



Meeting	The Scrutiny Committee
Date and Time	Thursday, 13th November, 2025 at 6.30 pm.
Venue	Walton Suite, Guildhall, Winchester and streamed live on YouTube at www.youtube.com/winchestercc

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

A limited number of seats will be made available at the above named location however attendance must be notified to the council at least 3 working days before the meeting (5pm Friday, 7 November 2025). Please see below for details on how to register to attend. Please note that priority will be given to those wishing to attend and address the meeting over those wishing to attend and observe.

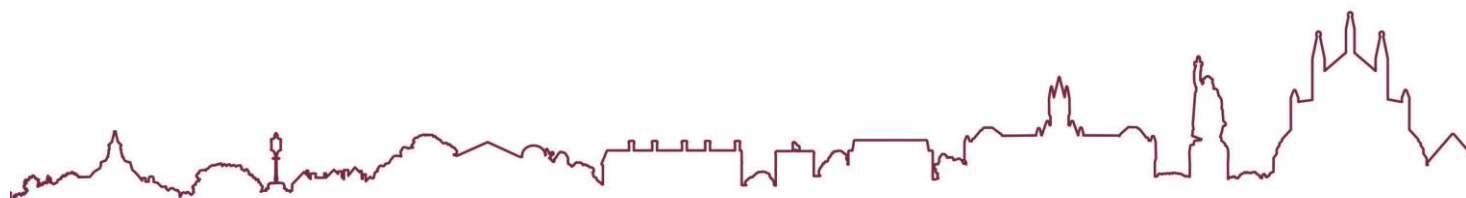
AGENDA

- 1. Apologies and Deputy Members**
To note the names of apologies given and deputy members who are attending the meeting in place of appointed members.
- 2. Declarations of Interests**
To receive any disclosure of interests from Councillors or Officers in matters to be discussed.

Note: Councillors are reminded of their obligations to declare disclosable pecuniary interests (DPIs), other registerable interests (ORIs) and non-registerable interests (NRIs) in accordance with the Council's Code of Conduct.

If you require advice, please contact the appropriate Democratic Services Officer, prior to the meeting.

- 3. Chairperson's Announcements**
- 4. Minutes of the meeting of the 8 September 2025** (Pages 5 - 12)
That the minutes of the meeting be signed as a correct record.



5. **Public Participation**

To receive and note questions asked and statements made from members of the public on matters which fall within the remit of the Committee.

Members of the public and visiting councillors may speak at the committee, provided they have registered to speak three working days in advance. Please complete [this form](https://forms.office.com/r/Y87tufaV6G) (<https://forms.office.com/r/Y87tufaV6G>) by 5pm Friday, 7 November 2025 or call (01962) 848 264 to register to speak and for further details.

6. **General Fund Budget Options & Medium Term Financial Strategy**
(Pages 13 - 42)

RECOMMENDATION

It is recommended that the committee scrutinise and comment on the proposals within the attached draft cabinet report, ref CAB3522 which is to be considered by cabinet at its meeting on the 19 November 2025.

7. **HRA Business Plan & Budget Options**
(Pages 43 - 68)

RECOMMENDATION:

It is recommended that the committee scrutinise and comment on the proposals within the attached draft cabinet report, ref CAB3523 which is to be considered by cabinet at its meeting on the 19 November 2025.

8. **Hobbs View, Southbrook Cottages, Micheldever - Lessons Learned**
(Pages 69 - 86)

RECOMMENDATION:

It is recommended that the committee scrutinise and comment on the content within the attached cabinet report, ref CAB3492, particularly the identified "lessons learned" which will be considered by cabinet at its meeting on the 19 November 2025.

9. **Q2 Finance & Performance Monitoring**
(Pages 87 - 144)

RECOMMENDATION:

That the Scrutiny Committee raises with the Deputy Leader or relevant Cabinet member any issues arising from the information in this report, ref CAB3525, which is being presented to Cabinet on the 19 November 2025 and considers whether there are any items of significance to resolve or to be drawn to the attention of Cabinet.

10. **To note the committees current Work Programme.**
(Pages 145 - 146)

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

11. **To note the latest Forward Plan of Key Decisions**
(Pages 147 - 150)

Forward Plan of Key Decisions - 1 December 2025 to 28 February 2026

Laura Taylor
Chief Executive

All of the Council's publicly available agendas, reports and minutes are available to view and download from the Council's [Website](#) and are also open to inspection at the offices of the council. As part of our drive to minimise our use of paper we do not provide paper copies of the full agenda pack at meetings. We do however, provide a number of copies of the agenda front sheet at the meeting which contains the QR Code opposite. Scanning this code enables members of the public to easily access all of the meeting papers on their own electronic device. Please hold your device's camera or QR code App over the QR Code so that it's clearly visible within your screen and you will be redirected to the agenda pack.



5 November 2025

Agenda Contact: Matthew Watson, Democratic Services Officer
Tel: 01962 848 317 Email: mwatson@winchester.gov.uk

**With the exception of exempt items, agendas, reports and previous minutes are available on the Council's Website <https://www.winchester.gov.uk/councillors-committees>*

THE SCRUTINY COMMITTEE – Membership

Chairperson: Councillor: Brook **Vice Chairperson:** Councillor Wallace

Committee Members –

Councillors:

Batho
Laming
Pett
Clear
Power
Murphy
Bolton

Quorum = 3 Members

Relevant Cabinet Members

Having regard to the content of the agenda, the Chairperson requests that The Leader and all relevant Cabinet Members attend meetings of the committee

Public Participation

A public question and comment session is available at 6.30pm for a 15 minute period. There are few limitations on the questions you can ask. These relate to current applications, personal cases and confidential matters. Please contact Democratic Services on 01962 848 264 at least three days in advance of the meeting (5pm Friday, 7 November 2025) for further details. If there are no members of the public present at 6.30pm who wish to ask questions or make statements, then the meeting will commence.

Filming And Broadcast Notification

This meeting will be recorded and broadcast live on the Council's YouTube site and may also be recorded and broadcast by the press and members of the public – please see the Access to Information Procedure Rules within the Council's Constitution for further information, which is available to view on the [Council's website](#). Please note that the video recording is subtitled, but you may have to enable your device to see them (advice on how to do this is on the meeting page).

Voting

1. Apart from the Chairperson, every member has one vote when a matter before the meeting requires a decision.
2. In the event of an equality of votes, the Chairperson may exercise a casting vote and that vote may be exercised in any way seen fit.
3. A member may abstain from voting or vote differently from how they may have indicated during the debate, without further explanation.
4. The way each member voted will not be recorded in the minutes, unless a motion to have a recorded vote has been passed.

Terms Of Reference

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

THE SCRUTINY COMMITTEE

Monday, 8 September 2025

Attendance:

Councillors
Brook (Chairperson)

Wallace
Batho
Laming
Pett

Clear
Power
Murphy
Bolton

Other members in attendance:

Councillors Lee, Cutler, Porter, Reach and Tod

[Video recording of this meeting](#)

1. **APOLOGIES AND DEPUTY MEMBERS**

No apologies for the meeting were received.

2. **DECLARATIONS OF INTERESTS**

The following declarations were made:

- a) Councillor Wallace declared a disclosable pecuniary interest due to his role as a Hampshire County Councillor. However, as there was no material conflict of interest, he remained in the room and spoke under the dispensation granted by the Audit and Governance committee.
- b) Councillor Pett declared a disclosable pecuniary interest due to his role as a member of the South Downs National Park Authority. However, as there was no material conflict of interest, he remained in the room and spoke under the dispensation granted by the Monitoring Officer.
- c) Councillor Batho and Councillor Pett declared an Other Registerable Interest as they were both Non-Executive Directors of Venta Living.

3. **CHAIRPERSON'S ANNOUNCEMENTS**

The Chairperson acknowledged receipt of recent correspondence from a member of the public regarding the Cornerhouse property which had been discussed at two previous meetings of the Committee. Following consultation with Councillor Wallace and a review of the circulated communications, both were satisfied that the matter had been appropriately addressed and concluded.

4. **MINUTES OF THE MEETING OF THE 5 JUNE 2025**

RESOLVED:

That the minutes of the previous meeting held on 5 June 2025 be approved and adopted.

5. **PUBLIC PARTICIPATION**

Councillor Danny Lee addressed the committee regarding items: 9 - Q1 Finance & Performance Monitoring and item 10 – Work Request from a Committee member: The Planning Enforcement Service and a summary of his contributions were captured within that agenda item.

6. **HOUSING REVENUE ACCOUNT OUTTURN 2024/2025**

Councillor Mark Reach, Cabinet Member for Good Homes, introduced the report, Housing Revenue Account Outturn 2024/2025, the introduction included the following points:

1. The report would be considered by Cabinet on 10 September 2025.
2. It outlined the financial performance of the HRA and the capital programme in 2024-25.
3. Approval was sought for a revised budget forecast for the 2025-26 HRA capital programme as set out in detail within the report.

The committee was recommended to scrutinise and comment on the proposals within the attached draft cabinet report, ref CAB3516, which was to be considered by cabinet at its meeting on 10 September 2025. The committee proceeded to ask questions and debate the report. In summary, the following matters were raised.

1. Clarification was sought regarding the catering provision at Chesil Lodge and whether full cost recovery had been achieved or was planned.
2. Confirmation was requested that the £300,000 received from the sale of nutrient credits would be used for upgrading wastewater treatment plants.
3. A question was raised about the possibility of using PfSH funding to accelerate the upgrade of wastewater treatment works.
4. An explanation was sought for why it appeared that only part of a £9.8 million slippage was being moved forward in the budget.
5. Questions were asked about the progress toward achieving 100% of housing stock at EPC C by 2030, including the previous year's level and whether the council was on track to meet the target.
6. An update was requested on the application to the Local Authority Housing Fund, as the report referenced decisions made in July 2025.
7. Clarification was sought on the procurement of the Swedish cottages contract.

These points were responded to by Councillor Mark Reach, Cabinet Member for Good Homes, and Simon Hendey, Strategic Director, accordingly.

RESOLVED:

1. That the report be noted.
2. That cabinet considers the committee's comments raised during the discussion of the item.

7. **GENERAL FUND OUTTURN 2024/2025**

Councillor Neil Cutler, Deputy Leader and Cabinet Member for Finance and Transformation introduced the report, General Fund Outturn 2024/2025 ref CAB3514, which provided a summary of the statement of accounts for the General Fund and Capital Programme outturn for 2024/2025. The introduction included the following points.

1. The report detailed the variances from the budget across service areas, which showed a positive outturn of £2.4 million.
2. This surplus had allowed for a transfer of just over £1.7 million to reserves and £0.7 million to the General Fund reserve.
3. As a result of these transfers and additional in-year funding, a revision of the capital programme, including new budgets, was necessary.
4. The report also sought approval for the write-off of five uncollectible non-domestic rates debts, with details provided in an exempt appendix.

The committee was asked to scrutinise and comment on the proposals within the attached draft cabinet report, ref CAB3514, which was to be considered by cabinet at its meeting on 10 September 2025. The committee proceeded to ask questions and debate the report. In summary, the following matters were raised.

1. A question was asked regarding the likelihood of the council receiving a multi-year government settlement.
2. A question was asked whether funds from the original budget that were transferred to reserves were ringfenced for their original purpose or could be moved to a general reserve.
3. A query was raised as to whether the favourable variance in car parking receipts indicated that the success of the revised parking strategy had been underestimated.
4. A question was asked about how the council's write-off of non-domestic rates compared with other similar councils.
5. Further details were requested regarding the purpose and use of the Asylum Dispersal grant.
6. A question was raised on how the spending of the £13.4m in Community Infrastructure Levy (CIL) funds could be accelerated and the allocation of interest.
7. Clarification was sought regarding who would have decision-making responsibilities for CIL funds following Local Government Reorganisation.

These points were responded to by Councillor Neil Cutler, Deputy Leader and Cabinet Member for Finance and Transformation, Councillor Jackie Porter, Cabinet Member for Place and Local Plan, Liz Keys, Director (Finance), Simon Hendey, Strategic Director, and Laura Taylor, Chief Executive, accordingly.

RESOLVED:

1. That the report be noted.
2. That the Cabinet Member for Finance and Performance consider the allocation of interest earned from Community Infrastructure Levy (CIL) funds, with the outcome to be shared with the committee.
3. That the Cabinet Member for Place and Local Plan consider a member discussion with the aim of encouraging applications and schemes for future CIL funding.
4. That cabinet considers the committee's comments raised during the discussion of the item.

8. GENERAL FUND OUTTURN 2024/2025 EXEMPT APPENDIX 7

The committee agreed that it did not need to move into an exempt session to consider the exempt appendix.

9. Q1 FINANCE & PERFORMANCE MONITORING

Councillor Neil Cutler, Deputy Leader and Cabinet Member for Finance and Transformation, introduced the report, ref CAB3513, Q1 Finance & Performance Monitoring. The introduction included the following points.

1. The report was the first performance report of the 2025/26 financial year, covering the period from 1 April to 30 June 2025.
2. The report focused on the progress and achievements made against the priorities of the new Council Plan.
3. As requested by the committee the report format was the inclusion of historical trends for the Red, Amber, and Green status of projects and performance reports to provide better context.
4. Several performance highlights were noted, including:
 - a. The council was named the best District Council nationally for tackling climate change.
 - b. The commencement of the food waste collection rollout in partnership with BIFFA.
 - c. The start of construction for the new sports pavilion at River Park.
 - d. The delivery of a green business support programme.
 - e. The achievement of gold accreditation from the Domestic Abuse Housing Alliance.

Councillor Danny Lee addressed the committee to highlight perceived gaps in the council's performance reporting. He proposed the introduction of an integrated Key Performance Indicator (KPI) for estate assets, greening, and climate resilience to cover pollinator-friendly planting, water efficiency,

community biodiversity, and embodied carbon reporting. He asked the committee to recommend this to the Cabinet as a significant item for consideration.

Councillor Lee also requested that the committee identify areas requiring additional resources to accelerate the delivery of the Council Plan, suggesting that positive financial outturns could be used for this purpose. His suggestions included a number of matters, including improving carbon savings attribution, developing an overarching master plan for major regeneration projects to reduce risk, and addressing workforce capacity issues in housing compliance and maintenance.

In response, Councillor Neil Cutler, Deputy Leader and Cabinet Member for Finance and Transformation, stated that the positive financial outturns were partly a result of project delays caused by a lack of available skills, and not a lack of funds.

The committee was asked to raise with the Deputy Leader or relevant Cabinet member any issues arising from the information in this report, ref CAB3513, which was being presented to Cabinet on 10 September 2025, and consider whether there are any items of significance to resolve or to be drawn to the attention of Cabinet.

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

1. It was reiterated that the basis of KPI targets would be included in the report.
2. It was felt that there were inconsistencies between the carbon emissions targets on page 85 and the figures presented at an earlier Carbon Neutrality Open Forum. Clarification was sought regarding this and other perceived inconsistencies in environmental data when compared with figures from the previous quarter. provided.
3. An explanation was sought for the decrease in the number of cleared fly-tips, while the clear-up rate had also slowed.
4. A question was asked regarding the South Downs National Park monitoring charge Clarification was requested on the increased visitor target for the Sport and Leisure centre on page 90, and what, if any, additional revenue this generated for the council.
5. Further information was sought on the progress and trends identified from the annual staff travel survey referenced on page 78.
6. Details were requested regarding the "Staff Heat scheme" mentioned on page 79.
7. A question was raised about ensuring a joined-up approach between the council's regeneration work to develop a comprehensive bus strategy for the city.

8. An explanation was requested for the 'red' status of open damp and mould cases and outstanding high-risk fire assessments on page 107, and what plan was in place to address these issues.
9. It was felt that there was a numerical discrepancy in the data for homes achieving an Energy Performance Certificate (EPC) rating of C or above on page 105, and whether the current trajectory for improving homes to an EPC rating of C would achieve the 2030 target.
10. A question was asked about the TC25 programme and whether 100% of the TC25 savings target would be achieved within the original timeframe.

These points were responded to by Councillor Neil Cutler, Deputy Leader and Cabinet Member for Finance and Transformation, Councillor Martin Tod, Leader and Cabinet Member for Regeneration, Councillor Mark Reach, Cabinet Member for Good Homes Laura Taylor, Chief Executive, Simon Hendey, Strategic Director, Liz Keys, Director (Finance), and Simon Howson, Senior Policy and Programme Manager accordingly.

RESOLVED:

1. The committee noted the report and agreed on the following comments and recommendations for Cabinet consideration:
 - a. That the fly-tipping performance to be reviewed, with a particular focus on the reasons for the change in clear-up rate.
 - b. That an update on the trends from the annual staff travel survey be provided to all members
 - c. That further information regarding the "Staff Heat scheme" be provided to all members.
 - d. That the programme of works to achieve an Energy Performance Certificate (EPC) rating of C for all council homes by 2030 be provided
 - e. That Cabinet considers the development of an integrated Key Performance Indicator (KPI) relating to climate change and the allocation of additional resources to accelerate the delivery of Council Plan priorities.

10. **WORK REQUEST FROM A COMMITTEE MEMBER: THE PLANNING ENFORCEMENT SERVICE**

Councillor Brian Laming introduced the work programme request. He endorsed the proposal to form a Task and Finish Group to review operations, assess strengths and weaknesses, and compare performance with other councils.

Councillor Jackie Porter, Cabinet Member for Place and Local Plan provided a further introduction which included the following points:

1. The review was welcomed as an opportunity to reassure councillors that the council was performing well in enforcement, while also learning from the practices of other local authorities.

2. It was acknowledged that while not all information could be shared publicly, improving communication with Ward councillors on the status of enforcement issues was important.
3. The review offered a chance to ensure councillors were familiar with the updated processes under the Enforcement 2025 policy.
4. It was noted that the council did not have an unlimited budget, and it was not always expedient to pursue every case, but it was essential to be clear about the rationale for enforcement action to ensure successful outcomes for the public.
5. The request was seen as a positive step towards improving transparency and public access to information regarding enforcement outcomes.

Councillor Danny Lee addressed the committee to support the request. He stated that the current planning enforcement process was protracted, which caused community stress, environmental harm, and damaged public trust in the council. He noted that the existing powers under the Town and Country Planning Act were weak and that the government had no immediate plans to reform the system, necessitating local solutions. While praising the professionalism of council officers, he attributed the problems to the system within which they had to operate.

He suggested that the Task and Finish Group should consider several key issues, including cumbersome evidential standards, inconsistent police support for site visits, and a lack of role clarity between Winchester City Council and the South Downs National Park. He proposed actions such as using drones for site validation, making stronger use of legal notices, and establishing clearer protocols with the police for support. He also recommended that the group review the enforcement plan, Key Performance Indicators (KPIs), and the need for enhanced training and IT tools for the team, ensuring any new proposals were future-proofed against upcoming legislation.

The committee was asked to consider the request and if supported to establish a time-limited Task & Finish Group to conduct a focused review of Winchester City Council's Planning Enforcement Service as set out.

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

1. A question was asked if the Leader could be requested to lobby the local Member of Parliament to take forward the need for stronger national planning enforcement legislation.
2. Clarification was sought regarding the different information formats for South Downs National Park and Winchester City Council cases, with a request to consider a commonality of presentation.

These points were responded to by Councillor Jackie Porter, Cabinet Member for Place and Local Plan and Councillor Martin Tod, Leader and Cabinet Member for Regeneration accordingly.

RESOLVED:

1. That a time-limited Task and Finish Group be established to conduct a focused review of the Planning Enforcement Service as set out in the report.
2. That Councillors Brook, Laming, Murphy, and Wallace be appointed as members of the Task and Finish Group and joined by Councillor Porter as the relevant Cabinet Member.
3. That the Leader of the Council be requested to lobby local Members of Parliament on the need to strengthen national planning enforcement legislation.

11. **TO NOTE THE COMMITTEES CURRENT WORK PROGRAMME.**

The Chairperson advised that the three Committee Chairs were meeting regularly to review and co-ordinate their respective workplans.

RESOLVED:

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

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

RESOLVED

That the latest Forward Plan of Key Decisions be noted.

The meeting commenced at 6.30 pm and concluded at 8.15 pm

Chairperson

SCRUTINY COMMITTEE

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

13 NOVEMBER 2025

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

RECOMMENDATION:

It is recommended that the committee scrutinise and comment on the proposals within the attached draft cabinet report, ref CAB3522 which is to be considered by cabinet at its meeting on the 19 November 2025.

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

19 NOVEMBER 2025

REPORT OF CABINET MEMBER: Cllr Neil Cutler, Deputy Leader and Cabinet Member for Finance and Transformation

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

WARD(S): ALL

PURPOSE

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

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

The MTFS gives us clarity over what financial resources we have at our disposal to deliver the priorities from the Council Plan. In particular, balancing the delivery of core council services with the Council Plan's areas of enhanced focus around the following six priorities; thriving places, good homes for all, healthy communities, greener faster, listening and learning and efficient and effective.

Projections used for the MTFP are subject to a high degree of uncertainty; particularly as the provisional settlement has not yet been released and is expected to contain major changes in distribution resulting from the funding review. As a result, this MTFS uses assumptions based on the best knowledge available at this time to set out proposals to address both the existing and emerging budget pressures set out in this report.

RECOMMENDATIONS:

That Cabinet:

1. Note the assumptions set out in respect of Government funding, council tax, inflation rates and fees and charges (set out in full in section 13 of this report) and the projections set out in Appendix 1.
2. Approve the Medium-Term Financial Strategy as set out in sections 13 to 17 of the report.
3. Approve the following one-off revenue budget growth requests;
 - i. An additional £0.3m revenue budget, funded by the transitional reserve, towards the Community Governance Review.
 - ii. A revenue budget of £2.280m, funded by the transitional reserve, towards the Local Government Review.
 - iii. A revenue budget of £0.03m in 2025/26, to be funded by higher than budgeted Parking income, towards additional Parking Enforcement overtime costs.
 - iv. A revenue budget of £0.05m in 2025/26, funded by the property reserve, for fees to design and plan works to the Guildhall.
4. Approve that a detailed budget be prepared for consideration by Council in February 2026 based on the assumptions set out in this MTFS; final spending review announcements; and including the following options shown in Appendix 2 and Section 14 of the report:
 - a. That, in relation to services:
 - i. Forecast increase in utility costs of £0.15m per annum.
 - ii. Forecast annual savings of £0.3m per annum due to a reduction in the employer's pension scheme contribution from 18.0% to 15.9%.
 - iii. An additional baseline £0.115m revenue budget for the permanent recruitment of a Corporate Head of Resources.
 - b. That, in relation to other annual budgets:
 - i. Forecast increase in democratic costs of £0.085m
 - ii. Increase in garage maintenance budgets of £0.120m per annum.
 - c. In relation to management of the council's property assets:
 - i. An additional £400,000 per annum be set aside into the Property Reserve for the maintenance of and investment in operational assets.
 - ii. An additional £100,000 per annum baseline revenue budget, for new requirements highlighted by the latest Asset Management plan and uplifts to existing maintenance budgets.

