(22,012)</b>	<b>(23,072)</b>	<b>1,060</b>
	<hr/>		
FORECAST BUDGET UNDERSPEND			<b>1,300</b>

## General Fund Capital

1. General Fund capital expenditure to the end of June was £1.3m which relates to several different projects: KGV Pavilion (£0.18m), Disabled Facilities grants (£0.32m), Venta Living housing company purchase of share capital (£0.15m), KGV play area (£0.11m), St Catherine's Park & Ride resurfacing (£0.11m), and WCFC all-weather 3G pitch (£0.1m). There have also been small amounts of expenditure on several other projects.
2. Capital budgets for 2024/25 have been revised for brought forward balances and other changes, such as reforecasting, as part of the General Fund 2023/24 outturn reported to September cabinet (CAB3464 refers), and this is reflected in the forecast below. Due to the nature of capital expenditure, there is always a risk of programme slippage particularly in respect of projects that have yet to commence.
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 2024/25.



4. Key items of expenditure in Q1 2024/25:

- **King George V (KGV) Pavilion** *Total Budget: £3.3m*

*Exp: Prior years £3.09m                      Q1 £0.18m                      Total £3.27m*

Work on the new pavilion has been completed and it was officially opened on 1 August although users have been able to enjoy its facilities since June. It is now in the final account stage. 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.

• **WCFC all-weather 3G pitch** *Total Budget: £1.466m*

*Exp: Prior years £0* *Q1 £0.14m* *Total £0.14m*

Following a successful grant application which will fund almost 90% of the project costs, work has started on the installation of a 3G artificial turf pitch at the Winchester City Football Club alongside some stadium improvements. The project will deliver on aims and commitments such as reduced health inequalities, a wide range of physical and cultural activities for all ages and abilities and supporting communities to extend the range of sports and cultural facilities across the district. In addition to providing opportunities to host inter-school tournaments and skills workshops for under 16s, older adults, and disability football, the new facilities will offer new opportunities for female coaches and players through the involvement of Winchester City Flyers FC.

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

*Expenditure: recurring annually Q1 £0.32m*

During the period 1 April to 30 June £315,000 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.

• **59 Colebrook St.** *Total Budget: £0.61m*

*Exp: Prior years £0.003m* *Q1 £0.099m* *Total £0.102m*

The refurbishment and conversion of 59 Colebrook Street for shared accommodation is underway. Around 75% of the budget is funded from external grants and initially the property will be used to house those from the Ukrainian Resettlement scheme.

• **Housing Company** *Total Budget: £0.15m*

*Exp: Prior years £0* *Q1 £0.15m* *Total £0.15m*

£150,000 has been spent on the purchase of share capital in the council's wholly owned subsidiary, Venta Living. This is based on a leasing model whereby the council's HRA has leased a total of 41 flats recently completed as part of the HRA new build programme. It enables the council to provide alternative tenure and support those who may be unable to easily access the private sector rental market.



## **HOUSING REVENUE ACCOUNT**

<b>Housing Revenue Account Budget Forecast 2024/25 (£000)</b>	<b>Expenditure</b>	<b>Income</b>	<b>NET</b>
Housing Management - General	7,431	(164)	7,267
Housing Management - Special	4,307	(2,119)	2,188
Repairs & Repairs administration	9,968	(127)	9,841
Debt management & interest income	5,624	0	5,624
Contribution to Major Repairs costs (Depreciation)	10,216	0	10,216
<b>TOTAL</b>	<b>37,546</b>	<b>(2,410)</b>	<b>35,136</b>
Rent, Service Charges & Other income			(34,545)
<b>FORECAST BUDGET DEFICIT</b>			<b>591</b>
<b>AGREED BUDGET DEFICIT</b>			<b>1,704</b>
<b>Forecast movement:</b>			<b>(1,114)</b>
<b>Of which (net):</b>			
<b>Baseline</b>			<b>1,116</b>
<b>One-off</b>			<b>(2,229)</b>