5. Approve the following regarding Car Parking fees from October 2026:
 - a. Freeze on park and walk and market town car park fees
 - b. CPI increase to all central parking and overnight charges, generating an additional £150,000 per annum (£85,000 in 2026/27)
6. Approve a capital budget of £100,000, funded by the Homelessness risk reserve, for the conversion of Stable Yard, to the rear of 59 Colebrook St, for temporary accommodation. This is subject to a business case and subsequent approval of expenditure under Financial Procedure Rule 7.4.

IMPLICATIONS:1 COUNCIL PLAN OUTCOME

- 1.1 The council adopted a new *Council Plan 2025 – 2030* in January 2025 (report CAB3480 refers). The plan sets out, across six priorities, the council's ambitions, activities and outcomes for the five year period from 1 April 2025.
- 1.2 The budget approved in February 2025 (report CAB3494 refers) directly supported the delivery of all priorities set out in the Council Plan.
- 1.3 Whilst the new council plan was being developed in late 2024, the Government announced a major programme of reform for local government, including the creation of new unitary authorities to replace the current two-tier structure of a County Council working with District and Borough Councils – 'Local Government Reorganisation' (or 'LGR'). In February 2025 the Secretary of State [wrote to all councils in Hampshire](#) to formally invite proposals for forming new, larger unitary councils within the Hampshire and Solent region.
- 1.4 On 26th September, 11 councils across Hampshire submitted a joint business case to Government, proposing the creation of four new unitary authorities for mainland Hampshire. It became clear from drawing up the business case, that implementing LGR (including the amalgamation of some and disaggregation of other existing services) will require a huge amount of time and resources from all existing local authorities in the county.
- 1.5 Maintaining the council's existing high quality and resilient services at the same time as delivering LGR will require prioritisation of resources to focus on key priorities. A series of 'Preparing for Change' meetings with Cabinet members and senior officers has helped to shape both the priority projects list and formed the basis of the service plan reviews ahead of the 2026/27 municipal year.

2 FINANCIAL IMPLICATIONS

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

3 LEGAL AND PROCUREMENT IMPLICATIONS

- 3.1 Under section 151 of the Local Government Act 1972 a local authority must make proper arrangements for the administration of its financial affairs. Under s28 of the Local Government Act 2003 a local authority must review its budget

calculations from time to time during the financial year and take appropriate action if there is any deterioration of its budget.

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

4 WORKFORCE IMPLICATIONS

- 4.1 This MTFS details the organisational approach for managing financial resources to protect our core council services, enable delivery of the Council Plan priorities and LGR going forward. Employees are critical to the delivery of these services and priorities and at 31 March 2025 the council had a workforce of 415 FTEs.

5 PROPERTY AND ASSET IMPLICATIONS

- 5.1 The council's General Fund has a property portfolio that was valued at £176.2m as at 31 March 2025 of which £6.9m is classified as investment properties (held solely for rental income and/or capital appreciation). A key strand of the Council's financial strategy is to maximise income from its assets, where possible, and seek to manage risk by achieving a balanced portfolio of assets. Options considered during the budget planning process therefore involves investment in the refurbishment of or disposal of some assets.
- 5.2 Latest estimates of future rental income show that based on current contract end dates up to £800,000 is at risk in 2028/29 and 2029/30 and then falling back down to an at risk reduction of £500,000 from 2030/31.

6 CONSULTATION AND COMMUNICATION

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

- 6.2 Consultation principles including those of consulting in good time; being inclusive but with clear and appropriate limits; consulting using clear, simple information; and using responses to inform decision making are specified in and underpin the TC25 programme.
- 6.3 Consultation for this MTFS and the 2026/27 budget will include:
- a) A presentation to and discussion with parish council representatives at the November Parish Briefing meeting.
 - b) Discussion with local business representatives through the Chamber of Commerce and the Business Improvement District (BID) Winchester District Strategy Group business briefing in December 2025.
 - c) Scrutiny Committee consideration of proposals in this MTFS report and the Budget Report ahead of Cabinet decision making in November and February respectively. Scrutiny feedback will be summarised and presented to Cabinet for consideration with both reports.

7 ENVIRONMENTAL CONSIDERATIONS

- 7.1 The Council Plan recognises one of the main challenges facing the district as “the climate emergency and the pressing need to reduce the Winchester district’s carbon footprint.” In response, an enhanced focus has been given to going greener faster. The main areas of activity are reducing carbon emissions; ensuring environmental resilience; reducing energy demand; and increasing renewable energy.
- 7.2 The MTFS includes a £200,000 per annum baseline revenue budget to fund carbon programme delivery work.
- 7.3 As well as these revenue resources, a total budget of £1m over 4 years, funded by prudential borrowing, has been allocated in the capital programme for energy management projects that would cover their financing costs. These projects may, for example, include further provision of solar panels to council properties and local business; further EV charging infrastructure; and other interventions to reduce energy usage. In addition, projects within the capital programme that are not primarily for carbon reduction must consider the council’s Greener Faster objective where possible.

8 PUBLIC SECTOR EQUALITY DUTY

- 8.1 The council, in the exercise of all its functions, must have due regard to the Public Sector Equality Duty in section 149 of the Equality Act 2010. The content of this report is part of the budget consultation process, and the requirements of the Public Sector Equality Duty are considered alongside any relevant budget options put forward.
- 8.2 The Medium-Term Financial Strategy is an overarching framework relating to financial resources and priorities at a very high level. A full Equality Impact Assessment will be undertaken for each proposed service change or proposal

that aligns to the principles included in this MTFS to highlight the potential equality impacts.

9 DATA PROTECTION IMPACT ASSESSMENT

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

10 RISK MANAGEMENT

Risk	Mitigation	Opportunities
<p><i>Property</i> Commercial tenants unable to pay rents or subject to business failure</p> <p>Slowdown in commercial property investment, meaning that the council's development schemes achieve less interest or less income than expected.</p>	<p>Close monitoring of rent position by property team with support to tenants through effective working relationships.</p> <p>The council's advisors are reviewing the property investment market and will provide advice as to timing of any marketing.</p>	<p>Potential to increase commercial property income when rent reviews are carried out.</p>
<p><i>Legal</i> The council is unable to balance the revenue budget resulting in the issuing of a S114 notice.</p>	<p>Proposals set out in this report, including the strategy for management of reserves mitigate against this.</p>	<p>Present a balanced budget in difficult circumstances</p>
<p><i>Timescales</i> An economic environment which may impact on income received by the council</p>	<p>The council has set aside an Exceptional Inflation reserve of £1m to mitigate higher than expected inflation and an economic environment which may impact on income. Other uncommitted revenue reserves are available to support further increases to the projected deficit.</p>	

Risk	Mitigation	Opportunities
TC25 does not deliver the required level of savings.	The programme is governed by a Programme Board and progress (financially and in timescales) is being monitored through PAC Board as a tier-one corporate project. As a tier-one project, quarterly highlights are reported to the Scrutiny Committee.	
<p><i>Financial</i> The council is unable to balance the revenue budget</p> <p>Risk of lower than projected demand for income generating services</p>	<p>Proposals set out in this report, including the strategy for management of reserves mitigate against this.</p> <p>The council has uncommitted revenue reserves available which can be utilised as a last resort as above</p>	<p>Streamlining of services and digitalisation provides opportunities to improve the customer experience as well as making savings.</p>

11 SUPPORTING INFORMATION:

Local government financial landscape.

- 11.1 The financial pressures faced by local authorities remain very challenging. The government have consulted on a new funding distribution system ('Fair Funding 2.0') that has a greater focus on 'need' and this will therefore benefit higher need, lower tax base authorities. However, this redistribution in funding will create significant challenges for authorities, such as Winchester, who have benefited from the current 'reward' based system.
- 11.2 Based on the expected review and redistribution of funding, the MTFP (appendix 1) is showing a balanced budget for the next two years and then projected annual budget shortfalls of £1.3 and 1.8m at the end of the decade. Thanks largely to careful financial planning, including rising to the 'Transformation Challenge 2025' (TC25), the MTFP is showing a more stable position than forecast in previous years.

General Fund Revenue (£m)	Forecast 2026/27	Forecast 2027/28	Forecast 2028/29	Forecast 2029/30
Budget Surplus / (Shortfall)	-0.049	-0.164	-1.509	-2.021
Unavoidable Growth	-0.850	-0.850	-0.850	-0.850
Budget Options / Savings	0.899	1.014	1.022	1.022
Budget Surplus / (Shortfall) after budget proposals	0.000	0.000	-1.337	-1.849

Table 1 – extract of the 2026/27 – 2030/31 MTFP showing the forecast budget shortfalls over the medium-term planning period.

Update on Transformation Challenge 2025 (TC25)

- 11.3 The organisation-wide TC25 transformation programme has continued to successfully deliver savings. A further £692,000 of ongoing savings have been removed from the revenue budget set out in appendix 1. This is over-and-above those reported in the 25/26 General Fund Budget report (CAB3494) and they are summarised below:

Review	Budget Reduction
Use of Planning Performance Agreements	£76,000
Shared IMT Audit with Test Valley Borough Council	£4,000
Regulatory Savings	£13,000
Removal of externally facilitated Residents' and Young Persons Survey	£23,500
Support Services Savings	£52,000
Cleaning Contract Review	£56,000
Shopmobility Grant Review	£45,000
Parking Cash Collection Savings	£27,000
Policy service review	£65,000
Sale of 27 Eastgate Street	£25,000
Market towns resource	£8,000
Insurance Savings	£8,500
Community Grants Reductions	£110,000
Review of rents and leases	£28,500
Public Convenience Savings	£25,000
Garage rent review	£120,000
Other Savings	£5,500
Total.	£692,000

- 11.4 To date, TC25 has secured total budget reductions of £1,619,000 (£927,000 identified prior to this report, of which £857,000 was reported in February 2025, CAB3494).

Preparing for Change

- 11.5 Local Government Reorganisation has required a shift in the focus of the council's transformation journey. What started as TC25 transformation, with a focus on the services delivered by the council now continues but has to be cognisant of the wider considerations as the council prepares for the fundamental service changes of becoming part of a new unitary authority.
- 11.6 The new transformation phase 'Preparing for Change' has required all services to consider the impact of LGR on their activities and each Corporate Head of Service has worked with the relevant Cabinet member to present the Transformation Board with updated transformation options in 'Preparing for Change' round-table meetings.
- 11.7 This work will form the base of the service plans which will also carefully detail the services and activities to be prioritised by the council for 2026/27, with an onward look to 2027/28 when the Shadow Council will come into operation. These service plans will form the basis of the established process and review of quarterly finance and performance reports – as now.
- 11.8 Transformation continues but will be focused closely on work and activity that has immediate benefit to the residents of our district and will support the development of a new unitary council.
- 11.9 The Transformation Board will focus on those projects which are both fully aligned with the Council Plan and deliverable prior to LGR.

Change implementation costs

- 11.10 The preparation for and implementation of the transition to a new unitary authority will cost a significant amount for all councils. Our best estimates of the costs of readying for day-one have been included in the MTFP in appendix 1. The total estimate of cost for service-redesign; financial planning; legal and contract preparation; communication and stakeholder engagement; HR; IT, data and systems preparation etc. is £2.3m. This cost can be met by drawdown from the transitional reserve.
- 11.11 The cost of the Community Governance Review (CGR) for the Winchester town area is also included in the MTFP in appendix 1. There is requirement for additional one-off resources of £300,000, taking the total budget requirements to £400k. This is considered to be a prudent estimate with headroom to accommodate the cost of elements that are not settled at this stage. This consists of the following estimated costs:
- Up to 3 rounds of public consultation with professional agency support, printing & mailshots, engagement events, advertising etc.
 - Legal / Kings Counsel advice on City Status & Mayoralty issues (some overlap with Local Government Reorganisation on this)

- property legal support on potential service and asset transfers
- surveying/ property support on asset transfers
- undertaking first parish council elections in May 2027
- additional professional support as may be required where in-house capacity is exceeded.

12 2025/26 Budget Update

- 12.1 The latest forecast for the 2025/26 general fund budget is a surplus of £1.877m and is due to be reported in the Quarter 2 Performance Report (CAB3525 refers). The forecast surplus is the net of a number of forecast favourable and adverse income / funding and expenditure variances.
- 12.2 Favourable service income / funding variances relate to;
- a) Investment Property - £100k
 - b) Interest Receivable - £300k
 - c) Extended Producer Responsibility Funding (EPR) - £846k
 - d) Food Waste Transitional Funding - £118k
- 12.3 Favourable expenditure variances relate to;
- a) Employees - £400k
- 12.4 An adverse variance has been identified relating to higher utility costs of £150k. This is being adjusted in the planned budget for 2026/27.
- 12.5 Additional TC25 savings of £300k have been identified for 2025/26, being a mix of both additional income and expenditure savings.
- 12.6 The forecast surplus for 2025/26 is assumed in the MTFP (appendix 1) as being transferred to the Major Investment Reserve.

13 Preparing the budget - assumptions used in the MTFS

Government funding update

- 13.1 The Government's Fair Funding Review 2.0 has been out to consultation and, as expected, it is likely to bring significant changes in the distribution of funding. MHCLG wrote to the council in June 2025 to confirm that Winchester is one the councils which may need to manage larger losses. However, the fair funding review is expected to give some short-term assurance covering the three year period from 2026/27 to 2028/29.
- 13.2 Given the considerable changes expected the forecasts included in Appendix 1 should be considered to be based on the best information available and could be subject to considerable change once funding announcements are released.

- 13.3 Some of the potential changes to the funding distribution in 2025/26 are: (2025/26 funding shown in brackets)
- a) Removal of the New Homes Bonus (£1.811m)
 - b) A reset of business rates retention (£7.931m)
 - c) Removal of the funding Guarantee (£0.575m)
 - d) Harmonisation of certain grants (such as Homelessness Prevention) into the Settlement Funding Assessment (SFA)

Assumptions included in the MTFP

- 13.4 In line with advice from our specialist external advisors, a number of key assumptions have been made in the MTFS (shown in Appendix 1):
- a) That the key elements of the fair funding review consultation will be adopted, including a reset of business rates retention from 2026/27.
 - b) That there will be a harmonisation of grants into the Settlement Funding Assessment (SFA) and that grants will be distributed using weighted needs shares.
 - c) That SFA will be distributed in line with assumptions based on the fair funding review consultation.

Council Tax

- 13.5 There is uncertainty over Council tax referendum limits and other potential council tax changes for 2026/27. For forecasting purposes, it is assumed that these will remain at below 3% (the previous £5 limit may remain but is now lower than 3%).
- 13.6 The MTFS assumes a general annual tax base increase of 1.8%. An increase of 1.8% will generate approximately an additional £0.16m p.a. of district Council Tax Income. However, there are additional costs associated with additional properties (Environmental Services Contract cost is specifically increased based on number of additional properties).
- 13.7 The MTFS currently assumes a council tax increase of 2.5% per annum.
- 13.8 Any increase in council tax will need to bear in mind the interrelationship between the town and district precepts, which are subject to the same combined referendum limit.

Inflation rates

- 13.9 Inflation (CPI) has been increasing in recent months, reaching 3.8% in August 2025 and remaining at this level in September 2025. Inflation is higher than previous expectations and is not now expected to start falling back to the Bank of England target of 2% until the second half of 2026. Significant risks

around this remain, and higher than expected inflation would put further strain on budgets and may also lead to difficult decisions around increases to fees and charges.

- 13.10 The national staff pay award for 2025/26 was a one-year settlement increase of 3.2%. Appendix 1 assumes annual pay awards of 3% but if inflation does not start to reduce over the next 12 months, then there will be increased pressure for higher settlements.

Fees and charges

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

14 Budget reviews and unavoidable growth

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

Homelessness Prevention temporary accommodation costs.

- 14.2 The Budget options report and 2025/26 General Fund budget report identified a potentially significant increase in demand for temporary accommodation, and a budget was allocated for Bed & Breakfast costs in the General Fund of £240,000 in 2025/26, increasing to £350,000 in 2026/27. In order to mitigate against the risk that costs could be significantly higher, a homelessness risk reserve of £1m was created.
- 14.3 The excess of demand for temporary accommodation over the available supply increased by 77% between April 2024 and March 2025. The equivalent statistics for 2025/26 up to quarter 2 demonstrate that the demand for temporary accommodation continued to increase in the first half of 2025/26, with a further increase in approaches of 55%.
- 14.4 It is impossible to predict how the demand for temporary accommodation will change over the medium term but the most likely scenario is that demand will continue to increase in the short term.
- 14.5 The Council reviewed and updated its Preventing Homelessness and Rough strategy in 2025 (report CAB3508H refers) and continues to prioritise early

interventions and prevention measures, partnership work, and preventing repeat homelessness where possible.

- 14.6 The combined budget provision in the MTFS and risk reserve gives the Council capacity to cope with a 70% increase in B&B costs in 2026/27 and 2027/28, plus a further 30% in 2028/29.
- 14.7 In order to mitigate the increasing cost, options for increasing the supply of temporary accommodation have been considered, with. 5 units of temporary accommodation currently being brought into use.
- 14.8 An additional unit (two bed) of temporary accommodation can be brought into use by conversion works on the council's Stable Yard property to the rear of 59 Colebrook St. The estimated cost of doing so is estimated at £100,000 (pending detailed quotation). Approval is therefore sought for a capital budget of up to £100,000, financed by the Homelessness risk reserve.

14.9 Service Income / Expenditure

- a) **Increased Utility Costs** – increased utility costs during the past year are forecast to increase costs by £0.15m per annum.
- b) from 2029/30. **Democratic Services additional costs** –estimated at £0.085m per annum.
- c) **Corporate Head of Resources** – will add £0.115m per annum to baseline budgets.
- d) **Estates Property Maintenance** – current projections based on an annual revenue contribution to reserves of £0.55m per annum is not sufficient to cover expected future expenditure. A further revenue contribution of £0.4m per annum to be considered to cover forecast one-off capital and revenue requirements(taking the total contribution to £0.9m per annum).Also, based on the latest Asset Management Plan, an additional £0.1m per annum revenue budget is required to maintain the corporate portfolio of assets.
- e) **Employers Pension Contribution** – the triennial review by the Hampshire Pension Fund is showing a reduction in overall employers pension contribution from 18% to 15.9%. This results in a baseline saving of £0.3m per annum.
- f) **Increase in Parking fees** – Increasing central car park fees by inflation, from October 2026, will increase income by £0.085m in 2026/27 and then £0.150m for a full year from 2027/28.
- g) **TC25 Savings** – as listed in section 12 above, TC25 savings of £0.692m have been identified by 2028/29.
- h) **Employee Inflation** – at an estimated pay increase of 3% for 2026/27, a forecast cost of £0.624m has been included in Appendix 1.
- i) **Contract Inflation** – at an estimated average increase of 4% for 2026/27, a forecast cost of £0.737m has been included in Appendix 1.

- 14.10 It is important to note that the cost of food waste collections assumes government funding of 80% of the running costs of the new service. This is a high-level estimate which will be updated to reflect actual government funding once known. It is also reasonable to assume that the funding will not be separated out in the medium-term and so will be at risk of redistribution to 'higher need' authorities.

One-off budget pressures and projects

- 14.11 The following one-off budgets are reflected in the MTFS in Appendix 1 and Earmarked Reserves projections in Appendix 3:
- 1) Local Governance Review (LGR) – NEW - As identified in 11.11 above
 - 2) IMT 10 Year Plan – Expenditure planned as part of the 10 year IT plan and funded by the IT Reserve.
 - 3) Community Governance Review (CGR) – NEW - As identified in 11.10 above.
 - 4) Car Parks – Expenditure approved annually as part of the car park maintenance plan.
 - 5) Homelessness – Homelessness Prevention expenditure which is funded by government funding.
 - 6) Transformation Programme – TC25 project budget.
 - 7) Local Development Framework – Planned expenditure on the local plan and funded by the LDF reserve.
 - 8) Landscape Mitigation – Small annual expenditure which is currently funded by a previous developer contribution.
 - 9) Community Grants transitional reduction – use of reserves over three years to phase in planned reduction in grants.
 - 10) Asset Management Plans

General Fund One-off Expenditure Budgets	2026/27	2027/28	Funding
	Forecast £000	Forecast £000	
1 Local Governance Review	1,175	1,105	Transition Reserve
2 IMT 10 Year Plan	251	129	IT Reserve
3 Community Governance Review (CGR)	300		Major Investment Reserve
4 Car Parks	280		Car Parks Reserve
5 Homelessness	241		New Burdens
6 Transformation Programme - total costs including employees	137	8	Transition Reserve
7 Local Development Framework	130	339	LDF Reserve
8 Landscape Mitigation	2		Landscape Mitigation
9 Community Grants transitional reduction	43	28	Transition Reserve
10 Estates Revenue Maintenance	1,867	507	Property Reserve
Total one-off budgets	4,426	2,116	

- 14.12 The Collection Fund Adjustments line relates almost entirely to business rates retention transfers. In 2024/25 the original forecast retention was higher than was seen in the final outturn but due to the way this is accounted for it takes time to fully unravel. Therefore, the forecast surpluses remain in 2024/25 and 2025/26 and then this is finally repaid in 2026/27. The lower than forecast outturn in 2024/25 was due to higher than expected appeals provisions.

15 Reserves

- 15.1 Reserves play a major role in the Council's overall financial stability. They ensure that funding is available over the medium term to support major one-off expenditure covering areas such as major projects, the repair and maintenance of Council assets, risk management, and for the management of certain government funding such as Homelessness.
- 15.2 The estimates shown in Appendix 1 assume there will be no draws from reserves in order to meet ongoing expenditure. However, risk reserves are available to support the TC25 programme where required and also could act as a temporary buffer against the risk of changes in government funding, such as a reset of business rates retention.
- 15.3 A summary of reserves is included as appendix 3. As we are awaiting detailed government funding announcements for 2026/27 and beyond it is planned to review reserve levels in more detail over the coming months, with a final report from the S151 officer on the robustness of reserves in February 2026. This review will include consideration of existing risks but also new risks such as Homelessness Prevention Bed and Breakfast accommodation costs.
- 15.4 The most significant reserve balance, outside of CIL, is the "Transitional Reserve" which was established over 5 years ago. This reserve has an uncommitted balance of c£9m and has the dual purpose of supporting the critical transformation and digitalisation investment required in order to deliver the required future baseline budget savings; and also acting as a temporary buffer should savings take longer to deliver than had originally been planned.
- 15.5 It should be noted that plans are being developed which will require significant expenditure funded by reserves. This expenditure will mean that reserves are not available for use in other projects. The current list is shown under 'Emerging Projects' below and notably The Guildhall which is likely to require significant works.

16 General Fund Capital

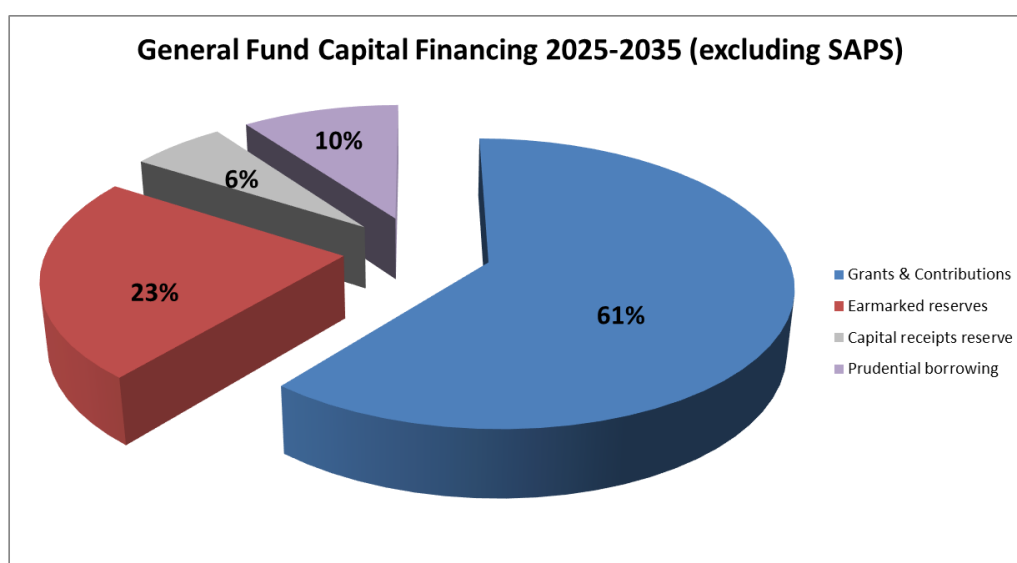
- 16.1 The council has a general fund capital programme totalling £39.8m over the next 10 years. Of this, £4m relates to the Strategic Asset Purchase Scheme (SAPS) which will only be spent if suitable assets are identified for purchase in line with the provisions of the scheme. Of the total programme around

£24.5m has been approved for expenditure, with the remaining projects, including SAPS, subject to appraisal.

- 16.2 Persistent higher than target inflation and increased borrowing costs both present a challenge to the capital programme. However, by using the resources available to it and, where possible, maximising the use of external grants and contributions, the council still has an ambitious programme of works such as the River Park pavilion project, a significant Disabled Facilities Grant programme, CIL funded community grants, refurbishments to play areas, investments in the council's car parks and public conveniences, and several other projects.
- 16.3 In the coming years it is anticipated that, in addition to the existing programme, capital budgets may be required in order to: create ongoing savings in respect of the TC25 programme; implement digitalisation to enhance the customer experience and deliver savings; and meet the council's carbon reduction objective such as investment in solar PV.
- 16.4 Ongoing careful asset management is essential and there are potential opportunities from asset sales where the capital receipt could be used to either finance projects that would otherwise be unaffordable or to reduce the council's outstanding borrowing need which translates to annual revenue cost savings.

Capital Financing

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



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

- Capital grants and contributions (e.g. Disabled Facilities Grant and Community Infrastructure Levy);

- Capital receipts (from asset sales);
 - Earmarked Reserves (e.g. the Major Investment Reserve, the Property Reserve, the Car Parks Property Reserve, and the IMT Reserve);
 - Revenue contributions; and
 - Borrowing including internal (also known as the “Capital Financing Requirement”).
- 16.7 Where possible, the most restricted funding sources should be used before using earmarked reserves or revenue contributions. Capital grants and contributions typically are for either specific projects or types of expenditure, and capital receipts from the sale of assets can only be used to finance new capital expenditure or reduce unfinanced capital expenditure (borrowing) from prior years. Revenue reserves are not restricted to capital only and can therefore fund expenditure that is not capital in nature and can be used to fund day to day expenditure should there be either an unplanned shortfall in income or unexpected additional expenditure.
- 16.8 The council is required under statute to have regard to the Prudential Code which states that that “all external borrowing and other long-term liabilities are within prudent and sustainable levels”. General Fund capital projects funded by prudential borrowing will incur an annual revenue cost over the life of the asset – a minimum revenue provision (MRP), which is equivalent to the principal repayment, and external interest/opportunity cost. There is not a requirement to apply MRP in respect of the HRA. Where a project does not provide additional income or savings in excess of the annual borrowing cost, it may be necessary for the council to make further savings elsewhere. Typically, the council funds projects from borrowing where the income and/or savings exceed the cost of borrowing.
- 16.9 Where the council has existing resources (e.g. reserves) it is able to “internally” borrow and so delay the need to externalise its borrowing requirement; this reduces interest costs in the short term. The council’s Capital Financing Requirement (CFR) up to 31 March 2025, which represents unfinanced capital expenditure in prior years, is shown in the table below. The CFR is increased when a new capital project isn’t financed from other resources and is reduced by the annual MRP. The council can also elect to reduce the CFR by making a “voluntary” provision above the MRP. This will reduce the amount of MRP in future years and, if funded by a new capital receipt, will also reduce the need to externally borrow and therefore interest savings can be made.

Capital Financing Requirement	General Fund £000	Housing Revenue Account £000	Total £000
Capital Financing Requirement at 1 April 2024	70,160	212,546	282,706
Unfinanced capital expenditure - in year	1,383	0	1,383
Introduction of IFRS 16	602	0	602
Minimum revenue provision (MRP)	(1,737)	0	(1,737)
Voluntary provision for the financing of capital	0	0	0
Capital Financing Requirement at 31 March 2025	70,408	212,546	282,954
Made up of:			
External borrowing	0	154,491	154,491
Internal borrowing	70,408	58,055	128,463

Challenges and opportunities

- 16.10 The Prudential Code requires that the council's "capital expenditure plans and investment plans are affordable and proportionate". It must be proportionate both relative to the size of the council and in respect of the risks being proportionate to the overall capacity of the council to absorb them; i.e. "plausible losses could be absorbed in budgets or reserves without unmanageable detriment to local services and the level of resources available to the organisation". In recent years both inflation and the cost of borrowing have increased significantly which has impacted negatively on the commercial viability of some refurbishment and regeneration schemes where a surplus after the cost of borrowing had previously been anticipated. Whilst inflationary pressures have reduced, the cost of borrowing remains higher than the historically low rates available for several years and is not expected to materially fall.

Inflation

- 16.11 The September Consumer Prices Index (CPI) was 3.8% (compared to 1.7% a year earlier and 6.7% the year before). Inflation has remained above the Bank of England (BOE) target for each of the last 12 months. Headline inflation feeds through into costs via, for example, higher wage demands. However, inflation differs between products and sectors. In recent years, there has been very high inflation in respect of construction and materials costs.

Borrowing

- 16.12 Local authorities can borrow from the Public Works Loans Board (PWLB) which is typically the cheapest and most straightforward source of borrowing. Lending rates for the General Fund are based on UK gilts (government borrowing) plus a margin of 0.8%. The council's treasury advisors expect longer term gilt yields to remain at similar rates in the medium term but do not expect a return to the historically low rates that were available for several years. The 40-year annuity rate as at 22 October this year was 5.9% compared to 2.3% in February 2022.

- 16.13 Significant changes in the cost of borrowing can impact on the commercial viability of refurbishment or regeneration projects and on the affordability of the capital programme overall. For example, for a £5m project with a 30-year life the annual cost of borrowing (MRP (principal repayment) and interest) is £255,000 per annum (5.1%) at an interest cost of 3% and is £363,000 (7.3%) at an interest cost of 6%. The gross yield for commercial viability needs to be more than the total MRP and interest cost.

Asset sales

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

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

New capital budget requirement

- 16.16 As noted in 14.9 above, approval is sought for a budget of £100,000 for the conversion of Stable Yard, to the rear of 59 Colebrook St, to provide temporary accommodation. The works will be subject to a full business case and approval for expenditure under Financial procedure rule 7.4.

Emerging projects

- 16.17 A recent condition survey has indicated that works of £5m are required to the Guildhall. These important works will ensure that this important and historic listed civic building is maintained to a good standard for many years to come. It will also address the quality of some utilities so that letting potential is improved. A detailed plan is being prepared and a budget will be included in the capital strategy in February 2025 to be funded from existing reserves.

16.18 New “invest to save” capital budgets may be required to support the council’s **TC25 programme** in order to generate ongoing revenue savings. Further investments are likely to be required as part of the council’s strategy for **digitalisation**. Digitalisation presents an opportunity to improve customer experiences as well contribute to ongoing savings.

16.19 The council’s ambitious **Greener Faster** carbon reduction goals may require further capital investment in the future. Whilst inflation and a higher cost of borrowing presents challenges, the council has successfully applied for grants to ensure projects are affordable and will continue to identify potential grant funding for future projects. Some interventions also present opportunities: for example, investment in solar has the potential to generate additional income over and above the cost of borrowing which would allow the council to make further interventions.

17 Adequacy of Reserves and Robustness of Estimates

17.1 There are specific requirements under Section 25 of the Local Government Act, 2003, for the Chief Finance Officer to provide a positive assurance statement about the adequacy of proposed financial reserves and the robustness of estimates made for the purposes of the budget calculation.

17.2 Reserves are detailed in this report and specific comment is made on the most significant balances. The general fund working balance is discussed above and is considered to be adequate.

17.3 When considering the robustness of estimates for the budget calculation for the current year, savings and increased income proposals included in the budget must be considered to be achievable. Considerable savings have been achieved to date, and the recent experience has been that compensating savings have been found to cover unforeseen growth pressures. The purpose of reserves, in particular the general fund working balance, is to provide a cushion for these variations.

17.4 The S151 officer is able to provide positive assurance on the robustness of the estimates, within the context of the overall budget and reserve levels, for the purpose of the budget calculations for the next year.

18 OTHER OPTIONS CONSIDERED AND REJECTED

18.1 Scope for additional savings in 26/27 to reduce the use of reserves does exist but would have a significant and direct impact on service levels and service quality. With the uncertainty that exists regarding future funding, the recommended balance between savings and use of reserves to achieve a balanced budget is considered reasonable.

- 18.2 However, it is essential that work to identify longer term savings through the Transformation Challenge 2025 programme as set out in this report is critical to ensure the Council can meet its obligation to set a balanced budget in the future.

BACKGROUND DOCUMENTS:-

Previous Committee Reports:-

CAB3483 General Fund Budget Options & Medium-term Financial Strategy dated 20 November 2024

CAB3494 General Fund Budget 2025/26 dated 12 February 2025

CAB3495 Capital Strategy 2025-2035 dated 12 February 2025

CAB3514 General Fund Outturn 2024/25 dated 10 September 2025

Other Background Documents:-

None

APPENDICES:

1. Medium Term Financial Projections
2. Summary of all Revenue Proposals
3. Summary of Reserves

Council Tax Base	1.2%		1.8%	1.8%	1.8%	1.8%	1.8%	1.8%	1.8%	1.8%	1.8%
Council Tax - Band D £	2.7%		2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Contractual Inflation	4.0%		4.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Pay Inflation	4.0%		3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
General Fund Revenue (£m)	Budget	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
	2025/26	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
Funding											
Council Tax (excluding Parish Precepts)	10.347	10.347	10.803	11.280	11.778	12.297	12.840	13.407	13.999	14.617	15.262
Retained Business Rates	7.931	7.931	3.131	3.164	3.199	3.234	3.268	3.333	3.400	3.468	3.537
Hampshire Pooling Forecast	1.250	1.250									
Revenue Support Grant	0.212	0.212	7.165	6.445	5.753	5.884	6.018	6.138	6.261	6.386	6.514
New Homes Bonus	1.811	1.811									
Employers National Insurance increase Funding	0.200	0.153									
3% Guarantee	0.575	0.575									
Introduction of Food Waste			1.289	1.289	1.289	1.289	1.289	1.289	1.289	1.289	1.289
Extended Producer Responsibility Allowance	0.834	1.680	1.512	1.361	1.225	1.102	0.992	0.893	0.804	0.723	0.651
Homelessness Funding	0.878	0.878	0.430	0.430	0.430	0.430	0.430	0.430	0.430	0.430	0.430
New Burdens Funding	0.081	0.199	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
	24.119	25.036	24.330	23.969	23.673	24.237	24.837	25.490	26.182	26.913	27.683
Investment Activity	2.110	2.510	2.373	2.101	1.770	1.741	2.008	1.975	1.942	1.909	1.963
Resources available	26.229	27.546	26.703	26.069	25.443	25.977	26.845	27.465	28.124	28.822	29.646
Baseline Net Expenditure											
Gross Income	17.674	17.524	17.634	17.684	17.734	17.784	17.834	17.890	17.924	17.958	17.993
Gross Expenditure	-38.055	-37.345	-40.899	-41.943	-43.005	-44.099	-45.203	-46.341	-47.513	-48.722	-49.918
Baseline resource requirements	-20.381	-19.821	-23.065	-24.259	-25.271	-26.315	-27.369	-28.451	-29.589	-30.764	-31.925
One-off net expenditure	-4.015	-7.720	-4.426	-2.116	-0.488	-0.408	-0.462	-1.290	-1.094	-1.082	-1.050
Collection Fund Adj's	0.292	1.334	-1.880	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other Transfers (to) / from earmarked reserves	-1.836	-0.852	3.584	0.682	-1.193	-1.275	-1.068	-0.240	-0.436	-0.448	-0.480
Transfers (to) / from Major Investment Reserve	-0.288	-0.486	-0.965	-0.539							
Total net resource requirements	-26.229	-27.546	-26.752	-26.233	-26.952	-27.998	-28.899	-29.981	-31.119	-32.294	-33.455
Budget Surplus / (Shortfall)	-0.000	-0.000	-0.049	-0.164	-1.509	-2.021	-2.054	-2.515	-2.995	-3.472	-3.809
Unavoidable Growth			-0.850	-0.850	-0.850	-0.850	-0.850	-0.850	-0.850	-0.850	-0.850
Budget Options / Savings			0.899	1.014	1.022	1.022	1.022	1.022	1.022	1.022	1.022
Budget Surplus / (Shortfall) after budget proposals			0.000	0.000	-1.337	-1.849	-1.882	-2.343	-2.823	-3.300	-3.637

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Baseline Revenue Proposals

General Fund Revenue (£m)	Forecasts			
	2025/26	2026/27	2027/28	2028/29
Budget Growth				
Increased Utility costs	-0.150	-0.150	-0.150	-0.150
Democratic Services costs		-0.085	-0.085	-0.085
Corporate Head of Resources		-0.115	-0.115	-0.115
Additional annual contribution to the Asset Management Reserve		-0.500	-0.500	-0.500
	-0.150	-0.850	-0.850	-0.850
Budget Options / Savings				
Employers Pension Contribution reduced from 18% to 15.9%	0.300	0.300	0.300	0.300
Central car parking charges only - increase by inflation		0.085	0.150	0.150
Employees - Vacancy Management, forecast savings of £0.8m (4%) vs £0.4m (2%) budget	0.400			
Increase in Garage maintenance budgets, linked to TC25 savings option		-0.120	-0.120	-0.120
*Total TC25 Savings (in addition to those approved Feb 2025)	0.300	0.634	0.684	0.692
	1.000	0.899	1.014	1.022
Baseline Budget Proposals	0.850	0.049	0.164	0.172
One-off Proposals				
CGR - funding and implementation costs		0.300		
LGR - readiness cost / implementation cost		1.175	1.105	
Guildhall Design Works	0.050			
One-off Budget Proposals	0.050	1.475	1.105	0.000

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OPERATIONAL RESERVES

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SCRUTINY COMMITTEE

REPORT TITLE: HRA BUSINESS PLAN AND BUDGET OPTIONS

13 NOVEMBER 2025

REPORT OF CABINET MEMBER: CLLR MARK REACH – CABINET MEMBER FOR GOOD HOMES

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

WARD(S): ALL

RECOMMENDATION:

It is recommended that the committee scrutinise and comment on the proposals within the attached draft cabinet report, ref CAB3523 which is to be considered by cabinet at its meeting on the 19 November 2025.

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REPORT TITLE: HRA BUSINESS PLAN AND BUDGET OPTIONS

19 NOVEMBER 2025

REPORT OF CABINET MEMBER: CLLR MARK REACH – CABINET MEMBER FOR GOOD HOMES

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

WARD(S): ALL

PURPOSE

The purpose of this report is to offer budget options to maintain the council's policy objectives to go greener faster, address the cost-of-living crisis and maintain the commitment to deliver 1000 new homes while maintaining a sustainable financial business plan.

Continuing uncertainty surrounding Public Works Loan Board (PWLB) interest rates, and in particular the increases in borrowing costs in Summer of 2025 means that new homes viability continues to be challenging, and budgetary pressures arising from a tighter compliance regime continue to put pressure on the HRA budget.

However, there have been developments in the legislative environment which have been designed to promote the government's wider agenda to deliver over 1m houses, which have helped ease some of these pressures in the longer term, and these are explored in this report.

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

To achieve these policy objectives and set a viable and sustainable HRA business plan, several budget options have been identified for consideration, development and consultation with customers. Subject to the development and consultation those options will be decided by Cabinet when the Housing Revenue Account budget is considered in February 2026.

RECOMMENDATIONS:

1. Note the draft HRA Business 30-year Plan for 2025-26 to 2055-56 metrics shown in Appendix 3 and current 5 year projection at Appendix 1
2. To note the business plan pressures identified in the 2025/26 business planning exercise as outlined in paragraphs 11.41 to 11.51, totalling £1.26m one off pressures and £1.2m ongoing pressures.
3. To approve the budget options outlined within this report and detailed at Appendix 2 as a basis for consultation to inform the February budget setting, including potential options for rent convergence in line with government proposals.
4. To approve the allocation of £0.12m per annum to support upgrades to the asset and property management systems, including reprofiling £0.02m from the one-off investment budget set in the 2023/24 business plan to cover initial preparatory costs in 2025/26, with clearer estimates of project management costs for 2026/27 to be included in the February budget report..
5. To approve a change in the calculation of interest on internal borrowing and lending between the General Fund and HRA namely to equalise the interest rate at the PWLB 3 month variable loan rate for both borrowing and lending as outlined at paragraphs 11.34 to 11.36.
6. Note the assumption in the business plan for New homes is aligned to the Housing Development Strategy.
7. Note the current financial viability assessment for new build from para 11.16 to 11.22
8. Note that quantified revenue savings of £0.892m, and capital savings of £0.25m outlined in Appendix 2, have been identified to assist with bridging the forecast gap in annual HRA budgets.
9. Note the proposed assumptions and timescale for asset disposals outlined in paragraphs 11.62 to 11.64.
10. Note that based on the September 2025 CPI figure of 3.8% that the average formula rent increase for 2025-26 for all affordable and social housing will be 4.8%
11. Note that the government is consulting on rent convergence criteria which indicates preference to increase rents above CPI+1% for social rent tenants below formula rent levels, with announcement expected as part of the wider Budget on 26th November 2025.
12. To approve the principle of full cost recovery in tenant service charges (other than sewage treatment works) in 2026/27.

13. Note that, following implementation of options, the draft HRA Business 30-year Plan is viable and sustainable and has the capacity to support the council's ambitious delivery of 1,000 new affordable homes by the end of 2031/32

IMPLICATIONS:1 COUNCIL PLAN OUTCOME

1.1 Greener Faster

Carbon reduction measures are in place through investment of over £40m in the existing stock, ensuring that all properties meet EPC-C or above by 2031; that energy efficiency measures are incorporated in the design and construction of new build properties; and that energy efficiency is a key criteria when considering acquisitions of new properties.

1.2 Thriving Places

Delivering affordable accommodation allows people to live and work within the district and contribute to the local economy.

1.3 Healthy Communities

The wellbeing of residents is considered within the design of new properties and new homes are designed to be energy efficient and to ensure needs of residents are met. Tenant satisfaction measures are in place and regularly monitored.

1.4 Good Homes for All

The HRA business plan, and its links with the Housing Development Strategy aims to increase the stock of affordable homes across the Winchester district, meeting the council's objective to provide a range of tenures to meet demand.

1.5 Efficient and Effective

One of the key objectives of the Housing Strategy is to modernise the customer service offer through the development of a digital first customer journey, improving communication and self-service options for tenants/residents, and efficiency of services.

1.6 Listening and Learning

Housing tenants are directly involved in decisions regarding services provided, through the work of Tenants and Council Together (TACT), the councils tenant involvement group and through regular tenant and leaseholder digital surveys, capturing wider tenant views. The service continues to review options to provide improved customer experience, better engagement and increased satisfaction with services provided.

2 FINANCIAL IMPLICATIONS

2.1 Financial implications are detailed from section 11 of the report and accompanying appendices.

3 LEGAL AND PROCUREMENT IMPLICATIONS

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

4 WORKFORCE IMPLICATIONS

- 4.1 The HRA business plan includes sufficient resources to maintain the proposed staffing establishment for 2025/26 and beyond. None of the proposals in this report have any workforce implications.

5 PROPERTY AND ASSET IMPLICATIONS

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

6 CONSULTATION AND COMMUNICATION

- 6.1 A meeting of the TACT board is taking place on the 18 November to review the budget gap and savings proposals. Subject to the decision of cabinet on If the savings proposals within this report are accepted, they will be subject to consultation with all engaged tenants through a variety of means. The results of that consultation will be reported to Cabinet to take into consideration when agreeing the HRA budget at their meeting in February.

7 ENVIRONMENTAL CONSIDERATIONS

- 7.1 This year's proposed 30 year business plan ensures sufficient provision of £41.9m to fund the retrofit programme of works. During 2024/25, 57 houses were upgraded, and a further 195 properties are expected to be upgraded by 31st March 2026, which would equate to 69% of the stock meeting EPC -C standard. Following the successful award of SDHF funding in 2025, a further 240 properties in 2026/27 and 237 in 2027/28 are expected to be upgraded, meaning that at least 78% of stock will meet EPC-C by March 2028.
- 7.2 The Business Plan also funds the provision of sufficient staffing resources to deliver the retrofit programme.
- 7.3 The Housing Service considers environmental factors when preparing and developing major projects e.g., working closely with Planning and Landscape Officers when considering new build developments to meet the required codes for sustainable housing.

8 PUBLIC SECTOR EQUALITY DUTY

- 8.1 This document is part of the budget consultation process, and the public sector equality duty is considered alongside any relevant budget options. The housing service holds data in respect of its tenants' protected characteristics. The impact of the proposals will be addressed in relation to tenants who have protected characteristics following consultation and consideration for reporting to cabinet at its February meeting.

9 DATA PROTECTION IMPACT ASSESSMENT

- 9.1 All proposals set out within the report and the capital programme will be subject to individual data protection impact assessments.