### **Housing Revenue Account summary**

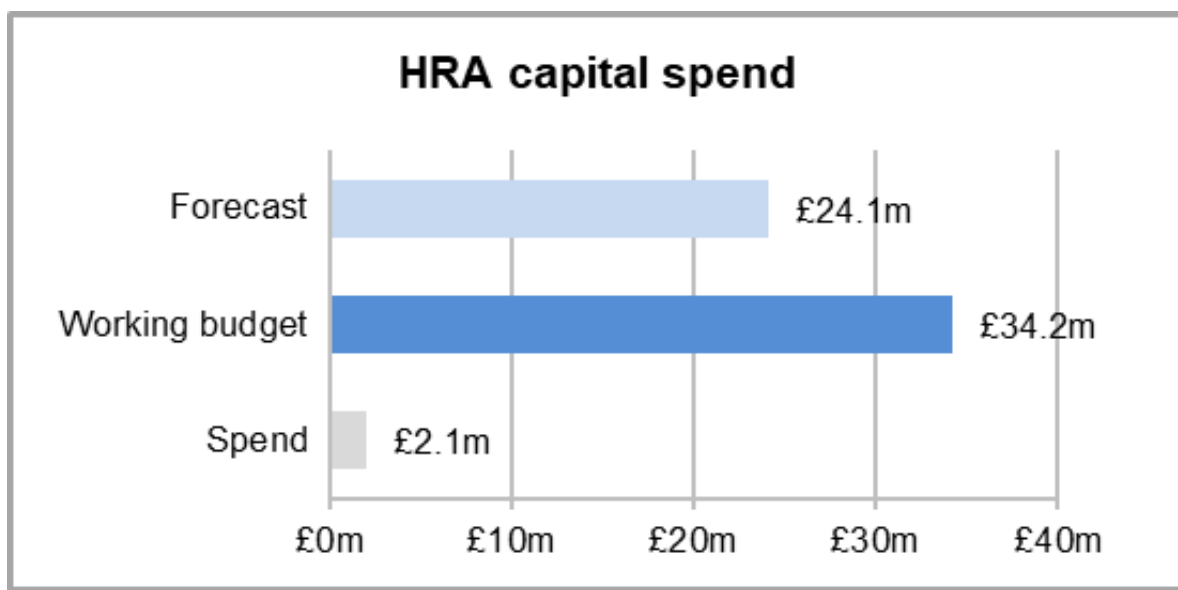
1. A deficit 2024/25 HRA budget of £1.7m was set by Council in February 2024 (CAB3445 refers).
2. The current end of year forecast is an overall deficit of £0.59m. This currently excludes the impact of capitalising the extension of time claim at Winnall Flats following agreement in June 2024, to give a clear picture of the underlying financial performance of the HRA. The key movements in the forecast are as follows:
  - i) The Outturn report CAB3445 outlines a significant overspend on repairs & maintenance costs, which is a result of a combination of increases in the volume of works being undertaken, and increased costs due to materials inflation. This continued into the 2024/25 financial year, with materials costs remaining at a high level. This is driving a forecast adverse variance on cyclical and voids costs of

£1m. Measures to address the high cost of maintenance works, including prioritisation of work, recharge policy etc are currently being reviewed.

- ii) Budgeted depreciation for HRA assets is an estimate based on prior year data, adjusted for inflation. Actual depreciation is affected by several factors such as the annual valuation of the council's housing stock and underlying component costs: therefore, varying from forecast. The budgeted depreciation for 2024/25 was based on the 2022/23 data available at the time of budget setting. Levels of actual depreciation for 2023/24 indicate that the budget for 2024/25 may be insufficient, so an adverse variance of £0.24m is currently forecast.
  - iii) The budgeted cost of external interest is currently £8.1m, which is sufficient to fund all current borrowing at 5%. The capital forecast indicates that a significant proportion of the unallocated new build budget will not be spent in this financial year, which will allow current unfinanced debt to continue to be internally borrowed, generating a one-off favourable variance of £2.1m in 2024/25.
3. The HRA budget approved by Council included budget savings of £0.4m to be achieved by 2024/25. The business plan set in February 2024 included £0.2m of identified savings, with a further £0.2m to be identified during the 2024/25 financial year. This has been achieved through staff restructuring during the first quarter of 2024/25 and is reflected as a favourable variance of £0.2m in the forecast.