10 RISK MANAGEMENT

Risk	Mitigation	Opportunities
<i>Property</i> That Council owned dwellings fail to meet decent home standards That more robust standards are introduced but not effectively implemented	An effective programme of future works and sound financial planning ensures that resources are available to ensure standards are met and then maintained. A full stock condition survey is being undertaken to	Self-Financing provides certainty around future resource allocations and facilitates better supply chain management

	<p>ensure a full understanding of the stock and to inform future works and business plans</p> <p>That repairs staff are adequately qualified to ensure legislation is understood and planned in.</p>	
<p><i>Community Support</i></p> <p>Lack of consultation will affect tenant satisfaction and cause objections to planning applications for new build developments.</p>	<p>Regular communication and consultation is maintained with tenants and leaseholders on a variety of housing issues.</p> <p>The Council consults with local residents and stakeholders on proposed new build schemes.</p>	<p>Positive consultation brings forward alternative options that may otherwise not have been considered.</p>
<p><i>Timescales</i></p> <p><i>Delays to new build</i> contracts may result in increased costs and lost revenue.</p>	<p>New build contracts contain clauses to allow the Council to recover damages if the project is delayed due to contractor actions.</p>	
<p><i>Local Government Reorganisation</i></p> <p><i>The impact of local government reorganisation on the HRA specifically is not yet known. However, there is a risk that decision making beyond September 2026 may be delayed if authorisations are required from Secretary of State and/or the new organisation.</i></p>	<p>Capacity exists in to the Business Plan working balance to ensure planning for transition of the HRA to a new authority is resourced, and consideration will be given to the resource requirement during 2025/26.</p>	
<p><i>Project capacity</i></p> <p>The HRA can borrow funds in addition to utilising external receipts and reserves, but it must be able to service the loan interest arising.</p>	<p>Regular monitoring of budgets and business plans, together with the use of financial assessment tools enables the Council to</p>	<p>The Council inputs and monitors government consultation on the use of RTB receipts and potential capital grant funding.</p>

	manage resources effectively.	
<p><i>Financial / VFM</i></p> <p>Risks, mitigation, and opportunities are managed through regular project monitoring meetings.</p> <p>Insufficient new build sites are identified to assign RTB 1-4-1 receipts financing to and RTB receipts are required to be repaid to Central Government with a compounded interest penalty based on current rates.</p>	<p>New build Schemes are financially evaluated and must pass financial hurdles and demonstrate VFM. Total Scheme Costs contain provision for contingency on build costs and on fees for new build developments that take account of potential residual development and sales risk.</p> <p>RTB 1-4-1 are closely monitored so in-year targets for new builds are known.</p>	<p>In addition, the HRA holds annual minimum levels of reserves based upon operating turnover and capital programme spend.</p> <p>Government has introduced measures to improve flexibility in the use of RTB receipts, and proposed changes to the scheme which will likely reduce this risk.</p>
<p>Risk that the council cannot deliver the programme of new build and meet the objective of 1000 homes in 10 years because of the lack of sites, the cost of development or the cost of financing this development.</p>	<p>The new homes programme is monitored on a regular basis and if appropriate could be delayed or re-profiled in light of the availability of these resources</p>	<p>Acquisition strategy allows the Council to continue to add to its stock where building cannot be made viable.</p> <p>Changes to the RTB scheme may improve viability of some projects.</p>
<p><i>Staffing resources (not always in Housing) reduce the ability to deliver key objectives within the Capital and New Build programmes, as well as the wider HRA.</i></p>	<p>Staffing resources have been reviewed to support the delivery of the new build programme. Interim resources to support compliance works where appropriate.</p>	<p>Given the challenging nature of the HRA, it may be necessary to review the resourcing requirements needed.</p>
<p><i>Interest rate volatility</i></p> <p>There is a risk of volatility or continuing higher borrowing costs, impacting on the viability of existing and forthcoming capital schemes.</p>	<p>The HRA has cash reserves that allow it in the short term to effectively borrow from internal resources giving a period for interest rates to stabilise and reset and the fiscal environment to be more benign.</p>	<p>The use of internal borrowing can help to reduce the short-term cost of borrowing as well as delay the need to seek external finance and delivers better overall returns to the HRA.</p>

		At the point internal borrowing is no longer feasible, a cautious assumption has been made for future borrowing costs in the business plan.
<p><i>Legal</i></p> <p>The provision of social housing is a statutory requirement.</p> <p>Changing Government priorities place a greater emphasis on social housing which must be monitored and considered both for existing stock and also within planning of future new build projects</p>	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.
<p><i>Reputation</i></p> <p>Failure to complete major housing projects due to lack of resources would have a direct impact on both customer satisfaction and the Council's reputation.</p>	Business planning tools with regular updates are utilised to make sure resources are available to complete projects.	
<p><i>Other</i></p> <p>– Environmental regulation such as that by Natural England on mitigating Phosphates</p>	This delays the ability to bring forth schemes with planning permission and delays increase the cost and viability of schemes.	

11 SUPPORTING INFORMATION:

- 11.1 The HRA Business planning process is completed annually and all assumptions are revisited and undertaken afresh every year. To set a viable and sustainable business plan for the next 30 years remains challenging.

Economic outlook

- 11.2 At the time of setting the 2025/26 Budget, inflation had reduced to 2.8% in February 2025, and the Bank of England base interest rate had reduced to

4.25% by May 2025. CPI inflation has since increased over the course of 2025 to 3.8% in August 2025, largely driven by food and energy prices. The Bank of England expect this to be temporary and fall back to the target rate of 2% in the medium term. Construction industry BCIS inflation during 2025 has been relatively stable at 2.3% as at Quarter 2 2025.

- 11.3 The Chancellor's November budget is anticipated on 26th November 2025. The government has already confirmed the continuation of CPI+1% rent setting policy; however, it is expected that the government will confirm the level of rent convergence that may be applied and which forms part of the savings measures. Any other measures in the Budget that impact on Housing will be considered and addressed within the February budget papers.

Rent setting

- 11.4 The council must set its rents in line with the Rent Standard and the Regulator of Social Housing's rent setting guidelines. The Council's strategy for rent will be to maximise income to the HRA business plan within the legislative framework.
- 11.5 The basis of rent setting between 2026/27 and 2032/33 assumed in business plan based on existing legislative framework, is CPI+1%. The government consulted on future social rent policy during 2024, and following that consultation has confirmed that social rent policy will be based on CPI+1% for 10 years from April 1 2026. Options for rent convergence, to ensure in the medium term all tenants on social rents are paying full formula rent, are still being consulted. Based on September CPI of 3.8%, the rent increase in 2025/26 will be 4.8%.
- 11.6 A CPI+1% rent increase would mean the average weekly social rent for existing tenants will be £133.43 a week, an increase of £6.29 per week. The average weekly affordable rent for existing tenants will be £210.66 a week. Although the average rent has gone up in line with CPI, the overall average has risen and this is a result partially due to social rents being relet at formula rents. Affordable rents have increased due to increases in market rental values, raising the rents when relet. The impact of the increases is shown in table 1 below.

Table 1- indicative weekly rents in 2026-27 compared to 2025-26 for existing tenants

Social Rents								
Size	Bedsit	Bedroom 1	Bedroom 2	Bedroom 3	Bedroom 4	Bedroom 5	Bedroom	Total
Avg Wkly Rent 2025-26	91.34	111.16	127.77	144.33	155.23	179.16	176.1	127.14
Avg Wkly Rent 2026-27	95.91	116.73	134.09	151.36	162.82	197.11	184.55	133.43
increase per week @ 4.8%	5.00%	5.01%	4.95%	4.87%	4.89%	10.02%	4.80%	4.95%
Affordable Rents								
Size	Bedsit	Bedroom 1	Bedroom 2	Bedroom 3	Bedroom 4	Bedroom 5	Bedroom	Total
Avg Wkly Rent 2025-26		162.71	199.69	235.94	266.84	259.08	254.6	200
Avg Wkly Rent 2026-27		171.6	210.21	248.57	279.91	271.51	266.82	210.66
increase per week @ 4.8%		5.46%	5.27%	5.35%	4.90%	4.80%	4.80%	5.33%

- 11.7 The average HRA social rent for new tenants from April 2026 will reflect the fact that most existing tenants have diverged from formula rent, as a result of rent caps in 2023-24. Indicative average weekly rents for new social tenants are shown below in table 2. It is proposed that the rents for new affordable rent tenants will be let provisionally at 80% of market rent if the property meets the required minimum energy efficiency requirements.

Table 2 – Average formula rents for new tenants

Formula Rents								
Size	Bedsit	Bedroom 1	Bedroom 2	Bedroom 3	Bedroom 4	Bedroom 5	Bedroom 6	Total
Avg Wkly Rent 2025-26	98.23	116.24	133.94	151.53	165.11	187.32	182.65	133.39
Avg Wkly Rent 2026-27	102.94	121.82	140.35	158.79	173.04	201.39	191.41	139.756748
increase per week @ 4.8%	4.79%	4.80%	4.79%	4.79%	4.80%	7.51%	4.80%	4.77%

Service charges

- 11.8 In the 2024 business plan, the council agreed to revert to full cost recovery on existing service charges from 2024-25, where this is possible.
- 11.9 The cost recovery exercise indicated a number of charges that would increase significantly, where this is the case there is the potential to phase or cap the increase to ensure increases are acceptable. In 2024/25, the principle of 5% or £5 pw, whichever is the greater, was applied.

Shared ownership rents

- 11.10 The HRA business plan assumes that a proportion of future new homes development will be delivered as shared ownership. The Government have prescribed that any new shared ownership development that is either s106 or Homes England grant funded should have leases that base annual rent reviews on CPI+1% with a floor of 0% if the CPI is minus 1% or lower. It was agreed in 2024/25 that this methodology will be applied to all shared ownership properties.

Repairs and Maintenance

- 11.11 Annually the council looks at the capital costs of maintaining the existing housing stock at decent homes standard and its investment here is based upon data held by the Council on replacement cycles for key components of the housing stock.
- 11.12 The data currently held by the Council to support the capital investment strategy is out of date and to remedy this, a full stock condition survey is currently underway, with expected completion within 18 months. However, the results of the survey will not be ready to inform the major repairs programme for 2026/27, and therefore estimates have been based on existing data, and reviewed to ensure suggested works are necessary and deliverable.
- 11.13 The Council is reprocurring its repairs and maintenance contract. Under the existing contract, and the multiple hybrid rates within the contract, it is difficult to accurately forecast the true cost of the repairs service. With the proposed approach to move to the National Housing Federation Schedule of Rates Version 8, more accurate cost modelling will enable more informed budgets and asset strategies for future years.
- 11.14 Concurrently, the increasingly stringent regulatory environment means that the HRA needs to be in a position to respond appropriately whilst maintaining control of the budget. HHSRS, Consumer standards and the Regulator for Social Housing are driving in further requirements such as Awaabs Law that need to be provided for.
- 11.15 To bring the housing stock up to the required energy efficiency standard of EPC C identified by 2030-31, the business plan allows for £41.9m on capital works.

New Build and Acquisition of new stock

- 11.16 In delivering an ambitious programme of 1,000 new homes, the HRA business plan is now operating with much higher average build costs than in previous years, and no longer has the advantage of borrowing at historically low interest rates under self-financing from the government.
- 11.17 As a result of ongoing high costs of construction, the Council has followed a strategy of acquisition since 2024/25, and as a result been able to add to its housing supply through targeted acquisitions.
- 11.18 As at the beginning of 2025/26 a total of 314 properties had been completed out of the 1000 homes target for 2031/32. Acquisitions of properties at Kings Barton and Hazeley Road will add a further 156 affordable rented and shared ownership properties to the council stock. A further 4 acquisitions funded by the Local Authority Housing Fund (LAHF) and 3 previously agreed RTB buy

backs are anticipated in 2025/26. A new build scheme of 5 rented properties at Woodman Close was agreed by Cabinet in October 2025.

- 11.19 The remaining 518 properties are currently included in the business plan as either identified but unapproved schemes, or as an overall assumption in the business plan. No further new build or acquisition is currently assumed beyond 2031/32 in the business plan at this point in time.
- 11.20 Currently within the business plan, based on existing new build, and assuming the level of saving outlined in this report can be achieved, there is sufficient balance within the Major Repairs reserve to allocate to new build, reducing the level of initial debt build up and allowing sufficient capacity within the HRA business plan to allow for future debt repayment.
- 11.21 The primary financial assessment in the evaluation of new homes is a Net Present Value (NPV) calculation of all future income and expenditure over 50 years, in line with long term borrowing costs and more in line with the expected life of a property, discounted to current prices. This calculation uses the cost of capital as the discount factor, in line with business plan and reviewed against prevailing market rates. The council's standard model includes the residual social value of the housing at year 50 on the basis that the asset has been well maintained and has a future use and value. There are other criteria such as gross income covering the interest cost of borrowing, but the NPV calculation is key to enable comparison of options within a specific proposal, or to compare different proposals. The key criteria is ensuring that proposed schemes are affordable to the HRA.
- 11.22 Appraisals of new build will prioritise social rent in line with the development strategy, however where this is not affordable to the HRA consideration will be given to affordable rent at LHA rates, provided the LHA rates do not exceed the statutory maximum of 80% market rent.

Right to Buy Legislative changes

- 11.23 Following the election of the Labour government a number of changes were made to the Right to Buy scheme, and some restrictions on the use of Right to Buy receipts were temporarily lifted. During 2025, the government consulted on wider proposals for the Right to Buy scheme.
- 11.24 Following consultation the government introduced the following measures:
- Maximum permitted contribution of Right to Buy receipts of 100%, introduced in 2024, to become permanent
 - RTB receipts can continue to be combined with s106 contributions permanently
 - RTB receipts may be combined with grants from April 2026
 - No future cap on percentage of housing replacements as acquisitions

- The abolition of treasury share, local authority share and buy back allowances, which will now be incorporated into one-for-one receipts and ring fenced to new housing
- Expenditure deadline increased from five to ten years with effect from 2027/28
- Enabling Local Authorities to grant RTB receipts to ALMOs
- 35 year exemption for new homes from RTB
- Eligibility period for RTB extended from 3 to 10 years
- Extends the local authority right of first refusal indefinitely

11.25 The HRA business plan reflects the changes made to the scheme. The number of sales assumed in the model assumes at least 20 sales in 2025/26 (following the high number of applications prior to the reduction in RTB discounts in November 2024), followed by an average of 6 sales per year from 2026/27. This is supported by the number of applications since April 2025 but will continue to be reviewed as more experience of the new regime is gained.

11.26 The impact on the HRA business plan is to reduce the expected capital receipt. However, this loss is outweighed by the retention of rental income streams in the longer term as the HRA retains more properties, and therefore increases the capacity of the HRA to borrow to invest in new properties.

Cost of Borrowing

11.27 Interest rates are a key cost driver in the HRA business plan and as at 31 March 2025 the HRA had a Capital Financing requirement of £212.6m, of which £154.5m is external debt (fixed at PWLB interest rates averaging 3.2%) and the balance of £58.1m is internally borrowed (offset against reserve balances and working capital). The current cost of financing external debt is £5.2m per annum, and internal borrowing estimated at £2.8m in 2025/26.

11.28 The Council borrows from the Public Works Loan Board (PWLB). PWLB rates are not directly linked to the Bank of England base rate but are set at a margin over government gilt yields. The cost of borrowing will not therefore reflect base interest rates, but will be influenced by market factors that impact on gilt rates.

11.29 This debt largely came about through self-financing and was originally taken out in 2012. A proportion of this existing external debt (£85m) will need to be refinanced between now and 2042, with a need to refinance £35m within the next five years. The HRA, unlike the General Fund, has no requirement to set aside funding for debt repayment, albeit that the depreciation charge is set aside to finance capital expenditure.

- 11.30 The business plan includes £200m provision for building or acquiring affordable homes between now and 2031, funded through a mixture of Right to Buy (RTB) 1-4-1 capital receipts; shared ownership sales; other discretionary asset disposals; grants and affordable housing s106 contributions; and borrowing. In addition, there is also significant investment in retrofitting existing stock. This will require additional prudential borrowing of £138m between now and 2031 to finance this delivery.
- 11.31 The business plan assumes all underlying debt is refinanced in the short term, but that new debt arising from the 1000 homes programme and retrofit is repaid within the 30 year business plan to reduce debt burden in the long term, and in the current iteration, £138m debt raised between 2025 and 2031 would be repaid by the end of the period.
- 11.32 At present the cost of long-term government borrowing continues to increase and stands at circa 5.8% for 50 year borrowing at the time of writing. In the decade before 2006/07 the PWLB long term interest rate peaked at 9.42% but averaged 5%.
- 11.33 The HRA currently benefits from a preferential rate for HRA borrowing, which is due to expire on 30 June 2026. For prudence, it is assumed that this rate will not be renewed. Given the continued increases and uncertainty surrounding the cost of borrowing, the assumed cost of borrowing for new and refinanced debt in the business plan has been increased from 5% to 6%.

Interest calculation for Internal Borrowing

- 11.34 The Council has two pools for borrowing, for the HRA and General Fund respectively. External borrowing is apportioned directly to the relevant pool. Any difference between the HRA's loan pool and the underlying need to borrow, will result in a notional cash balance, which could be in surplus or deficit. Up until 2024/25, the rates applied were the PWLB 3 month variable loan rate for deficit balances (i.e. internal borrowing), and the risk free Debt Management Office rate applied to surplus balances.
- 11.35 The rates applied have not been reviewed for some time, and indeed the risk free rate from the DMO is no longer available to Council staff. Furthermore, the rate at which the HRA borrows from the General Fund is typically higher than the rate at which the General Fund borrows from the HRA as a consequence of the rates used.
- 11.36 The applicable rates have therefore been reviewed and the proposal is to equalise the interest rate at the PWLB 3 month variable loan rate for both borrowing and lending. This will mean that the cost of internal borrowing is the same, whether the General Fund is internally borrowing from the HRA or vice versa. Depending on the rates at the time, this may generate a slight increase in expected interest return on balances for the HRA with a corresponding adverse impact on GF, but is considered more equitable between the funds

Digitisation and Customer Journey

- 11.37 There is a need to modernise the provision of services to customers through the introduction of better digital access. Over the last 2 years a total of £1.6m has been made available in the business plan to resource the repairs procurement contract, and to ensure resources are available to facilitate investment in systems to enable this objective to be achieved.
- 11.38 Following feasibility works, the proposal is to invest in the existing MRI software to move to a cloud hosted solution, and to implement additional modules for Customer Central, which is a purpose built Customer Relations Management system to better manage customer data, and Safer Communities for more effective management and reporting of Anti Social Behaviour and Domestic Abuse. The anticipated ongoing additional cost is £0.12m, which has been added to the business plan.
- 11.39 In addition to the system investment, there will be a requirement for internal resource to assist with data migration, training, project management and other related costs. As at the time of writing, likely costs for 2026/27 were still being sought, however the estimate for preparatory costs in 2025/26 is £0.02m. This can be funded from the remaining balance of the £1.6m investment, which currently stands at £0.7m. Clearer estimates for project management in 2026/27 are currently being developed and will be covered in the February budget report.
- 11.40 In addition, work on the re-procurement of the repairs and maintenance contract is ongoing as the current contract expires in 2026 and is subject to a separate report (CAB3473). The business plan allows for associated costs of £0.3m estimated commitment in 2025/26.

Service Pressures

- 11.41 The key pressures facing the HRA specifically arise from the continuing need to ensure compliance within an tighter regulatory environment, and the impact of ever-increasing borrowing costs which arise from the planned investment in both new and existing stock.
- 11.42 Repairs and maintenance - the increasingly stringent regulatory environment means that the HRA needs to be in a position to respond appropriately whilst maintaining control of the budget. In addition, 2025/26 has seen an increase in void turnover and the associated cost of refurbishment. An additional £1.1m has been added to the business plan to reflect this pressure. HHSRS, Consumer standards and the Regulator for Social Housing are driving in further requirements such as Awaabs Law that needs to be provided for.
- 11.43 Stock condition survey – the 2025/26 HRA budget allowed £0.25m to undertake a stock condition survey across the whole stock. As part of this survey, an opportunity to obtain up to date floor plans of tenanted properties

has been identified. There would be operational benefits of undertaking this work. However, the additional works come at a significant one-off cost of £0.26m. The budget will need to be implemented in 2025/26 to align to the stock condition work.

- 11.44 Issues with the quality of retrofit work to void properties undertaken in 2023/4 have been identified. Engagement with the contractor responsible has taken place and a sample of 30 properties has been selected to determine the extent of retrospective work required. At this stage it is prudent to make provision for the gross cost of works of £ 0.5m in 2025/6 and £ 0.5m in 2026/7 until the extent and nature of works is confirmed, as well as the proportion of the cost that may fall back to the Council.
- 11.45 The staffing structure within Housing was revisited during 2025/26, to ensure it remains fit for purpose, meet regulatory requirements and makes best use of resources, and resulted in an increase to the establishment budget of £0.1m.
- 11.46 Careline digitisation costs – the initial estimates for implementing digitisation of careline were set several years ago and excluded links between the careline system and fire alarms. The capital budget set aside will need to be increased in line with current estimate and including fire safety.
- 11.47 The key pressure identified this year, however, relates to borrowing costs. The business plan agreed in February assumed a rate of 5% for all new borrowing based on the prevalent market rates and treasury advice at the time. However, experience of PWLB rates since April 2025 are that the base PWLB rate for 50 year borrowing actually increased to 5.5% in the first quarter of 2025 and continued to increase closer to 6% in the summer of 2025. Although the Council benefits from the certainty rate and a reduction on HRA borrowing, the existing HRA reduction expires at the end of 2025/26, and it was therefore considered prudent to apply a 6% assumption for new borrowing and refinancing of existing borrowing. Borrowing rates are continuously monitored and reviewed, including forecast future rates. The business plan is sensitive to these rates and increases have the potential to materially impact the plan and the council's ability to meet its objectives within the HRA.
- 11.48 This has a big impact on the HRA. Existing debt is profiled to mature between 2025 and 2030, and a further £138m of borrowing is assumed in the model to fund the remainder of the 1000 homes programme and retrofit programmes in particular. The impact of this is not therefore immediate but incrementally increases interest costs over the next 5-6 years, until additional borrowing stops and repayments of debt start, and a decrease in the working balance in this period is now evident.
- 11.49 The depreciation charge is notoriously difficult to estimate accurately, as the actual charge for the year is calculated based on both component cost of assets and valuation of properties. As the valuation for 2026/27 depreciation charge will not be undertaken until 31st March 2025, it is not possible to

provide a perfectly accurate figure. The depreciation charge for 2025/26 and subsequent years has been reviewed based on 2024/25 outturn. Whilst depreciation is a notional figure, the council is required to transfer a sum equal to depreciation to the major repairs reserve which is restricted to capital expenditure only and thus can cause pressure on revenue reserves.

- 11.50 The Council is currently undertaking a full stock condition survey. The outputs of the full survey will not be available for this round of business planning but is likely to impact on the planned maintenance programme and the component cost assumptions that inform the depreciation charge.
- 11.51 If no action were undertaken to address these pressures, there would be insufficient resources within the business plan, resulting in a working deficit (which is not allowable under the provisions of the housing act).
- 11.52 The estimated level of saving required to maintain existing spending plans, and to reverse a forecast continuing decrease in working balance, is £1.2m.

HRA savings proposals

- 11.53 The 2025/26 budget agreed savings of £1.67m to be achieved in 2025/26, and a further £0.25m in 2026/27, of which £0.4m was one off. This target has largely been met, with actions in place to monitor the achievement of these savings.
- 11.54 However, despite the savings agreed and built into the budget, the 2025/26 budget was set at a deficit of £2m met from the working balance. Introducing the pressures outlined above would, without any action, reduce the working balance to zero within 5 years.
- 11.55 As the business plan progresses beyond 5 years, the HRA benefits from ongoing above inflation increases in rent, and rental yield increases as new homes are built and handed over, and in the longer-term debt interest reduces as capital balances are paid off. However, in the short term, action needs to be taken to ensure the working balance remains sufficient in the short to medium term. To this end, income generation and savings ideas equivalent to approximately £1m per annum are required.
- 11.56 The table at appendix 2 provides the detailed list of proposed savings, of which £0.89m quantified ongoing revenue savings and £0.25m capital savings have been identified.
- 11.57 Some identified savings reduce budgets that are currently being underspent, or not spent at all, and where this is the case, have been built into the business plan model. Further proposed savings are yet to be built in pending consultation and further work to determine a realistic timescale or value.
- 11.58 Savings proposals have a high degree of confidence on both the amount and the implementation have been rated green and included in the business

plan. Those proposals where uncertainty over the value or implementation timescale are rated as amber or red and not yet included in the business plan.

- 11.59 One of the proposals is to bring Westgate Place back into use. Westgate Place was previously leased by the HRA to A2 Dominion at a peppercorn rent, however the lease has now expired, and the property has been returned to the HRA. The property requires void works estimated at £10,000 and fire safety works estimated at £14,000 to bring back into use as Temporary Accommodation and would generate rental income to the HRA, which will require an increase in voids spend in 2025/26. These costs can be covered by the existing voids and fire safety budgets. By bringing the property back into use, there will also be a wider benefit to mitigate increasing demand for Temporary Accommodation.
- 11.60 By bringing the property back into use, costs associated with maintaining an empty property will be avoided, the HRA will benefit from a rental income stream not previously budgeted, and the increase in availability of temporary accommodation will help mitigate increasing demand.
- 11.61 The scale of savings to be made inevitably means that there is a degree of associated risk. Savings proposals have been risk rated accordingly. Potential mitigations, if savings cannot be achieved, are:
- Reducing the proposed investment budget (with potential consequences for service improvement)
 - Reducing working balance (which is already the case in the first 5 years as borrowing costs increase)
 - Reducing the capital programme or delaying the new homes programme
 - Reducing core services provided

Asset Disposals

- 11.62 The business plan agreed in February 2025 includes an assumption of asset disposals totalling £2.5m, equating to £0.5m per annum for 5 years.
- 11.63 During 2025/26, disposals of surplus assets are progressing, and the targeted £0.5m receipts for 2025/26 is expected to be achieved. The business plan assumes that the HRA will identify and dispose of further surplus social housing assets to meet the target disposal proceeds. These assets will be identified by looking at their long-term fit in terms of demand/cost to maintain and suitability/cost to retro fit to required standards, and work is ongoing via a project group to monitor disposals and identify suitable assets.

- 11.64 The capital receipts generated by asset sales will be reinvested back into the HRA capital programme. If sales receipts are not achieved, the borrowing requirement for the capital programme will increase.

Sewage Treatment Works

- 11.65 The HRA is responsible for the operation of a number of small sewage treatment works, septic tanks, and cesspools, which provide private sewage treatment connections for 382 council tenants and 368 private homes. The Sewage Treatment Works encompass 36 small sewage treatment works (including septic tanks), 19 pumping stations (9 are isolated and 10 within curtilage of treatment works) and 21 cesspools. The sewage treatment works range in size from small works serving 4 properties to larger works serving 85 properties. The septic tanks and cesspools serve between 1 and 8 properties.
- 11.66 There is currently an under-recovery by the HRA of the annual cost of operating these treatment plants.
- 11.67 The council should be seeking to fully-recover the total cost of providing sewage treatment services so that these services are not subsidised by wider council tenants. Investment is included in the capital programme to invest in high-cost sites to reduce running costs where possible.
- 11.68 The proposal for 2026/27 is to continue to increase sewerage charges at 10% per annum until cost recovery for individual sites is achieved. and broadly in line with proposed water charge increases to be confirmed by OFWAT. Cost recovery will therefore take much longer to achieve.

12 OTHER OPTIONS CONSIDERED AND REJECTED

- 12.1 The council could consider investing less in customers' homes than is required to achieve the regulatory requirement of EPC C by 2030. This is not recommended as it would breach the regulatory requirements and in addition would not support the council's policy objective of being greener faster.
- 12.2 The council could reduce investment in major repairs of existing properties. However, doing so would risk failing to meet decent homes standards, and risks underinvestment in the stock, increasing pressure on reactive repairs and voids within the revenue budget.
- 12.3 The council could delay the implementation of 1000 homes programme to spread the investment cost over a longer period, reducing pressure on the business plan in the short term. However, there is a commitment to deliver by 2031 and therefore this has been discounted.
- 12.4 The council could also seek increased revenue savings than those identified in this report to provide investment capacity in the HRA. At this time the level of revenue savings identified are achievable and will not lead to a reduction in the quality of service delivered. Investment in improving the digital access to services may generate efficiencies in the future that can be realised without

detriment to services. Therefore, increased revenue savings are not recommended at this time.

BACKGROUND DOCUMENTS:-

Previous Committee Reports:-

CAB3477 (EXEMPT) Acquisition of affordable homes Hazely Rd Twyford

CAB3485 Acquisition of affordable homes at Kings Barton Winchester

CAB35xx Woodman Close new build

CAB3473 Procurement of Repairs & Maintenance term contract

CAB35xx HRA Outturn 2024/25

CAB35xx HRA Budget 2025/26

CAB34xx HRA Business Plan and Budget Options – November 2024

Other Background Documents:-

None

APPENDICES:

Appendix 1 Summary Business Plan

Appendix 2 Savings Proposals

Appendix 3 Business Plan Metrics

Appendix 1

Summary Business Plan

	2025.26	2026.27	2027.28	2028.29	2029.30	2030.31
	HRA Business Plan £	HRA Business Plan £	HRA Business Plan £	HRA Business Plan £	HRA Business Plan £	HRA Business Plan £
Income						
Dwelling Rents	35,463,317	37,850,523	41,137,142	44,010,852	46,814,025	51,200,434
Voids	-548,935	-580,874	-624,188	-662,540	-699,816	-759,325
Net Dwelling Rents	34,914,381	37,269,649	40,512,953	43,348,312	46,114,208	50,441,109
Non Dwelling Rents	203,784	212,750	219,133	225,707	232,478	239,453
Charges, contributions and other income	2,729,723	2,892,357	3,010,627	3,127,948	3,220,416	3,346,091
Total Income	37,847,888	40,374,756	43,742,714	46,701,967	49,567,102	54,026,652
Expenditure						
Repairs and maintenance	-8,081,238	-8,920,870	-8,867,467	-9,147,840	-9,313,485	-9,614,994
Supervision and management	-10,798,677	-11,170,698	-11,440,170	-11,782,259	-12,134,589	-12,497,465
Special services	-2,136,075	-2,221,254	-2,282,259	-2,342,568	-2,404,523	-2,468,171
Rents, rates, taxes and other charges	-1,995,197	-1,800,523	-1,199,226	-896,926	-911,259	-925,825
(Increase)/decrease in provision for bad or doubtful debts	-109,586	-118,240	-135,328	-149,424	-164,454	-187,868
Depreciation and impairment of fixed assets	-10,592,426	-11,115,963	-11,575,274	-12,063,098	-12,599,308	-13,201,312
Total revenue spend	-33,713,199	-35,347,548	-35,499,724	-36,382,115	-37,527,618	-38,895,634
Net cost of services	4,134,689	5,027,208	8,242,990	10,319,852	12,039,484	15,131,018
Interest payable, incl amortisation of premiums and discounts	-7,982,930	-9,517,044	-10,656,361	-11,441,420	-13,075,278	-15,122,401
HRA investment income	889,658	672,127	258,928	209,901	181,665	170,878
Surplus / (deficit) for the year	-2,958,583	-3,817,709	-2,154,443	-911,667	-854,129	179,495
HRA Balance Brought forward	15,950,000	12,991,417	9,173,708	7,019,265	6,107,598	5,253,469
HRA Balance Carried forward	12,991,417	9,173,708	7,019,265	6,107,598	5,253,469	5,432,964

Appendix 2 – Savings Proposals

Savings proposals have been rag rated according to the confidence regarding deliverability of the proposal. Where proposals are amber, there may be some risk to achieving the saving, and red proposals will need further work or scoping.

	Revenue Savings	Capital Savings	RAG rating
1) Additional income from applying rent convergence - CPI+1% + £2 for non convergent properties	400,000		Amber
2) Inclusion of income for Lower Brook St car park (assumed from 2027/28)	10,000		Green
3) Sheltered Housing - reduce hospitality and advertising budgets	20,000		Green
4) Tenant Welfare / Hoarding budgets reduce to current spend levels	60,000		Green
5) Sewerage charges increase 10%	25,000		Green
6) Delete Neighbourhoods discretionary budgets	52,000		Green
7) Reduce budgets associated with identified underspends on utility budgets	100,000		Green
8) Reduce tenant engagement budget to match current spend levels	20,000		Green
9) Estates Improvement budget reduction to £100k per annum		250,000	Green
10) Current gap on service charge recovery	100,000		Amber
11) Reduce frequency of cyclical external redecs from 5 years to 7 years	50,000		Amber
12) Bring Westgate Place back into use	40,000		Amber
13) Section 20 review process	15,000		Amber
14) Investment in sewerage treatment plants	TBC		Red
15) Careline service charge for equipment	TBC		Red
16) Identify any further areas that could be service charged	TBC		Red

Appendix 3 – Business Plan metrics

Financial Year	External Debt	CFR	Revenue Expenditure	Capital Charges	Debt Repayment	Net Income	Capital Programme	New Build	Working Balance
2025.26	154,491	212,600	33,604	7,983	-	37,738	17,338	22,247	12,991
2026.27	196,037	231,376	35,229	9,517	-	40,257	26,934	31,125	9,174
2027.28	221,987	244,557	35,364	10,656	-	43,607	17,906	19,999	7,019
2028.29	236,356	258,927	36,233	11,441	-	46,553	17,614	20,624	6,108
2029.30	276,316	298,887	37,363	13,075	-	49,403	17,581	39,999	5,253
2030.31	304,317	326,887	38,708	15,122	-	53,839	18,012	28,026	5,433
2031.32	324,436	347,007	40,200	16,846	-	56,656	7,270	36,098	5,213
2032.33	322,387	344,958	41,809	17,797	2,049	60,815	9,069	-	4,811
2033.34	319,651	342,221	43,414	17,658	2,737	63,542	8,575	-	5,441
2034.35	316,143	338,714	44,599	17,481	3,507	64,852	9,865	-	5,914
2035.36	311,120	333,691	45,820	17,613	5,023	67,407	9,311	-	6,343
2036.37	306,724	329,294	47,077	17,338	4,397	67,500	13,265	-	6,735
2037.38	301,999	324,570	48,371	17,316	4,725	68,850	12,900	-	7,053
2038.39	296,774	319,344	49,705	17,017	5,226	70,226	13,618	-	7,395
2039.40	290,944	313,514	51,078	16,686	5,830	71,630	9,941	-	7,737
2040.41	284,653	307,224	52,493	16,322	6,291	73,063	17,106	-	8,200
2041.42	276,188	298,759	53,950	15,883	8,465	75,905	10,513	-	8,515
2042.43	268,705	291,276	55,451	15,651	7,483	76,016	11,737	-	8,955
2043.44	260,616	283,187	56,998	15,184	8,089	77,537	18,552	-	9,417
2044.45	251,715	274,286	58,592	14,674	8,901	79,089	14,277	-	9,694
2045.46	242,218	264,789	60,234	14,122	9,497	80,673	13,738	-	10,115
2046.47	231,958	254,529	61,926	13,533	10,260	82,289	12,282	-	10,581
2047.48	219,591	242,162	63,670	13,099	12,367	85,490	13,145	-	11,152
2048.49	207,814	230,385	65,467	12,374	11,777	85,621	16,992	-	11,631
2049.50	195,102	217,672	67,319	11,640	12,712	87,338	12,347	-	12,060
2050.51	188,877	211,447	69,228	11,071	6,225	89,090	19,106	-	19,769
2051.52	188,877	211,447	71,196	10,889	-	90,878	16,425	-	34,262
2052.53	188,877	211,447	73,224	11,133	-	94,413	18,605	-	50,738
2053.54	188,877	211,447	75,315	11,133	-	94,565	19,163	-	65,978
2054.55	188,877	211,447	77,470	11,133	-	96,459	19,738	-	81,643

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SCRUTINY COMMITTEE

REPORT TITLE: HOBBS VIEW, SOUTHBROOK COTTAGES, MICHELDEVER – LESSONS LEARNED

13 NOVEMBER 2025

REPORT OF CABINET MEMBER: Cllr Mark Reach, Cabinet Member for Good Homes

Contact Officer: CAROLINE EGAN - SERVICE LEAD, NEW HOMES

Tel No: 01962 848124 Email: cegan@winchester.gov.uk

WARD(S): ALL

RECOMMENDATION:

It is recommended that the committee scrutinise and comment on the content within the attached cabinet report, ref CAB3492, particularly the identified “lessons learned” which will be considered by cabinet at its meeting on the 19 November 2025.

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REPORT TITLE: HOBBS VIEW, SOUTHBROOK COTTAGES, MICHELDEVER –
LESSONS LEARNED

19 NOVEMBER 2025

REPORT OF CABINET MEMBER: Cllr Mark Reach, Cabinet Member for Good
Homes

Contact Officer: CAROLINE EGAN - SERVICE LEAD, NEW HOMES

Tel No: 01962 848124 Email: cegan@winchester.gov.uk

WARD(S): ALL WARDS

PURPOSE

This report advises on key outcomes, project costs, and lessons learned following completion of the pilot Passivhaus Plus project at Hobbs View, Southbrook Cottages, Micheldever.

The Constitution provides that any variation to a building contract (with a value in excess of £1m) that results in the total cost of the scheme exceeding the approved estimate by 10% is subject to an updated financial appraisal to be reported to the Overview and Scrutiny Committee and Cabinet explaining the reasons for the cost increase.

This project was identified as an Action Plan priority in the *Winchester Climate Emergency Carbon Neutrality Action Plan 2020 to 2030*. The Action Plan identified the project as a suitable pilot to develop a Passivhaus Plus development to support and inform future policy and development decisions.

The flats at Hobbs View have been completed by the contractor, Ascia Construction Ltd, and were formally handed over to the council on 29 October 2024.

This project review has identified the following six lessons learned which can be applied to future new build council schemes:

- Consider removing certification requirements for any future proposed Passivhaus Plus developments

- Identify the availability of Passivhaus Suppliers before the procurement of Passivhaus Plus developments
- Consider a Design and Build Contract for price certainty
- Appoint a Clerk of Works for future projects
- Increase contingency and professional fees for traditional build contracts
- Exclude off site projects from the main building contract

RECOMMENDATIONS:

1. That the reasons for the project overspend are noted and that procurement and management of future projects seeks to learn from this pilot scheme.

IMPLICATIONS:1. COUNCIL PLAN OUTCOME

1.1 Greener Faster

The completion of 6 flats at Hobbs View to Passivhaus Plus standard, aligns with the council's Greener Faster Council Plan priority and is consistent with the priorities to be a carbon neutral district by 2030.

The Passivhaus Plus standard is an exacting standard. It is a low energy building specification which requires the building fabric to be extremely efficient and airtight, reducing the heating requirement and carbon emissions. The flats at Hobbs View have been completed to this exemplar standard, to deliver highly energy efficient and healthy affordable homes, resilient to extreme climate events.

1.2 Good Homes for all

The completion of flats at Hobbs View aligns with the council's commitment that all homes are energy efficient and affordable to run. The completed development has delivered highly energy efficient and comfortable homes, demonstrated by their *A rating* Energy Performance Certificate (EPC), resulting in reduced energy bills for tenants.

The delivery of new homes contributes to the council's ambition of delivering 1,000 homes by 2032. All flats have been allocated in accordance with Hampshire Home Choice's Scheme of Allocation.

1.3 Thriving Places

The construction of flats at Hobbs View utilised a brownfield garage site. In its place, the development of Hobbs View has provided high quality homes to allow local people to live and work in the district.

1.4 Healthy Communities

The delivery of 6 affordable flats at Hobbs View to Passivhaus Plus standard has produced extremely energy efficient, comfortable homes for tenants, which are resilient to extreme climate events and overheating.

The provision of good quality homes at Hobbs View will support physical and mental health and wellbeing. The development is in very close proximity to the Rank playing fields and public footpaths, so is well-served by open space.

1.5 Effective and Efficient

The repurposing of a brownfield garage site has provided an effective and efficient way to provide much needed affordable housing and has provided the council with a valuable and unique opportunity to utilise an existing asset.

1.6 Listening and Learning

The completion of homes at Hobbs View meets local need for affordable housing.

The completion of additional offsite parking for existing residents at Hobbs View has delivered the wishes of both existing residents and Micheldever Parish Council following a community consultation process.

2. FINANCIAL IMPLICATIONS

- 2.1. There have been significant increases in costs since construction was approved, and at final account the project is 27% (£535,491) over the approved budget.
- 2.2. The financial viability appraisal detailed at Final Business Case in October 2022 (CAB3364) did not pass the council's viability criteria. However, the scheme was approved by Cabinet Committee: Housing based on developing an exemplar pilot project identified in the council's Neutrality Action Plan, to be built to the highest energy saving standards to obtain maximum benefits for tenants.
- 2.3. Cabinet approved a budget of £1,990,513 following the formal tender process to proceed with the scheme (CAB3364). This comprised the build contract sum of £1,730,881, plus development costs (professional fees, surveys, staff time and contingency) of £259,632.
- 2.4. The project completed in October 2024, and in August 2025 the council's contract administrator, Baker Ruff and Hannon, advised a final account figure for the construction works of £2,155,000. This is a contract cost increase of £424,119.
- 2.5. Final expenditure for development costs (professional fees, surveys and staff time) for the project is £371,004, an increase on estimated development costs of £111,372.
- 2.6. This results in a total project cost of £2,526,004. This is a cost increase of £535,491 from the approved budget, which equates to a 27% increase over the approved budget.
- 2.7. The above final construction account figure of £2,155,000 includes £86,824 costs resulting from additional acoustic works. A professional indemnity insurance claim has been submitted by Baker Ruff and Hannon on behalf of the council to attempt to recoup these costs along with associated expenses which would reduce overspend.
- 2.8. The final construction account also includes the cost of reconfiguration and creation of 8 additional car parking spaces to the front of numbers 11 to 14 Southbrook Cottages.

- 2.9. The final construction account includes cost savings of £42,918 for changes made from ground source heat pumps to exhaust air source heat pumps as well as changes in the construction method of external walls.
- 2.10. The reasons for the contract cost expenditure increase are set out in the following paragraphs, and summarised in Table 1.
- 2.11. Contract Administrator's Instructions
- 2.12. Changes to the original build contract can arise because of unexpected site problems or because of design changes needed by the client. 72 instructions were issued by the Contract Administrator to vary the works.
- 2.13. The reasons for these variations are varied but include items omitted by the contractor from the original tender such as utility connections and performance bond, and changes required by the council such as amendments to the fire alarm system and the addition of floor coverings. A requirement to redesign the retaining wall was also a variation to the contract, attracting additional costs.
- 2.14. Acoustic remedial works were required owing to failed acoustic tests (a Building Control requirement). The additional costs and delay to rectify this were significant due to the requirement to "open up" completed works because of the late stage of the testing. The council is currently seeking remediation to recoup some of these additional costs and discussions are currently ongoing.
- 2.15. Extension of Time Claims
- 2.16. Two Extension of Time (EOT) claims were submitted by the contractor, and both were robustly scrutinised by the Contract Administrator.
- 2.17. EOT claim 1 was awarded to the contractor for delays to the programme due to roof setting out, PV panels and external door and window supplier delays, delays to plant hire and equipment services, and additional site security. The requirement to secure alternative PV panels and windows and doors which met Passivhaus Plus certification caused significant programme delays and additional costs. The specified entrance doors, Automatic Opening Vent (AOV) windows and PV panels, for example, were discontinued during the construction stage resulting in delays while suitable alternative "Passivhaus products" were sourced. This resulted in revisions to roof setting out, as well as additional costs associated with delay such as plant hire equipment and site security. Changes to the specification of these products required reviewing and approval by the independent certifier. The time taken to source suitable alternative products (from a more limited supply of "Passivhaus products") and obtain approval from the certifier was greater because of the requirement to meet the Passivhaus Plus standard.
- 2.18. EOT claim 2 of £65,000, was awarded to the contractor for delays associated with the mains power supply and meter cupboard.

2.19. **Additional Development Costs**

2.20. The prolongation of the project necessitated the payment of additional consultants' professional fees. There were also additional costs associated with the requirements of the S278 works for the additional parking (consultant and HCC fees and surveys). There were also additional capitalised staff costs which were omitted in the original financial appraisal.

Table 1 – Final Account showing main cost changes

Final Account	Savings	Additions	Key elements
Contract Sum		£1,730,880.88	Original contract sum
Contract Administrator's Instructions	£42,918	£326,601.74	Contract Variations: <ul style="list-style-type: none"> - Acoustic remedial works - Performance bond omission - Retaining wall redesign - Water connection - BT and SSE connection - Cavity barriers - PV redesign and roof vents - Changes to addressable fire alarm system and communal stair - Addition of floor coverings - Additional soil reports
Extension of Time Claim 1		£71,938.74	Due to: <ul style="list-style-type: none"> - Roof setting out - PV panels and external door and window suppliers delays - Delays to plant hire and equipment services - Site security
Extension of Time Claim 2		£65,000	Due to: <ul style="list-style-type: none"> - Mains power supply and meter cupboard delay

Agreement to Settle		£3,496.64	
Final Construction Account Agreed		£2,155,000	
Development Costs		£371,003	Additional fees associated with: - prolongation of project - redesign work - S278 works - PI claim Plus staff capitalised costs
Total Project Cost:	£42,918	£2,526,003	
Approved Budget		£1,990,513	
Total Over Budget		£535,490	

2.21. The overspend against budget has been financed by applying an additional £0.2m Right to Buy receipts, which are no longer available to apply to other housing development schemes and increased HRA prudential borrowing. The ongoing impact on the business plan was to increase the HRA capital financing requirement by £0.3m, with a consequent increase in the cost of borrowing estimated at £15,000 per annum.

3. LEGAL AND PROCUREMENT IMPLICATIONS

- 3.1. The council's e-tendering portal (EU Supply/CTM Portal) was utilised to manage submissions electronically and the works were procured under the JCT Intermediate Building Contract with Contractor's Design, 2016 Edition (ICD 2016) using an open tender procurement process. A building contract was signed with Ascia Construction Ltd in December 2022. Legal and Procurement colleagues advised on this process.
- 3.2. A Deed of Easement was required between WCC and Micheldever Parish Council for connection to foul sewage on land owned and managed by the Parish Council. A Deed of Easement was signed prior to the signing of the construction contract in December 2022.

- 3.3. A S278 Agreement with Hampshire County Council (HCC) was required for part of the offsite additional car parking. A completion certificate for the works was issued by HCC in January 2025 to confirm that all works associated with the S278 have been completed to the satisfaction of HCC.

4. WORKFORCE IMPLICATIONS

None – within existing Business Plan Objectives.