### **Housing Revenue Account Capital Spend**

1. Housing capital expenditure to the end of June 2024 was £2.059m, of which:
  - £0.876m was on major works.
  - £0.102m improvements & upgrades.
  - £0.835m on the New Build programme; and
  - £0.245m on other schemes.
2. Capital budgets for 2023/24 will be revised for carried forward balances and other changes as part of the HRA outturn report (report CAB3465). Due to the nature of capital expenditure, there is always a risk of programme slippage, particularly in respect of the unallocated new builds budget that is largely pending decisions to proceed with specific projects.



3. Key items of expenditure in Q1 2024/25 includes:

- **Major repairs** *Total Budget £10.405m*

*Exp: Recurring Annually* *Q1 £0.876m*

The major repairs programme reflects the planned major repairs to the Council's housing stock, and includes investment in doors, windows, wall structures, kitchens and bathrooms, roofing and other similar major works. The budget has been reprofiled in Quarter 1 to reflect anticipated planned works in 2024/25.

- **Climate Emergency** *Total Budget £4.905m*

*Exp: Recurring annually* *Q1: £0.071m*

The agreed HRA Business plan agreed a £45m investment into energy efficiency measures across the housing stock over the next 8 years, and includes expenditure on insulation and ventilation measures, and significant energy investment measures at the Swiss Cottages. The current programme for 2024/25 is anticipated at £5.47m, the increase a result of final tender costs and high cost works to non-traditional properties. In addition to the planned works for 2024/25, energy efficiency works totalling £1.3m not complete on 31<sup>st</sup> March will be completing during 2024/25. The costs of these will be met from proposed reprofiling of 2023/24 underspend into 2024/25.

- **Improvements & Upgrades** *Total budget £0.688m*

*Exp: Recurring Annually* *Q1 £0.102m*

The budget for improvements and upgrades relates specifically to Sheltered Housing upgrades and Estates improvements. The Estates improvements programme expected spend for 2024/25 is £0.35m, against budget of £0.53m. Carry forward from prior years is proposed to be slipped to future years within the HRA business plan to facilitate future works.

## **New build:**

- **Corner House**

*Total Budget £0.986m*

*Exp: £0*

*Q1 £0*

The Corner House scheme is currently undergoing viability works to inform an outline business case in Q4 of 2024/25. If approved, detail design work and planning application development will proceed in late 2024/25. It is therefore unlikely that capital works will begin until 2025/26 financial year; the forecast for 2024/25 will therefore be zero and the budget reprofiled as part of the 2024/25 business planning process.

- **Barton Farm Extra Care**

*Total Budget £0.189m*

*Exp: £0*

*Q1: £0*

Discussions are ongoing with Cala Homes, the site developer. Outline business case, initial design work and tender process are expected to progress in 2024/5. Depending on progress the process of land acquisition, more detailed design and planning application development will begin in 2025/26. It is therefore unlikely that capital works will begin until 2025/26 financial year, at the earliest, or the following year; the forecast for 2024/25 will therefore be zero and the budget reprofiled as part of the 2024/25 business planning process.

- **Nutrient Mitigation**

*Total budget £0.6m*

*Exp: Prior years – None*

*Q1: £0*

At its July meeting, Cabinet agreed to proceed with £0.4m projects in 2024/25. The forecast has been amended to £0.4m to reflect this decision. Detailed work on developing the approach to implementation has already commenced with a detailed programme likely to be developed in Q3 2024/25.

- **Winnall flats**

*Total budget £19.5m*

*Exp Prior years: £16.873m*

*Q1: £0.861m*

*Total £17.734m*

The development at Winnall is expected to be handed over in 2024/25, (how many units – check), with a forecast overall cost of £19.9m. Overall costs to be incurred in 2024/25 is expected to be £2.9m, and budget carry forward of £2.1m from 2024/25 is pending agreement as part of the outturn report.