5. PROPERTY AND ASSET IMPLICATIONS

- 5.1. The completion of homes at Hobbs View has provided 6 new affordable flats on land within the council's ownership and is a council owned asset. Following completion and handover the council will have ongoing maintenance responsibilities for the scheme following the 12-month defect period which ended on 28 October 2025.
- 5.2. Completion and handover of additional offsite parking on land owned by the council requires ongoing maintenance responsibilities following the end of the 12-month defect period in October 2025.

6. CONSULTATION AND COMMUNICATION

- 6.1. A public consultation took place in August 2020 to consult residents on the design proposals for Hobbs View. The proposed design of the flats was discussed and presented via an online event.
- 6.2. Because of parking concerns expressed by residents, a further online survey was conducted in Autumn 2020 with a view to providing additional parking on or near the street.
- 6.3. Local Councillors and Micheldever Parish Council have been kept updated on the additional parking and overall completion timescales over the course of construction. There is an opportunity on future projects for the New Homes team to improve consultation and manage expectations between the building contractor and parish council throughout the construction process.

7. ENVIRONMENTAL CONSIDERATIONS

- 7.1. Environmental considerations have been central to the design and construction of Hobbs View. The project was outlined in the council's Neutrality Action Plan and identified the site as a suitable pilot to consider the feasibility of a highly energy efficient project following the council's declaration of a Climate Emergency.
- 7.2. The project has been designed and constructed to the Passivhaus Plus standard. This is a variation of Passivhaus where the little energy which is required is provided by renewables. The delivered scheme at Hobbs View uses a combination of increased building fabric efficiencies paired with

renewable energy technologies including exhaust air source heat pumps, MVHR (Mechanical Ventilation Heat Recovery Units) and PV panels.

- 7.3. Environmental considerations including carbon emissions and energy use have been fundamental in the design, construction and delivery of the pilot Passivhaus Plus development at Hobbs View. The project has been modelled using the Passivhaus Planning Package model to ensure the high standards of Passivhaus Plus have been met.
- 7.4. Following a rigorous assessment by an independent Passivhaus certifier, Hobbs View was awarded Passivhaus Plus certification in May 2025.
- 7.5. The delivered scheme has taken account of the council's Air Quality Supplementary Planning guidance regarding noise reduction. Nilan Exhaust air source heat pumps were selected for the project. These have a very low acoustic level. Additionally, the housing cupboard was designed to ensure minimum noise emission.
- 7.6. Electric Vehicle charging points are provided for each flat as well as secure cycle storage.
- 7.7. The recommendations and enhancements identified in the ecological appraisal provided by Ecosupport, including the provision of swift boxes, have been provided at Hobbs View which aligns with the declaration of the nature emergency.

8. PUBLIC SECTOR EQUALITY DUTY

- 8.1. The completion of Hobbs View is consistent with the Council Plan and the Housing and Housing Development Strategies, all of which have been subject to Equality Impact Assessments.

9. DATA PROTECTION IMPACT ASSESSMENT

- 9.1. None required.

10. RISK MANAGEMENT

- 10.1. The Final Business Case approved by Cabinet Committee: Housing (CAB3364) identified cost as a key risk. Financial risk was identified because building to the enhanced Passivhaus Plus standard is more expensive than traditional build due to the enhanced building fabric specification and energy saving heating requirements. Interest rate increases and construction inflation were also identified as key risks in the Final Business Case approved by Cabinet.

Risk	Mitigation	Opportunities
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Financial Exposure	The Final Business Case financial appraisal, approved by Housing Cabinet in October 2022, did not pass the council's viability criteria. Scheme costs have further increased, and close cost monitoring has been undertaken by the council's external consultant.	
Exposure to challenge	Total development costs exceed the approved budget and the key reasons for this financial increase have been identified. The council's external cost consultant has robustly negotiated the final account with the contractor.	The delivered project provides an opportunity to showcase a small Passivhaus Plus project to support future developments consistent with the council's climate emergency priorities. It has delivered affordable housing for tenants which are comfortable to live in and tenants can take advantage of lower energy bills.
Innovation	The project has been delivered and certified to the exemplar Passivhaus Plus standard.	The delivered project provides an opportunity to showcase innovative and sustainable technology including exhaust air source heat pumps, PV panels and MVHR units. Delivery of the project demonstrates the council's commitment to its carbon neutral priorities.
Reputation	The delivery of affordable homes to the Passivhaus Plus standard at Hobbs View has provided the council with a platform to demonstrate the council's carbon neutrality targets whilst providing	

	comfortable, warm homes for applicants on the social housing register.	
Achievement of outcome	The project meets the performance requirements of Passivhaus Plus. All evidence relating to Passivhaus Plus certification has been assessed and the project has been awarded Passivhaus Plus certification in May 2025.	
Property	Hobbs View has provided the council with a highly energy efficient asset.	
Community Support	Hobbs View, including the delivery of additional offsite parking, has been delivered following community consultation and the statutory planning process.	The project has provided an opportunity to engage with the local community and Parish Council to deliver additional parking spaces in Southbrook Cottages to benefit existing residents.
Timescales	The project has been delayed owing to various factors. Nevertheless, the project has been completed to a very high standard. Delays were due to the need to source suitable alternative equipment and technology when required during construction.	
Project capacity	Staff resources were allocated.	
Other		

11. SUPPORTING INFORMATION:

- 11.1. Following the declaration of the climate emergency in 2019, The *Winchester Climate Emergency Carbon Neutrality Action Plan 2020 to 2030*, identified the delivery of a pilot Passivhaus Plus housing scheme in Micheldever as one of

the Action Plan priorities to support and inform future policy and development decisions.

- 11.2. Architecture PLB were appointed in late 2019 to investigate a brownfield garage site owned by the council at Southbrook Cottages in Micheldever, to consider feasibility of a Passivhaus Plus pilot scheme for affordable housing.
- 11.3. Following investigations, it was determined that the Passivhaus Plus standard could be achieved for the site at Southbrook Cottages. Architecture PLB were appointed to provide a feasibility study for 8 one-bedroom flats.
- 11.4. Further to design development and site analysis, it was evident the provision of 8 flats was not possible owing to site constraints, and the decision was made to reduce the number of flats to 6 and to provide four 1-bedroom flats and two 2-bedroom flats.
- 11.5. Passivhaus Plus is a tried and tested model providing an extremely high energy efficiency building standard focusing on achieving excellent levels of internal comfort with an energy input as close to minimal as possible. It adopts a whole building approach with clear measured targets, focused on high quality construction, certified through an exacting quality assurance process.
- 11.6. Passivhaus Plus is a variation of Passivhaus where the little energy which is required is provided by renewables.
- 11.7. To achieve the rigorous process of Passivhaus Plus certification, an independent certifier is required and the Council engaged "Warm" Consultants for this purpose. Following a rigorous certification process following completion, Hobbs View was certified as a Passivhaus Plus scheme in May 2025.
- 11.8. Approval was given at the Housing and Asset Management Decision Day on 7 December 2020 to submit a planning application for this pilot project and to tender the construction of 6 properties to support the council's climate emergency priorities for Winchester District to be carbon neutral by 2030.
- 11.9. Planning approval was given in August 2021, and construction started on site in October 2022. The flats were completed in October 2024 and are fully occupied.
- 11.10. As part of the building contract, additional offsite parking in Southbrook Cottages has also been completed on a grassed verge identified as open space. The reconfiguration and creation of additional car parking spaces was a result of feedback from existing residents following the consultation process. This required a separate planning application which was submitted in February 2022 with approval given in May 2022.
- 11.11. The additional car parking utilises an open grass verge to the front of numbers 11 to 14 Southbrook Cottages. This has resulted in a net gain of 8 parking spaces. Part of this parking design has required a S278 Agreement with HCC.

11.12. The additional parking was included in the construction contract for the new flats and has been undertaken by Ascia Construction Ltd.

12. KEY OUTCOMES:

12.1. Passivhaus Plus Standard and Certification

12.2. The Passivhaus Plus standard focuses on an energy input as close to zero as possible, producing energy through renewable/fossil fuel free sources such as solar PV or heat pumps. This exemplar standard has been achieved in the delivery of the 6 flats at Hobbs View with high levels of air tightness and thermal efficiency and utilising roof mounted PVs and exhaust air source heat pumps.

12.3. The standard is certified through an exacting quality assurance process throughout the design and construction stages. Certification is achieved through an independent specialist certifier. The Council appointed "Warm" Consultants to undertake this process.

12.4. Obtaining certification involved a rigorous process requiring a review of detailed information by an independent certifier which is provided to the Passivhaus Institute in Germany before issuing certification. Hobbs View meets the performance requirements of Passivhaus Plus and is now a fully certified Passivhaus Plus project.

12.5. Energy Efficiency

12.6. The energy efficiency of the flats is evidenced by the EPC certification. All 6 flats at Hobbs View have been awarded an A rating Energy Performance Certificate (EPC). This is the highest rating. The average energy rating score for the flats at Hobbs View is 109. In comparison, the average energy rating for England and Wales is D and the average energy rating score in the UK is 60.

12.7. The high energy efficiency of Hobbs View means that the 1-bedroom flats have an estimated expenditure on heating, hot water and lighting of £481 per year and an estimated -0.8 tonnes of carbon emissions per year. The 2-bedroom flats at Hobbs View are estimated to have an expenditure for heating, hot water and lighting of £525 per year and -0.95 tonnes of carbon emissions per year.

12.8. In comparison, average expenditure on heating, hot water and lighting in the UK is £1,292 per year for a flat or house for 1 to 2 persons (British Gas figures). Average carbon emissions for an average household are 6 tonnes of carbon per year.

12.9. Affordability and Housing Need

12.10. All 6 flats have been advertised and allocated in accordance with Hampshire Home Choice's Allocations Framework's Village Vacancy criteria and

Winchester City Council's Scheme of Allocations with a rent at or below the Local Housing Allowance (LHA) rate, within the government guidelines for affordable rent.

- 12.11. Only five households with a qualifying local connection bid for the new homes. All five applicants were given the opportunity to be considered for allocation to the properties. Three applicants chose to be allocated, and two declined or were allocated an alternative property at a different location which they preferred. The remaining three homes were offered to other Hampshire Home Choice applicants with a qualifying local connection to the wider Winchester City Council local authority area.
- 12.12. A recent tenant survey resulted in one response which highlighted an issue with patio drainage and outside storage, but overall the tenant was satisfied with the quality of their home and reported that their energy bills were slightly lower than their previous accommodation.

13. LESSONS LEARNED

To consider removing certification requirement for future Passivhaus Plus projects

- 13.1. It is generally accepted that Passivhaus Plus is more expensive than building to standard building regulation requirements. This is due to enhanced standards for air tightness, excellent thermal efficiency, and heat pump and MVHR technology.
- 13.2. The construction of Hobbs View has demonstrated that the certification process, in addition to the standard itself, has impacted programme and cost.
- 13.3. Typically, in construction projects, any changes to products or specifications during construction can be approved by the project team without significant delay. This contrasts with the experience at Hobbs View, where changes made to products (for example AOV windows, external doors and PV panels) led to delays because the review and approval process for Passivhaus Plus certification was lengthier.
- 13.4. The limited number of UK Passivhaus Plus certifiers exacerbated this problem resulting in capacity and response issues regarding the quality assurance and certification process.
- 13.5. If a Passivhaus project was delivered in future, cost savings and efficiencies would be realised if the project achieved the same EPC standard as Passivhaus, without obtaining Passivhaus certification.

Identify Availability of Passivhaus Suppliers Before Procurement

- 13.6. There are a limited number of suppliers who can provide appropriate and suitable products which meet the Passivhaus Plus standard. It is expected that this number will increase in the future. However, delays and cost

increases to the project at Hobbs View can, in part, be attributed to the limited number of specialist suppliers. This was particularly the case when alternative windows and doors were required.

- 13.7. If a Passivhaus project were considered in future, it should be ensured there are adequate suppliers available to source and fit Passivhaus products.

Consider a Design and Build Contract for price certainty

- 13.8. The contract was let under a traditional route using an Intermediate Building Contract with Contractor's Design 2016 (ICD 2016). It was considered that a traditional procurement route would enable the council and design team to retain close control of design of the scheme.
- 13.9. Using a Design and Build (D&B) fixed price contract may have mitigated risk associated with time and cost and it is possible this may have avoided associated EOT claims. Similarly, using a Design and Build contract may have reduced risk associated with design amendments as the contractor would have had design responsibility.
- 13.10. The council should assess the benefits and risks of D&B and traditional contracts on a site-by-site basis. It should be noted that a D&B contract provides price certainty, though with added risk built into the submitted price. A traditional contract allows greater design control, but significant additional contingency needs to be added as construction risk is transferred to the client.

Appoint a Clerk of Works for future projects

- 13.11. A Clerk of Works was engaged for the entire construction stage of Hobbs View, and this was considered extremely valuable. Not all projects engage a Clerk of Works. However, the construction and completion of Hobbs View demonstrated the valuable role of the Clerk of Works. This was demonstrated during the acoustic remedial works at Hobbs View, where invasive works were required and the Clerk of Works played a critical role on behalf of the council.
- 13.12. This project has demonstrated that a Clerk of Works should continue to be used for the entire construction contract of future council build projects.

Increase contingency and professional fees for traditional build contracts

- 13.13. Although a traditional contract allows close design control, the cost risk is held by the client. The delivery of Hobbs View has demonstrated that adequate professional fees and a sufficient contingency in the business case are required on traditional contracts to account for variation and cost increases. In contrast, a D&B contract requires less contingency and professional fee as most risk is transferred to the contractor. The original financial appraisal at Final Business Case did not allow for sufficient professional fees or contingency for the project.

Exclude off site projects from the main building contract

- 13.14. It was considered that adding the separate car parking project to the main building contract would be the most efficient way of completing this separate project as quickly as possible. However, the timescale of the parking project was hampered by the contractual and procedural requirements of the S278 Agreement with HCC. Undertaking this offsite project separately may have completed the parking project more quickly.
- 13.15. The advantages and disadvantages of combining or separating projects should be carefully considered in future.

14. OTHER OPTIONS CONSIDERED AND REJECTED

- 14.1. There are no other options presented. This report is required as the overspend on the project meets the threshold for a formal review of process in Cabinet.

BACKGROUND DOCUMENTS:

[Climate Emergency Plan Final web.pdf](#)

[Planning Application 21/01279/FUL Removal of existing garages and construction of a single two storey building for affordable housing, containing 4x one bed flats and 2x two bed flats.](#)

[Planning Application 22/00279/FUL Removal of 12 on-street parking spaces including 3 disabled spaces. Provision of 20 new parking spaces including 10 off-street spaces, 5 off-street disabled spaces, 5 on-street spaces](#)

Previous Committee Reports:-

DD16 Housing and Asset Management 07 December 2020 [Approval of Outline Business Case DD16 Outline Business Case, Southbrook Cottages, Micheldever 7th December 2020](#)

[CAB3364 CABINET COMMITTEE: HOUSING, FINAL BUSINESS CASE, SOUTHBROOK COTTAGES, MICHELDEVER , 31 OCTOBER 2022](#)

SCRUTINY COMMITTEE

REPORT TITLE: Q2 2025/26 PERFORMANCE MONITORING

13 NOVEMBER 2025

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

Contact Officer: Simon Howson Tel No: 01962 848 104

Email: showson@winchester.gov.uk

RECOMMENDATION:

That the Scrutiny Committee raises with the Deputy Leader or relevant Cabinet member any issues arising from the information in this report, ref CAB3525, which is being presented to Cabinet on the 19 November 2025 and considers whether there are any items of significance to resolve or to be drawn to the attention of Cabinet.

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Finance and Performance Report – July to September 2025

Recommendation

That Cabinet notes the progress achieved during Q2 of 2025/26 and endorses the contents of the report.

Index

Performance Report

Section 1 – Greener Faster

Section 2 – Healthy Communities

Section 3 – Thriving Places

Section 4 – Good Homes for All

Section 5 – Efficient and Effective

Section 6 – Listening and Learning

Finance report.

Section 7 - Financial report

Updates since Q1 25/26 report

The rationale for each of the annual targets associated with the strategic key performance indicators has been included in the report, as requested by the Scrutiny Committee.

Additionally, Service Plan actions have been updated to reflect their red, amber, or green (RAG) status from previous quarterly reports. This historical context is intended to provide a clearer picture of progress over time and support more informed performance analysis.

Red/Amber/Green status

The table below provides a brief explanation of the RAG status used throughout this report to quickly and visually communicate the status of projects and service plan actions.

GREEN	Normal level of attention Project is on track to be delivered on time and within agreed resources
AMBER	Minor concern Some issues, being managed, needs to be closely monitored
RED	Major concern Serious issues, milestone dates being missed, recovery plan required

PERFORMANCE REPORT

Section 1 Greener Faster

Delivery highlights – July to September 2025

The council's annual carbon footprint report for the financial year 2024/25 confirms that we have met our ambitious forecasted targets for 2024/25 and demonstrates continued progress towards the council's carbon neutral targets.

- Scope 1 & 2 Market-Based Emissions we have achieved a 96% reduction compared to the 2017/18 baseline year and 85% on the previous year.
- Scope 3 Market-Based Emissions recorded a 22% reduction on the 2017/18 baseline and a 41% reduction on the previous year.
- We have exceeded our combined emissions target of 3,700 tCO_{2e}, for 2024/25 by reducing emissions to 2,252.1 tCO_{2e}.

These results reflect the impact of decarbonisation measures implemented for 2024/25 including switching to electric vehicles, closing City Offices at the weekends, switching to HVO for BIFFA and Park & Ride contract as well as purchasing green gas and electricity.

- The council delivered its first Winchester Green Fair, to mark the beginning of Winchester Green week. This event was aimed at residents and local communities to raise awareness and provide advice about living more sustainably, it was a great success with over 240 attendees.
- Work has started on developing a Climate Risk and Vulnerability Assessment (CRVA) for the council and wider district. Commenced internal stakeholder engagement to discuss screening and validation sessions, this work is ongoing.
- Allocation of UKSPF and REPF funding to further carbon saving projects in the community and local businesses. These range from installing solar PV, air source heat pumps and projects improving local biodiversity and land management.
- Three workshops have been delivered to develop a community led energy plan for Harestock, with local communities engaging in participatory mapping exercises to understand current and future energy requirements.
- £396,393 Community Infrastructure Levy Funding has been approved for active travel schemes in the Winchester district.
- The air quality in Winchester city centre has improved to the extent that the Department for Environment, Food and Rural Affairs (DEFRA) has confirmed that the Air Quality Management Area (AQMA), which has been in place 2003, can now be revoked. This means that officers can now focus on delivering the district wide Air Quality Strategy (AQS), which seeks to deliver even higher air quality standards by 2030, ten years ahead of the national requirement.

Our Carbon Neutrality Action Plan (Council)

Lead Cabinet Member: Cllr Kelsie Learney					Project Sponsor: Cheryl Headon							
Programme RAG status*	Timeline				Budget				Carbon			
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
RAG Status update <p>Carbon savings attributed to transitioning leased assets to low carbon energy are currently not on track, this means that both carbon and timeline project RAG status are rated amber for this quarter.</p> <p>Energy reduction measures to decarbonise Guildhall / City offices are costly and unlikely to be achieved due the government withdrawing all funding for public sector decarbonisation schemes.</p>												
Progress achieved during the last quarter: <p>Good progress has been made across all pathways for Q2. The following updates are some of the key highlights:</p> <ul style="list-style-type: none"> Two electric vehicles have been delivered for use by the Animal Welfare Officers. The vans are waiting to be refitted to meet operational requirements. Finance have approved the procurement of a panel van for Special Maintenance fleet. Nature Improvement Plan approved by Cabinet in September. Development and drafting of outline business case for small scale solar rooftop PV on council assets to take to PAC board next quarter. Drafting of project proposal for solar canopy sites. 												
Actions for the next quarter: <ul style="list-style-type: none"> Secure internal budget approval to procure three additional low carbon vehicles for Special maintenance. Publish executive summary of Nature Improvement plan and work with communications to promote via website, video and social media. Completion of Vaultex solar PV repairs. Take a paper to Cabinet in November 2025 to obtain authority to retender Grounds maintenance and street cleansing contract and to start to review and update the current specification for the tender document. Completion of laptop rollout and upgrade for staff. 												

Our Carbon Neutrality Action Plan (District)

Lead Cabinet Member: Cllr Kelsie Learney					Project Sponsor: Cheryl Headon							
Programme RAG status	Timeline				Budget				Carbon			
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
<p>RAG status update</p> <p>Timeline: whilst good progress has been made across the pathways some projects are still in their infancy and will take time to deliver the kilotonnes of CO₂e savings required. This major programme risk is being managed.</p> <p>Carbon: A key challenge for the district CNAP is tracking the carbon saved by the actions/ projects. Where possible, progress is being made on tracking carbon savings from council led actions / projects within the district. However, it is difficult to correlate these savings with government data for district emissions. This is because the government dataset is reported two years in arrears and due to the scale of the emissions and the lag in data reporting it is not possible to directly attribute these CNAP actions to government carbon savings.</p> <p>*RAG status rating is based on annual progress in year against the identified 2025/26 council delivery programme, carbon targets and budget.</p>												
<p>Progress achieved during the last quarter:</p> <ul style="list-style-type: none"> • Procured a consultancy to carry out 20 business carbon saving assessments. • Secured Community Infrastructure Levy funding to upgrade Friarsgate crossing to a Toucan Crossing, this will help to boost cycling and create better links with the outskirts of town to the city centre. • Work has progressed with pre-installation surveys and design works on Council homes to identify 195 properties suitable for the installation of solar PV, batteries and/or ASHP under Social Housing decarbonisation fund. • Development of Local area energy plan is progressing, currently modelling scenarios to achieve net zero energy system. 												
<p>Actions for the next quarter:</p> <ul style="list-style-type: none"> • HCC Active Travel Grant – outcome of bid to deliver active travel initiatives. • Launch of Green Business grant to facilitate businesses with reducing their energy use and saving carbon emissions • Delivery and launch of Winchester town Micro-consolidation scheme (cargo bike last mile delivery). • Local Area Energy Plan – review modelling outputs and complete final Community Led Energy Plan workshop with a specific focus on action planning. 												

Future of Waste and Recycling

Lead Cabinet Member: Cllr Steve Cramoysan	Project Sponsor: Cheryl Headon							
Programme RAG status	Timeline				Budget			
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
<p>Progress achieved during the last quarter:</p> <p>Contract amendments</p> <ul style="list-style-type: none"> Deed of variation to the main Biffa contract for the new food waste service and the vehicle lease agreement completed. <p>Grounds Maintenance relocation</p> <ul style="list-style-type: none"> The contract team is now fully operational at the Ring Tower depot in Winnall following the completed relocation. Barfield Close Depot is now fully leased to Biffa to provide additional space for the new food waste service. The Ring Tower building has now been handed to Asset Management team as BAU. <p>Preparing the Biffa depot for food waste</p> <ul style="list-style-type: none"> Some building/ modification works have been completed in the office building and in the yard to allow for the new food waste service. <p>Communal Properties – preparing for food waste recycling.</p> <ul style="list-style-type: none"> Work with Southampton University, Test Valley BC and Eastleigh BC on a joint research project to improve recycling in communal properties has now concluded. Strategies generated during the project are already being put in place by the project team and WCC housing colleagues. 2 Recycling officers are now in post and supporting roll out of food waste service. These officers will be prioritising communal property liaison and bin store signage. Detailed information on the Councils communal properties has been prepared in liaison with Housing team and passed to Biffa. A letter has been sent to landlords of communal properties setting out their responsibilities. Information has also been put on the Councils web pages. <p>Procurement of food waste containers and vehicles</p> <ul style="list-style-type: none"> All containers and liners are being delivered as required in line with roll out programme. All vehicles now delivered and operational. <p>Communications</p> <ul style="list-style-type: none"> Vehicle wraps completed, Calendars dispatched. All communications materials for roll out now completed and available. In addition, the Planning guidance document on the Council website is being updated to include food waste. Various events attended to support recycling initiatives. 								

Funding and Budgets

- Details of the New Burdens funding for the transitional element have now been received and are currently being assessed against the allocation made in the Council's budget. In addition, the council has received an indication of pEPR funding which DEFRA have confirmed will need to be allocated to improvements in household recycling. This will likely be allocated to Simpler Recycling Implementation, subject to a spending plan and Cabinet approval.

Timeline & Simpler Recycling Implementation

- HCC have confirmed that they will be building a new Materials Recovery Facility to accommodate the full suite of Simpler Recycling materials, which includes pots, tubs, tray, cartons, co-mingled glass and recycling, and separated paper and card. The Project team have started working on a delivery timetable to accommodate these changes by early 2028 when the new MRF is expected to become operational.

Actions for the next quarter:

- Complete roll out of food waste service as planned with full roll out by end of March 2026.
- Continue supporting communications programme for food waste rollout and address any issues raised as part of roll out.
- Recycling Officers working with Biffa on communal property engagement/ delivery of service.
- Develop an options appraisal for Simpler Recycling options and agree timetable and work/ consultation programme with ELB and Board – Autumn/Winter 2025.

Nutrient Mitigation Solution

Lead Cabinet Member: Cllr Jackie Porter, Cllr Mark Reach	Project Sponsor: Cheryl Headon							
Programme RAG status	Timeline				Budget			
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
<p>RAG status update</p> <p>The original timelines were ambitious, relying on desk-based research, but detailed site studies, due for completion by the end of 2025, will provide more precise data on site conditions and potential upgrade options.</p> <p>Due to the evolving nature of the scope, the project approach has been adjusted to remain aligned with developing requirements. These changes have affected the original timeline, however once the feasibility studies across the sites are completed and the civil engineering firm is onboarded, a more accurate and realistic delivery timeline will be provided.</p>								
<p>Progress achieved against last quarter</p> <p><u>Housing Revenue Account (HRA)</u></p> <ul style="list-style-type: none"> Nitrate and Phosphate credit sales are ongoing. Almost two thirds of Nitrate credits (38 of 63) and nearly all Phosphate credits (4.8 of 5.3) from Northington have been allocated. Prices are £3,250 per Nitrate credit and £50,000 per Phosphate credit (or part thereof). £230k has been invoiced to date and £373k further is expected to be paid when all balances are settled prior to developments starting on site (in line with signed Allocation Agreements). Plant installed at Northington cost £68k so this income to date of c.£0.5m is already a good return on investment in addition to inherent water quality improvements. The Goodens credits are now starting to be allocated following payment of index-linked monitoring fee to SDNPA. There are 90 Nitrate credits and 10.51 Phosphate credits available – first allocations have been paid for, but agreements not yet signed. Some Phosphate credits from this scheme will be sold for £100k (each or part thereof) because the mitigation location is upstream of the Alresford area where there are very few Phosphate credits available suitable to mitigate development here. <p><u>Partnership for Southern Hampshire (PfSH)</u></p> <ul style="list-style-type: none"> Feasibility studies and CCTV investigations are currently in progress across the nine shortlisted sites, with the findings intended to inform a subsequent tender process for delivering the works. 								

Actions for the next quarter:

- Feasibility surveys for the next HRA-funded upgrade will begin on completion of the PfSH assessments. Following the completion of feasibility studies, HRA sites will be prioritised within the overall works schedule.
- The council is seeking to appoint a civil engineering company to manage, procure and lead the delivery of this programme.
- Due to the evolving nature of the scope, the project approach has been adjusted to remain aligned with developing requirements. These changes have affected the original timeline, however once the feasibility studies across the sites are completed and the civil engineering firm is onboarded, a more accurate and realistic delivery timeline will be provided

Greener Faster - Progress against actions in service plans

Ref	Project	Cabinet Member	Delivery Date	Status R/A/G	
				Q1	Q2
1	Prepare full business case for a large-scale renewal energy project	Cllr Learney	April 2027		
2	Produce a business case for delivery for phase 1 of the small-scale renewable energy generation	Cllr Learney	October 2025		
3	Deliver the Air Quality Strategy and Action Plan	Cllr Learney/ Cllr Cramoysan	March 2030		
4	Take steps to reduce carbon from council owned occupied estate	Cllr Tod	Ongoing		
5	Develop a Local Area Energy Plan	Cllr Learney	December 2025		
6	Create sustainable travel networks and projects in local areas	Cllr Learney	April 2026		
7	Develop an Electric Vehicle Charging Points framework for the district	Cllr Learney	April 2026		
8	Develop a Nature Improvement Plan	Cllr Learney	March 2026		

Measuring our progress

Long range trackers (Annual – financial year)										
No.	Performance measure	Cabinet member (Cllr)	Lead Director	17/18 (base)	21/22	22/23	23/24	24/25	Target & Status 24/25	Target 25/26
GF1	Council total market-based emissions (tCO ₂ e) ¹	Learney	Cheryl Headon	4,251.2	4,260.2	3,970.3	4,090.5	2,252.1	3,700	2,100 Set in July 2025
GF1a	Council market-based Scope 1 & 2 emissions (tCO ₂ e) ²	Learney	Cheryl Headon	1,444.3 ²	595.6	523.4	398.2	57.7		
GF1a	% change relative to 2017/18 baseline year	Learney	Cheryl Headon	n/a	-59%	-64%	-72%	-96%		
GF1b	Council market-based Scope 3 emissions (tCO ₂ e) ¹	Learney	Cheryl Headon	2,806.9	3,664.6	3,446.9	3,692.3	2,194.4		
GF1b	% change relative to 2017/18 baseline year	Learney	Cheryl Headon	n/a	31%	23%	32%	-22%		
GF3	WCC air quality measure	Learney	Cheryl Headon	Not available	Not available	Not available	Not available	Not available		NO ₂ 30 µg/m ³ by 2030

- Basis of targets:**

GF1 to GF1b - Estimated from the annual Council Carbon Footprint report - based on several interventions with associated carbon savings

GF3 - Target derived from the [‘Air Quality Strategy’](#) for targets achieved by 2030

- Footnotes:**

¹ Since 2017/18 the council has acquired more assets and reports more activities under scope 3 (this includes WSLP, Chesil Lodge, Home working and staff commuting, council cared for housing schemes); Target of 3,700 is the overall target for GF1 to GF1b as they are sub-sets
Scope 1 = Direct emissions from our activities e.g. gas, council owned cars and vans; Scope 2 = Indirect emission from energy use e.g. electricity; Scope 3 = Indirect emissions from our activities and supply chain e.g. contractor emissions including P&R buses, Winchester Sport & Leisure Park and waste collection.

² Figures for baseline year (2017/18) have been revised and updated. This reflects the reclassification of two sites, which were previously reported under Scope 2, these are now correctly reported under scope 3.

Long range trackers (Annual – calendar year)										
No.	Performance measure	Cabinet member (Cllr)	Lead Director	2017 (base)	2020	2021	2022	2023	Target 2030	Status
GF2a	District territorial GHG (ktCO ₂ e) ²	Learney	Cheryl Headon	953.7	790.5	828.9	796.8	768.6		
GF2a	% change relative to 2017/18 baseline year	Learney	Cheryl Headon		-17%	-13%	-16%	-19%		
GF2b	District carbon emissions under scope of LA influence (ktCO ₂ e)	Learney	Cheryl Headon	669.9	560.1	591.3	556.7	533.0	520.00	n/a
GF2b	% change relative to 2017 baseline year	Learney	Cheryl Headon		-16%	-12%	-17%	-20%		

- Basis of targets:**

GF2a and GF2b – As set out in the Winchester District Carbon Neutrality Roadmap and [Carbon Neutrality Action Plan](#) to achieve zero carbon emissions.

- Footnotes:**

² Data are the overall values for GF2a and b as they are sub-sets. Previously reported figures will / may have been updated as government adjusts its calculation methodology and changes all past data to be consistent and enable direct comparison.

Practical real-time measures (Quarterly)										
No.	Performance measure	Cabinet member (Cllr)	Lead Director	Q2 - 24/25	Q3 - 24/25	Q4 - 24/25	Q1 - 25/26	Q2 - 25/26	Target 25/26	Status
GF4	% of household waste sent for reuse, recycling, and composting	Cramoysan	Simon Hendey	43.26%	37.79%	35.70%	40.89%	38.68%	40%	
GF5	Residual household waste per household (kg/hh)	Cramoysan	Simon Hendey	100.12	103.91	102.42	103.62	103.38	<420 kg/hh	
GF6	Energy usage (kWh) – Electricity – City Offices ³	Learney	Simon Hendey	24,634	41,260	41,002	24,491	26,743	Measure only	n/a
GF7	Energy usage (kWh) – Electricity – Guildhall ³	Learney	Simon Hendey	82,014	77,890	78,998	62,400	69,509	Measure only	n/a
GF8	Energy usage (kWh) – Gas – City Offices ³	Learney	Simon Hendey	24	28,262	62,786	0	0	Measure only	n/a
GF9	Energy usage (kWh) – Gas – Guildhall ³	Learney	Simon Hendey	55,920	82,805	89,345	18,010	7,905	Measure only	n/a
GF10	Renewable energy generated (kWh) from solar panels ⁴	Learney	Simon Hendey	113,011	25,842	43,123	140,117	115,262	Measure only	n/a

- **Basis of targets:**

GF4 and GF5 - Target based on performance improvement against previous years actuals, and ensuring top percentile performance amongst peers.

- **Footnotes:**

³ *Due to the way metering is set up this includes the whole of each building (less Shoal who are sub-metered) - tenants occupying space including the university (West Wing, Guildhall), CAB and NHS (City Offices) are recharged a percentage for their usage.*

⁴ *Data reported relates to: WCC Sites (City Offices, Cipher House, Vaultex), Winchester Sport and Leisure Park, Depot and Marwell Zoo.*

Commentary:

GF4 – Whilst the Q2 average is slightly below the 40% target, figures have progressively increased throughout the quarter being above average in September (37.11%, 38.87% and 40.07% respectively for each month)

GF8 – Gas powered boilers are switched in City Offices during the warmer summer months resulting in zero usage. Guildhall retains gas usage due to public space used by visitors and occupancy from other tenants (e.g. University) which we then recharge for.

Section 2 Healthy Communities

Delivery highlights – July to September 2025

- Completion of work to improve the drainage and resurface the 3G football pitches at Meadowside Leisure Centre in Whiteley.
- £153,000 Community Infrastructure Levy funding has been approved for improvements to River Park Recreation Ground.
- A new non-turf wicket was installed at King George V Playing Field in Winchester, funded by the England & Wales Cricket Board (ECB).
- New communication boards were installed at Winchester Sport and Leisure Park to improve accessibility and increase participation in its inclusive activity programme. The boards use symbol software and will help a wide range of people, including those with learning disabilities and autistic or neurodivergent individuals.
- Nearly 200 adults with a wide range of learning and physical disabilities participated in the Winchester Personal Bests event. It is the first event of its kind to be officially recognised as Autism Friendly by the National Autistic Society.
- The Live Longer Better programme engaged 60 older people in activity to improve their health and stay independent. Sessions took place in council sheltered housing schemes, care homes and community settings, in Winchester, Denmead, Whiteley and Otterbourne.
- The Park Yoga programme concluded for 2025 with the annual attendance of 3,316 being the highest since it started in 2021.
- The Community Development Officer for North Whiteley (funded via S106 agreement and employed by Whiteley Town Council) ran a series of events and activities during the summer holidays, including a skate jam event and weekly free children's activities.
- Eight community grants were awarded, totalling £11,749, for projects including information boards for a new outdoor trail in Curdridge, startup of new physical activity sessions for older people in Southwick, startup of a new wellbeing café in Stanmore and power tools for a volunteer group at St Giles Hill.
- A new online equality, diversity and inclusion (EDI) training module has been developed and offered to venues signed up to the Spaces of Sanctuary initiative, supporting them to be open, welcoming and inclusive.
- Support to Ukrainian guests resulted in three Ukrainians securing full-time employment in the professional services sector, two completing their CELTA (Certificate in Teaching English to Speakers of Other Languages) qualifications and five extending their current visas. Ongoing support included the start of a further 12-week peer-to-peer wellbeing programme.
- Full Council in July endorsed a new twinning agreement between Winchester and the city of Nizhyn in Ukraine.

Healthy Communities – progress against actions in service plans

Ref	Project	Cabinet Member	Delivery Date	Status R/A/G	
				Q1	Q2
1	Review data and agree scope of the work for community facility audit(s)	Cllr Becker	March 2026		
2	Deliver a programme of engagement and activity sessions enabling residents to live longer better (HCC fund)	Cllr Becker	March 2026		
3	Adopt a Winchester District Community Wellbeing and Resilience strategy, supported by a statement of our health priorities	Cllr Becker	October 2025		
4	Complete the construction to replace the River Park cricket pavilion	Cllr Becker	June 2026		
5	Community Integration programme for overseas guests - deliver the HCC funded support for independent living and community integration	Cllr Becker	Ongoing		
6	Deliver a programme of grants to community and voluntary sector organisations	Cllr Becker	February 2026		
7	Active Travel Networks – bike bus programme with schools	Cllr Learney	April 2026		
8	Roll out programme of training for Spaces of Sanctuary scheme	Cllr Becker	June 2025		

Red/Amber Status

3 - Community Wellbeing and Resilience strategy is scheduled for discussion at Housing and Environment Policy Committee in December, with final approval to follow early in 2026.

River Park Cricket Pavilion

Lead Cabinet Member: Cllr Kathleen Becker				Project Sponsor: Cheryl Headon			
Project RAG status				Timeline		Budget	
				Q3	Q4	Q1	Q2
Progress achieved during the last quarter: <ul style="list-style-type: none"> • Liaison meeting held with key stakeholders the Pavilion Project. • Ground works completed. • Steel frame erected. • Attenuation tank completed. • Electrical design completed 							
Actions for the next quarter: <ul style="list-style-type: none"> • Continue to update key stakeholders at key stages of design. • Regular contract meetings with contractor and consultants. • Regular liaison meetings with internal team. • Monitor progress of works against programme. • Review ongoing budget. 							

Measuring our performance

Long range trackers (Annual)										
No.	Performance measure	Cabinet member (Cllr)	Lead Director	20/21	21/22	22/23	23/24	24/25	Target & Status 24/25	Target 25/26
HC1	% adults participating in 150+ mins of sport / physical activity p/w within the Winchester district	Becker	Cheryl Headon	71.0%	73.7%	73.0%	73.3%	Tbc – Nov 25	Measure only	Measure only

Practical real-time measures (Quarterly)										
No.	Performance measure	Cabinet member (Cllr)	Lead Director	Q2 - 24/25	Q3 - 24/25	Q4 - 24/25	Q1 - 25/26	Q2 - 25/26	Target 25/26	Status
HC2	Winchester Sport and Leisure Park - total number of visits	Becker	Cheryl Headon	340,178	347,038	358,832	356,284	353,328	1,455,549	
HC3	Winchester Sport & Leisure Park - number of all concessionary rate visits	Becker	Cheryl Headon	135,532	136,816	140,036	137,710	138,069	570,653	
HC4	Meadowside - total number of visits	Becker	Cheryl Headon	19,886	18,892	20,977	19,506	18,511	83,224	
HC5	Meadowside - number of all concessionary rate visits	Becker	Cheryl Headon	2,677	2,631	3,481	3,463	2,936	11,908	
HC6	Number of housing benefit claimants (rolling total)	Cutler	Liz Keys	2,553	2,452	2,301	2,154	2,012	Measure only	n/a
HC7	Number of Council tax reduction claimants (rolling total)	Cutler	Liz Keys	5,850	5,805	5,784	5,767	5,718	Measure only	n/a
HC8	Average time taken to process new housing benefit claims (days)	Cutler	Liz Keys	25.95	16.24	21.38	21.39	19.12	22 days	
HC9	% Winchester residents claiming out-of-work benefits ¹	Thompson	Cheryl Headon	2.30%	2.20%	2.10%	2.10%	2.10%	Measure only	n/a

- Basis of targets:**

HC2 to HC5 - Target reflects a 5% increase on actuals in 2024/25 and is 11% higher than the projections for 25/26 set out in the original tender
 HC8 - Target based on performance improvement against previous years actuals.

- Footnotes:**

¹ Data provided by ONS – “CC01 Regional labour market: Claimant Count by unitary and local authority”. Published 17th of the month.

Section 3 Thriving Places

Delivery highlights – July to September 2025

- UK Shared (UKSPF) and Rural England Prosperity (REPF) Funding Programmes 2025/2026: made 13 awards via the UKSPF and seven via the REPF (totalling £409,00). A UKSP board meeting took place on 29 July 2025.
- Green business support: procured a local company to deliver a programme of 20 low carbon assessments and secured funding to deliver a green business grant programme to complement the assessments offering a whole package of support for local businesses.
- Solar for business: worked with a second business to scope a power purchase agreement for solar panels.
- City street market development programme held three monthly contract management meetings monitoring performance against the new contract and delivered a market trader engagement event on 9 July.
- Business development: Organised a business growth clinic for local businesses on 17 September with Hampshire County Council's growth hub.
- Supporting rural and land-based economy: submitted a funding bid to the Government Department of Science, Innovation and Technology for the Digital Innovation Inclusion Fund for £223,850 for a Precision Agriculture Training Programme for Farmers and Young People delivered by Sparsholt College.
- Employment and skills plans: Abri's Sherecroft Farm social housing development in Botley has created eight apprenticeship opportunities and delivered over 409 days of green skills training (including solar panel and EV charge points installation).
- Blue Sail Consulting worked with the council to develop themes and priorities for Winchester District Tourism Strategy, based on thorough analysis of robust evidence base comprising visitor data, market trends, and stakeholder consultations. Visitor panel survey received over 1,000 responses from past, recent and non-visitors. Eighteen 1-2-1 business consultations were held and over 60 representatives from across the sector attended two workshops in July. A further 65 businesses completed the business survey.
- A Hampshire Destination Management Plan (DMP) Stakeholder Workshop was held in Winchester, providing opportunity for the council and businesses across the district to input into strategic visitor economy planning for Hampshire. The DMP is an output of the Hampshire, Portsmouth, Southampton and Winchester Local Visitor Economy Partnership (LVEP). The council also facilitated circulation of a Hampshire business survey to visitor economy businesses and invited two Winchester-based strategic stakeholders to be members of the Hampshire LVEP Advisory Board.
- Digital visitors to visitwinchester.co.uk are up 35% compared with same quarter 2 period in 2024. Average session duration remains strong at 3 minutes. Over 303k page views in quarter 2, with the homepage being the most visited page at

over 24,000 page views in this period. Christmas pages are already performing well with almost 5,000 views during quarter 2.

- Promotion of events and activities to celebrate the 250th anniversary of Jane Austen's birth continues across Visit Winchester digital channels with the campaign pages bringing in more than 17k views in Q2. Top performing post for quarter 2 was a Jane Austen post which achieved over 89,000 views on Facebook.
- Achieved 18 pieces of [national coverage](#) from July to September 2025 with a combined reach of 251.7million. Winchester received over 127 brand mentions within this coverage, raising general awareness of the city and its attractions. Highlight coverage included BBC UK, The Daily Mail, The Guardian, Cathay Pacific, Wanderlust, Daily Express and Parents News UK, supporting footfall and awareness of the city and district's 2025 events programme.
- Cabinet agreed the approach to commence marketing the former leisure centre at Riverpark to find an investment partner to redevelop the site.

Bar End Depot

Lead Cabinet Member: Cllr Martin Tod				Project Sponsor: Simon Hendey				
Programme RAG status	Timeline				Budget			
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Progress achieved during the last quarter: The care home sector in Winchester is going through a period of uncertainty. This has led to both Care UK and latterly, Boutique Care withdrawing from the Bar End Scheme with McCarthy & Stone. McCarthy & Stone were subsequently in discussions with the second highest scoring underbidder for the site, Metis Homes. However, a revised proposal was not forthcoming. Cabinet is therefore being asked on 14 th October to approve immediate remarketing of the site. There remains an in-principal agreement for HRA to acquire the affordable housing element of the scheme.								
Actions for the next quarter: Cabinet on 14 October requested to approve the immediate re-marketing of the Bar End Depot site. Review formal bids.								

Central Winchester Regeneration (CWR)

Lead Cabinet Member: Cllr Martin Tod				Project Sponsor: Simon Hendey / Ken Baikie				
Programme RAG status	Timeline				Budget			
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Progress achieved during the last quarter:								
<ul style="list-style-type: none">Jigsaw has continued refining the financial model, progressed the detailed design for the area, and engaged with the Local Planning Authority (LPA) through the pre-application process.Public drop-in events were held on 17 and 18 July 2025, providing an update on progress. Attendees had the opportunity to speak directly with the project team and ask questions.Drafting of the Full Business Case has commenced, to be submitted alongside the detailed design.A bus options study is being undertaken to support the regeneration of Central Winchester Regeneration (CWR) and inform the city’s longer-term bus strategy.								
Actions for the next quarter:								
<ul style="list-style-type: none">The Bus Options Study report is expected to be finalised with a clear delivery strategy for the preferred option to be agreed in collaboration with Hampshire County Council (HCC).A public drop-in event is scheduled for late November, during which the findings of the Bus Study will be presented, alongside initial concepts for the wider public realm.The Full Business Case will continue to be developed, in preparation for submission alongside the detailed design.								

Local Plan

Lead Cabinet Member: Cllr Jackie Porter				Project Sponsor: Cheryl Headon				
Programme RAG status	Timeline				Budget			
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
RAG status update The RAG status has been amended to amber in this quarter as the city council only received the Inspector’s note on the 19 September 2025. The Inspector has advised that she needs to agree all the changes to Main Modifications and see a copy of the IIA/HRA of the MM’s before we undertake a 6-week public consultation on them. It is, therefore, not going to be possible to adopt the Local Plan by the end of year but we are aiming for a date early in the New Year (a date to be confirmed).								
Progress achieved during the last quarter: At the beginning of July 2025, the Local Inspector invited comments on the implications of changing the start date of Local Plan to 2020, 2022, 2023 and 2024. Whilst officers were waiting for the Inspector’s note on the outcome of the Local Plan examination hearing sessions, in accordance with the agreed Local Development Scheme, officers started work on the next Local Plan: <ul style="list-style-type: none">• Agreeing briefs and going out to tender for consultants to tender for the Integrated Impact Assessment/Habitats Regulations Assessment and updated Employment and Retail assessments.• Preparing information for a new ‘Call for sites’ for the next Local Plan (this commenced the first week of October).• Attending Duty-to-Cooperate meetings with neighbouring Local Planning Authorities.• Continuing to work with the digital planning team in terms of having demonstrations on different public consultation software packages and work on a Business Case that resulted in the Keystone Objective being selected as the new public consultation software provider; and• Ensuring that the Local Plan websites were kept up to date with the latest news. The Inspector note ED38a was received on the 19 September 2025 which concluded that, subject to Main Modifications, the Local Plan is likely to be capable of being found legal compliant and sound.								