- **Local Authority Housing Fund**

*Total budget: £12.145m*

*Exp: Prior years £10.306m*

*Q1 £0*

*Total £10.306m*

The Local Authority Housing fund is specific government grant funding awarded to the council to support the resettlement of Ukrainian refugees via acquisition or new build of properties. The council agreed to acquire a number of properties into the HRA in 2023/24, of which at the 2023/24 year end a small number of properties were

still awaiting final completion. The budget for the purchase costs, and associated assumed repair costs, are proposed to be carried forward into 2024/25 within the outturn report.

- **New Build Unallocated**

*Total budget £13.703m*

*Exp: Is allocated to specific sites following decision to proceed.*

This capital budget represents the business plan commitment to deliver 1,000 new homes by 2030, for which sites have not yet been allocated. To date in 2024/25, commitment has been made to acquire four properties in 2024/5 at a forecast cost of £1.36m. The remainder of the budget is forecast to be unspent pending the identification and viability assessments of potential opportunities (both council commissioned new build on the council's own land and off the shelf new-build acquisitions from developers), and subsequent formal decisions to proceed.

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## Forward Plan of Key Decisions

1 October 2024 – 31 December 2024

This document sets out key decisions to be taken within the next 28 days, together with any key decision by individual Members of the Cabinet and officers. It also includes potential key decisions beyond that period, though this is not comprehensive and items will be confirmed in the publication of the key decisions document 28 days before a decision is taken.

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 Committees, Cabinet Members or Officers in accordance with the Officers' Scheme of Delegation, as agreed by the Council.

Whilst the majority of the Cabinet's business at the meetings listed in this document will be open to the public, there will be occasions when the business to be considered contains confidential, commercially sensitive or personal information. The items of business where this is likely to apply are indicated on the plan.

This is formal notice under The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 that part of the Cabinet meetings listed in this document may be held in private because the agenda and reports for the meeting will contain exempt information under Part 1 of Schedule 12A to the Local Government Act 1972 (as amended) and that the public interest in withholding the information outweighs the public interest in disclosing it.

If you have any representations as to why the meeting should be held in private, then please contact the Council via [democracy@winchester.gov.uk](mailto:democracy@winchester.gov.uk) . **[Please follow this link to the Council's Constitution](#) which includes a definition of the paragraphs** (Access to Information Procedure Rules, Part 4 paragraph 8.4) detailing why a matter may be classed as exempt from publication under the Local Government Acts, and not available to the public.

Anyone who wishes to make representations about any item included in the Plan please contact the Democratic Services Team prior to the meeting to make your request. Copies of documents listed in the Plan for submission to a decision taker are available for inspection on the Council's website. Where the document is a committee report, it will usually be available five days before the meeting. Other documents relevant to the decision may also be submitted to the decision maker and are available on Council's website or via email [democracy@winchester.gov.uk](mailto:democracy@winchester.gov.uk).

Please note that the decision dates are indicative and occasionally subject to change.

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



	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 & Cabinet committees**

Page 161	1	Sir John Moore Barracks Concept Masterplan	Cabinet Member for Place & Local Plan	Yes	Littleton & Harestock	Julie Pinnock	Cabinet report	Cabinet	Oct-24	15-Oct-24	Open
		Bar End depot disposal	Cabinet Member for Asset Management	Yes	St Michael	Geoff Coe	Cabinet report	Cabinet	Oct-24	15-Oct-24	Part exempt 3
	3	Hazeley Road, Twyford - Acquisition of S106 Homes	Cabinet Member for Housing	Yes	Colden Common & Twyford	Caroline Egan	Cabinet report	Cabinet	Oct-24	15-Oct-24	Fully exempt 3
	4	River Park Cricket Pavilion	Cabinet Member for Community and Engagement	Yes	St Bartholomew	Susan Robbins	Cabinet report	Cabinet	Oct-24	15-Oct-24	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 (if required)	Cabinet Member for Asset Management	Yes	All Wards	Geoff Coe	Cabinet report	Cabinet	Oct-24	15-Oct-24	Part exempt 3
6	<i>Temporary accommodation plan &amp; pathways</i>	<i>Cabinet Member for Housing</i>	Yes	<i>All Wards</i>	<i>Karen Thorburn</i>	<i>Cabinet report</i>	<i>Cabinet Committee: Housing</i>	<i>Nov-24</i>	<i>5-Nov-24</i>	<i>Open</i>
7	<i>Procurement of HRA Repairs and Maintenance Term Contract</i>	<i>Cabinet Member for Housing</i>	Yes	<i>All Wards</i>	<i>Andrew Donaldson</i>	<i>Cabinet report</i>	<i>Cabinet</i>	<i>Nov-24</i>	<i>20-Nov-24</i>	<i>Open</i>
8	<i>Future of Waste and Recycling</i>	<i>Cabinet Member for Climate Emergency</i>	Yes	<i>All Wards</i>	<i>Andy Hickman</i>	<i>Cabinet report</i>	<i>Cabinet</i>	<i>Nov-24</i>	<i>20-Nov-24</i>	<i>Open</i>
9	<i>Public Toilets Improvement Strategy Update</i>	<i>Cabinet Member for Climate Emergency</i>	Yes	<i>All Wards</i>	<i>Andy Hickman</i>	<i>Cabinet report</i>	<i>Cabinet</i>	<i>Nov-24</i>	<i>20-Nov-24</i>	<i>Open</i>

	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	
	10	Q2 Finance & Performance Monitoring	Cabinet Member for Finance and Performance	Yes	All Wards	Simon Howson	Cabinet report	Cabinet	Nov-24	20-Nov-24	Open
Page 163	11	HRA business plan & budget options	Cabinet Member for Housing	Yes	All Wards	Simon Hendey	Cabinet report	Cabinet	Nov-24	20-Nov-24	Open
	12	General Fund Budget Options & Medium Term Financial Strategy	Cabinet Member for Finance and Performance	Yes	All Wards	Liz Keys	Cabinet report	Cabinet	Nov-24	20-Nov-24	Open
	13	Council Plan 2025-30	Cabinet Member for Asset Management	No	All Wards	Simon Howson	Cabinet report	Cabinet Council	Dec-24 Jan-25	11-Dec-24 15-Jan-25	Open

**Section B**

Decisions made by individual Cabinet Members

None currently scheduled

	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**

14	Treasury Management - decisions in accordance with the Council's approved strategy and policy	Cabinet Member for Finance and Performance	Yes	All Wards	Designated HCC Finance staff, daily	Designated working papers	Designated HCC Finance staff, daily	Oct-24	Oct-24	Open
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**Section D**

**Proposed budget timetable 2024/25**

*\*Not classed as key decisions as final decision taken by full Council*

15	<i>General Fund budget 2025/26*</i>	<i>Cabinet Member for Finance and Performance</i>	<i>No</i>	<i>All Wards</i>	<i>Liz Keys</i>	<i>Cabinet report</i>	<i>Cabinet Council</i>	<i>Feb-25</i>	<i>12-Feb-25 27-Feb-25</i>	<i>Open</i>
16	<i>Housing Revenue Account budget 2025/26*</i>	<i>Cabinet Member for Housing</i>	<i>No</i>	<i>All Wards</i>	<i>Liz Keys</i>	<i>Cabinet report</i>	<i>Cabinet Committee Housing Cabinet Council</i>	<i>Feb-25 Feb-25</i>	<i>3-Feb-25 12-Feb-25 27-Feb-25</i>	<i>Open</i>

	<b>Item</b>	<b>Cabinet Member</b>	<b>Key Decision</b>	<b>Wards Affected</b>	<b>Lead Officer</b>	<b>Documents submitted to decision taker</b>	<b>Decision taker (Cabinet, Cabinet Member or Officer)</b>	<b>Date/period decision to be taken</b>	<b>Committee Date (if applicable)</b>	<b>Open/private meeting or document? If private meeting, include relevant exempt paragraph number</b>
17	<i>Capital investment Strategy 2025 - 2035*</i>	<i>Cabinet Member for Finance and Performance</i>	<i>No</i>	<i>All Wards</i>	<i>Liz Keys</i>	<i>Cabinet report</i>	<i>Cabinet Council</i>	<i>Feb-25 Feb-25</i>	<i>12-Feb-25 27-Feb-25</i>	<i>Open</i>

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