Actions for the next quarter:

Emerging Local Plan

- Review and action all the points in the Inspector's letter [ED38a](#) and the Inspector's points in the Main Modifications (MM's) [ED38b](#) and prepare any Additional Modifications (AM's);
- Send the changes to the MM's and AM's to the Local Plan Inspector to agree.
- Once the Local Plan Inspector has agreed the MM's, send them to the Consultants to undertake an Integrated Impact Assessment (IIA) and Habitat Regulations Assessment (HRA).
- Send the completed IIA and HRA to the Local Plan Inspector.
- Undertake staff training on the new Keystone Objective consultation software.
- Once the Local Plan Inspector has confirmed that she is happy with the MM's and the outcomes from the IIA/HRA process commence a 6-week public consultation.
- Work with the Comms team on the publicity of the 6-week MM's public consultation.
- After the 6-week public consultation has closed, prepare the outcome of the public consultation in a format that has been agreed by the Inspector and send this to the Inspector.
- Subject to when the Inspector has reviewed the comments on the 6-week MM's public consultation, send these to the graphic designer to incorporate into the final version of the Local Plan.
- Once the Inspector's Report has been received, prepare a Council Report to recommend the adoption of the Local Plan (date to be confirmed).
- Prepare an Integrated Impact Assessment / Habitats Regulations Assessment Adoption Statement and publish this on the website.
- Ensure that a notice of adoption of the Local Plan is published on the website (there is a 6-week period to challenge the adoption of the Local Plan).

Next Local Plan:

- Prepare a Project Management Plan.
- Review the briefs for the different commissions that will need to be undertaken for the next Local Plan, review any lessons learnt and go out to tender.
- Appoint consultants to undertake various commissions.
- Engage with the statutory agencies (Natural England, Environment Agency and Historic England) to discuss and agree the IIA framework and the 'reasonable alternatives'.

- Once the Call for sites process has concluded, undertake desktop assessments of the sites and then start to consider which sites might be suitable to be allocated for development.
- Review reports that have been prepared by consultants and incorporate the findings into the next Local Plan.
- Work on reviewing the Local Plan policies and identifying any gaps in policies that need to be included in the next Local Plan.
- Prepare the next Local Plan; and
- Continue to liaise with neighbouring Local Plan authorities and attend Duty-to-cooperate meetings.

Station Approach – Stage 2

Lead Cabinet Member: Cllr Martin Tod					Project Sponsor: Simon Hendey / Ken Baikie			
Programme RAG status	Timeline				Budget			
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Progress achieved against last quarter <p>Over the last quarter, the project team has prepared and submitted an end-of-stage report to formally close Stage 2 of the project. The findings were presented to the PAC Board in August.</p> <p>Additionally, the Station Approach website has been updated to include the final version of the CMP, making it publicly accessible and ensuring the site reflects the current stage of the project.</p>								
Actions for the next quarter <p>As outlined in the End of Stage Report, the project will not proceed to any further stages at this time.</p>								

Winchester Movement Strategy

Lead Cabinet Member: Cllr Kelsie Learney				Project Sponsor: Simon Hendey				
Programme RAG status	Timeline				Budget			
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
RAG status update: Funding for transport related schemes will now be via individual CIL applications, and central government bids, therefore development of schemes rely on successful bids.								
Progress achieved during the last quarter: Work on the ten next step proposals continues. City Local Cycling and Walking Infrastructure Plan (LCWIP) Approved by Hampshire County Council at September Decision Day. District Local Cycling and Walking Infrastructure Plan (LCWIP) Plan awaiting City Plan approval to be collated into one document. Micro-Consolidation Trial Consultancy Agreement, Licence to Occupy and Grant Funding Agreement agreed. Installation of Hub planned. A number of LCWIP active travel schemes are still being progressed or have been installed by HCC in the city including: <ul style="list-style-type: none">A modal filter on Hyde Church Lane,TRO to permit cycling on the pedestrianised section of Middle Brook StreetThe installation of a permanent crossing on Romsey RoadUpgrading the crossing at Friarsgate / Middle Brook Street Fulflood Liveable Neighbourhood Pilot HCC reviewing potential options based on feedback. CIL Funding CIL bids for transport schemes submitted.								
Actions for the next quarter: <ul style="list-style-type: none">Review of schemes to take forward from City and District LCWIPDevelop potential schemes for Fulflood Liveable Neighbourhood Pilot.Appointment by Hub Management Company of an operator, installation of Hub and prepare for launch of the trial.								

Thriving Places - progress against our actions in service plans

Ref	Project	Cabinet Member	Delivery Date	Status R/A/G	
				Q1	Q2
1	Deliver a programme of events to mark the 250th anniversary of Jane Austen's birth	Cllr Thompson	December 2025		
2	Manage the delivery of UKSPF programme	Cllr Thompson	March 2026		
3	Produce a Winchester District Tourism Strategy	Cllr Thompson	March 2026		
4	Deliver a programme of green business support and investment in renewable technologies (Green Economic Development Strategy (GEDS) Carbon Neutrality Action Plan (CNAP))	Cllr Thompson	March 2026		
5	Deliver the West of Waterlooville Public Arts programme	Cllr Thompson	March 2026		
6	City Street Market Development Programme	Cllr Thompson	December 2025		
7	Deliver the actions in year 1 Action Plan of the Cultural Strategy	Cllr Thompson	March 2026		
8	Contribute to and engagement with the creation of a Local Visitor Economy Partnership (LVEP). Deliver the actions in year 1 Action Plan of the Cultural Strategy	Cllr Thompson	March 2026		
9	Future of former Leisure Centre: Market the site for sale and find a new investor	Cllr Tod	September 2026		

Measuring our progress

Long range trackers (Annual)										
No.	Performance measure	Cabinet member (Cllr)	Lead Director	20/21	21/22	22/23	23/24	24/25	Target & Status 24/25	Target 25/26
TP1	% of economically active people in employment (aged 16-64)	Thompson	Cheryl Headon	77.4%	83.7%	75.1%	81.5%	83.6%	Measure only	Measure only
TP2	Business counts (micro, small, medium, large enterprises– source: NOMIS)	Thompson	Cheryl Headon	8,035	8,110	8,165	8,225	8,095	Measure only	Measure only
TP3	No. of unemployed (source: ONS)	Thompson	Cheryl Headon	1,800	1,700	1,235	1,900	1,600	Measure only	Measure only
TP4	% of addresses with Gigabit availability	Thompson	Cheryl Headon	n/a	n/a	n/a	n/a	62.2	Measure only	Measure only

Practical real-time measures (Quarterly)										
No.	Performance measure	Cabinet member (Cllr)	Lead Director	Q2 - 24/25	Q3 - 24/25	Q4 - 24/25	Q1 - 25/26	Q2 - 25/26	Target 25/26	Status
TP5	Number of reported fly-tips (actual incidents) ¹	Cramoysan	Cheryl Headon	158	183	210	102	162	Measure only	n/a
TP6	% of fly-tips cleared within contract deadlines/days	Cramoysan	Cheryl Headon	73%	85%	82%	75%	81%	80%	
TP7	Number of reported graffiti incidents (online form totals)	Cramoysan	Cheryl Headon	11	9	12	11	15	<150	
TP8	"Public Space" issue reports ²	Cramoysan	Cheryl Headon	131	121	163	110	118	<570	
TP9	% of WCC revenue spend with local suppliers	Cutler	Gareth John	22.00%	28.39%	18.80%	23.30%	23.00%	25%+	
TP10	City centre high street footfall ³	Thompson	Cheryl Headon	2,714,455	2,792,881	2,930,567	2,779,719	2,660,538	Measure only	n/a
TP11	Market Towns high street footfall	Thompson	Cheryl Headon	n/a	n/a	n/a	tbc	tbc	Measure only	n/a

- Basis of targets:**

TP6 - Target based on viable baseline of numbers that fall within contract timescales (to accommodate where a proportion of fly-tips are more complicated or take longer to clear due to content, e.g. asbestos)

TP7 and 8 - Target based on performance improvement against previous years actuals

TP9 – Notional target to monitor and encourage value of spend in district to support local business in conjunction with our contract procedure rules.

- Footnotes:**

¹ *Figures are net total of 'actual' reports received (less any that have been identified as duplicates, out of district, private land etc.)*

² *Figures based on total form reports received for 'Clean my Street' 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.*

³ *Provided by the Winchester BID Place Informatic reports*

Commentary where practical real-time KPI not on target:

TP9 31% of the total revenue expenditure for Q2 is incurred with large organisations based outside of Hampshire such as Biffa, Zurich, Stagecoach and Cardo. However, of the remaining 69%, one third of this was spent locally equating to 23% of total revenue spend. This remains consistent with Q1.

TP11 Data not yet available as it would require purchase (and budget funding) to allow us to publish data (cost of £1,800 plus VAT per annum, per town centre)

Fly-tip clearance breakdown:

	Q2 24/25	Q3 24/25	Q4 24/25	Q1 25/26	Q2 25/26
Total fly tips confirmed cleared	148	156	187	85	133
Fly- tips up to 1 metre cubed in size	36	31	27	13	16
<i>Number of which cleared in time (5 working days submission to clearance)</i>	25	21	16	7	8
<i>Percentage of up to 1 metre cubed cleared in time</i>	70%	68%	59%	54%	50%
Fly-tips size 1 metre cubed and above	112	125	160	72	117
<i>Of which in time (15 working days submission to clearance)</i>	83	111	137	57	100
<i>Percentage of 1 metre cubed and above cleared in time</i>	74%	90%	86%	79%	85%
Overall percentage of all fly-tips cleared in time	73%	85%	82%	75%	81%

- The completion targets of 5 and 15 working days include 3 to 5 days for evaluation of fly-tip to assess if any enforcement action can be taken and 2 to 10 days for clearance (depending on size of up to a metre cubed / 1 metre cubed and above).
- Although the number of smaller fly tips collected within 5 days is a lower percentage than the larger ones collected within 15 days, this is not unexpected as the time for collection is much smaller which means that if an investigation takes place, it means that the teams are not able to get to that location to clear as we don't operate a dedicated fly tipping team. There were 3 fly tips that were smaller not collected within the 15days of the larger fly tip

Section 4 Good Homes for All

Delivery highlights – July to September 2025

- All new flats and houses are now occupied at the Winnall new build scheme, providing shared ownership and market rent homes.
- Legal contracts exchanged between Cala and the council allowing the handover of the first affordable units to take place in autumn 2025.
- Construction continues on the 10 affordable units at Hazeley Road, Twyford.
- Tenders were received for the construction of 5 new affordable homes in Sparsholt, and the Final Business Case is being brought to Cabinet in October 2025.
- The emerging Local Plan includes a number of policies on a key range of issues (energy efficiency standards, design of new development and affordable housing etc). The Local Plan Inspector has issued an interim note indicating the Local Plan is capable of being found 'sound' subject to the city council undertaking a 6-week public consultation.
- The Local Plan Inspector has indicated that the start date of the Local Plan should be altered from 2020 to 2024 so the Local Plan period would now run from 2024 -2044. The change in the start date has implications for the unmet housing need allowance that the city council is able to offer Havant Borough Council and Portsmouth City Council (this reduces from 1,900 homes to 290 homes). We have received extremely positive news from the Local Plan Inspector who has endorsed the city council's approach towards the inclusion of higher energy efficiency standards (Policy CN3) which is a significant achievement.
- This means when the Local Plan is adopted (early 2026) this policy will assist the city council with meeting the targets in the city council's Climate Emergency Action Plan.
- Following consultation with tenants, Cabinet Committee: Housing approved and adopted four Housing Repairs and Maintenance policies which will have a direct influence on the quality of the council's housing stock and wellbeing of our tenants' lives.

New Homes Programme

Lead Cabinet Member: Cllr Mark Reach				Project Sponsor: Simon Hendey			
Programme RAG status				Timeline		Budget	
				Q3	Q4	Q1	Q2
RAG status update <p>There is an increase in programme confidence due to the recent S106 acquisition negotiations, but the RAG status remains Amber due to the lack of control over the pace of delivery by the private developer market. Continued commitment to commissioned schemes to mitigate S106 acquisitions risks.</p>							
Progress achieved during the last quarter: <ul style="list-style-type: none"> Following completion of the Winnall scheme in Q4 2023/24, all new flats and houses have now been 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. Market engagement with SME and volume housebuilders is ongoing, with the aim of securing new build units for use as council housing. Contracts have now been exchanged with Cala for the acquisition of 146 S106 units at Kings Barton, Winchester. The first units will be handed over to the council during autumn 2025. Construction continues on the 10 affordable units at Hazeley Road, Twyford. Tenders were received for the construction of 5 new affordable homes in Sparsholt, and the Final Business Case is being brought to Cabinet in October 2025. Feasibility studies are underway on a number of pipeline council commissioned schemes with the aim of making them financially viable against a challenging economic backdrop. 							
Actions for the next quarter: <ul style="list-style-type: none"> Kings Barton, Winchester completed units to be handed over from Cala to the council for allocation to tenants on the council's housing register and for sale as shared ownership homes. Hazeley Road, Twyford – attend site progress meetings alongside Employer's Agent and liaise with housing colleagues regarding build progress and handover. Woodman Close, Sparsholt – present Final Business Case to October Cabinet. Southbrook Cottages, Micheldever – finalised accounts and lessons learned to be reviewed by Scrutiny Committee and Cabinet in November 2025. Housing Development Strategy – updated Strategy for the period 2025 to 2032 to be presented to Cabinet in November 2025. 							

Housing Compliance Improvement Plan

Lead Cabinet Member: Cllr Mark Reach	Project Sponsor: Simon Hendey					
Programme RAG status	Timeline			Budget		
	Q4	Q1	Q2	Q4	Q1	Q2
Progress achieved during the last quarter: <ul style="list-style-type: none"> • All high-risk FRA remedial actions completed. • Finalised drafts of compliance policies shared for review. • Meeting held with MRI to understand Asset management system offer and cloud-based options for hosting. Awaiting cost proposal to inform decision making for procurement. • Fire Safety Manager appointed-due to start October • Compliance Manager in post • True compliance – process mapping sessions held for gas & electrical safety. Phasing agreed for implementing compliance workstreams. 						
Actions for the next quarter: <ul style="list-style-type: none"> • Finalise compliance procedures and plan dissemination approach. • Recruit to permanent Health and Safety Coordinator role. • Health and Safety Officer onboarding planned for 3rd November. • Complete tenant consultation activities for compliance policies-planned early October • Pennington's to deliver compliance awareness training with TACT board. • Complete potential for gas review and update data in asset management system. • Decision on new Asset management system signed off. 						

Housing procurement of Repairs, Maintenance, Voids, Compliance and Retrofit

Lead Cabinet Member: Cllr Mark Reach	Project Sponsor: Simon Hendey							
Programme RAG status	Timeline				Budget			
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
<p>Progress achieved during the last quarter:</p> <p>Compliance Frameworks have been completed for the following</p> <ul style="list-style-type: none"> • True Compliance • Fire safety remediation • Fire safety Consultancy • Lifts <p>Repairs and Maintenance tender brief and requisite documents have been created in readiness for going to market for week commencing 6 October 2025.</p>								
<p>Actions for the next quarter:</p> <p>Further frameworks will start to be procured such as:</p> <ul style="list-style-type: none"> • Water hygiene / treatment • Asbestos • R&M procurement process as defined by PA2023 								

Good Homes for All - Progress against our actions in service plans

Ref	Project	Cabinet Member	Delivery Date	Status R/A/G	
				Q1	Q2
1	Procurement of major repairs and maintenance contract for council homes. Inclusive of tenant engagement.	Cllr Reach	August 2026		
2	Council housing retrofit carbon reduction programme. Focus on lowest EPC properties to achieve more energy efficient homes to meet the carbon neutral 2030 target. Establish a Retrofit Carbon Reduction Strategy	Cllr Reach	Ongoing		
3	Review and refresh the Preventing Homelessness and Rough Sleeping Strategy	Cllr Reach	March 2026		Complete
4	Achieve regulatory requirements to address damp and mould cases. Ensuring cases are identified and dealt with promptly / effectively when raised by council and private rented tenants	Cllr Reach	March 2026		

Red/Amber status

- 2** – Strategy delayed due to current Government consultation Improving the Energy Efficiency of Socially Rented Homes in England which concluded on 12th September.
- 4** - We have seen an increase in new reports in September which is to be expected as we raise either works orders / surveyor inspections to respond to and manage these – as also mentioned in the TSM comments below, this is largely due to customers seeking an appointment that is convenient for them that falls outside the 14 day window, or required Area Property Surveyor inspections. A positive improvement is the inspection access rates compared to preceding months as we embed our processes in readiness for Awaabs Law in October 2025.

Measuring our progress – Good Homes for All

Long range trackers (Annual)										
No.	Performance measure	Cabinet member (Cllr)	Lead Director	20/21	21/22	22/23	23/24	24/25	Target & Status 24/25	Target 25/26
GH1	% of all WCC homes achieving energy efficiency rating of C or above	Reach	Simon Hendey	62%	63%	65%	70%	70%	70%	74%
GH2	Total new home completions across the district (rolling total)	Reach	Simon Hendey	n/a	121	139	276	308	1,000 by 2032	1,000 by 2032
GH3	Homelessness – numbers recorded as rough sleepers ¹ (as at year end)	Reach	Simon Hendey	n/a	n/a	2	3	5	0	5

- Basis of targets:**

GH1 - Derived from Council Plan priorities and HRA Asset Management Policy

GH2 - Derived from affordable housing target laid out in Housing Strategy

GH3 - Derived from Preventing Homelessness Strategy, Government National Housing Priorities and annual homeless survey assessments

- Footnotes:**

¹ Figures are updated from an annual MHCLG rough sleeping count annual snapshot, which takes place every November

Practical real-time measures (Quarterly)										
No.	Performance measure	Cabinet member (Cllr)	Lead Director	Q2 - 24/25	Q3 - 24/25	Q4 - 24/25	Q1 - 25/26	Q2 - 25/26	Target 25/26	Status
GH4	Avg time for homeless household to receive offer of a permanent home (days)	Reach	Simon Hendey	158	332	310	256	348	365 days	
GH5	Retrofit adjustments – total number of houses (running total)	Reach	Simon Hendey	172	223	247	0	37	242	
GH6	Retrofit adjustments – total number of adjustments made (running total)	Reach	Simon Hendey	411	424	486	0	37	744	
GH7	Percentage of planning decisions upheld at appeal (WCC / SDNP)	Porter	Cheryl Headon	n/a	n/a	n/a	100% / n/a	61% / 100%	70%	

- Basis of targets:**

GH4 – Reflects council allocation policy

GH5 and 6 - Derived from maximum number of homes funded in housing annual capital programme.

GH7 – Government target is for at least 2 out of 3 cases to be dismissed at appeal., so target based on improving above government targets

Commentary

GH3 - Several local challenges are currently contributing to an increase in rough sleeping numbers including the reduction in stage 1 supported housing accommodation available for those sleeping rough or at risk of rough sleeping and a lack of suitable accommodation, particularly one-bedroom accommodation. Westview House, previously the district's Stage 1 accommodation provider, closed in April 2025 following A2's termination of their support contract. This decision was prompted by the county council's announcement to withdraw all funding for Stage 1 accommodation from March 2026. The closure resulted in the loss of 29 bed spaces.

In response, the council is actively collaborating with alternative accommodation providers to mitigate the impact. Plans include:

- Increasing capacity at Trinity, The Beacon, and Emmaus House
- Exploring the potential to bring Westgate back into use

The council has secured county funding to establish an in-house Housing First scheme, which will offer 7 beds dedicated to supporting the district's most complex and vulnerable individuals who are homeless or at risk of rough sleeping

We are constantly working with those found rough sleeping through our outreach work. It should be noted that the figure of 5 rough sleepers in the table above is from the annual rough sleeping count which is undertaken in November each year and is not a quarterly figure.

GH5 and GH6 – The appointment of consultants and contractors could only be confirmed after Social Housing Decarbonisation funding was confirmed from DESNZ and tenders had been returned, which resulted in most of Q1 taken up with setting up contracts with each of the companies. This process continued into Q2 and there have been further contractor delays, which has also required change in target (as reflected in the table) as we now have a more realistic timetable for work. Work on the program has begun, as shown in the Q2 figures above.

Measuring our progress – Housing TSM

Practical real-time measures (Quarterly)										
No.	Performance measure	Cabinet member (Cllr)	Lead Director	Q2 - 24/25	Q3 - 24/25	Q4 - 24/25	Q1 - 25/26	Q2 - 25/26	Target 25/26	Status
GH8	Proportion of homes for which all required gas safety checks have been carried out	Reach	Simon Hendey	n/a	n/a	n/a	99.91%	99.89%	100%	
GH9	Proportion of homes for which all Electric Checks have been carried out	Reach	Simon Hendey	n/a	n/a	n/a	98.30%	98.81%	99.84%	
GH10	Asbestos Inspections % of Reg 4 Surveys	Reach	Simon Hendey	n/a	n/a	n/a	66.78%	98.29%	100%	
GH11	Proportion of Lifts with 100% of valid Loler Certificates	Reach	Simon Hendey	n/a	n/a	n/a	97.50%	97.50%	100%	
GH12	Proportion of homes with a 100% of Working Smoke Detector checked	Reach	Simon Hendey	n/a	n/a	n/a	99.70%	99.56%	100%	
GH13	Proportion of homes with a 100% of Working Carbon Monoxide Detector checked	Reach	Simon Hendey	n/a	n/a	n/a	99.70%	99.62%	100%	
GH14	Numbers of Damp and Mould open cases inspected and resolution agreed within 14 days	Reach	Simon Hendey	n/a	n/a	n/a	71%	75.33%	95%	
GH15	Number of outstanding High Risk Fire Risk Assessment actions	Reach	Simon Hendey	n/a	n/a	n/a	3	0	0	
GH16	Number of outstanding Fire Risk Assessments	Reach	Simon Hendey	n/a	n/a	n/a	76	0	0	

- Basis of targets:**

GH8 to 16 - Targets based on regulatory standards

Commentary

GH9 - 1 property void, 2 properties tenants due to be evicted, 2 booked (one 02/10/25, one 06/10/25)

GH10 – Asbestos management surveys are underway for the remaining schemes (5 out of 292 are outstanding)

GH11 – The lift at Albert Court has been decommissioned and we have new lift contractor arrangements in place now; they have been issued the works order to repair the lift as a matter of urgency.

GH12 – 23 out of 5,193 properties, which have been unable to be fully checked pending either clearance, upcoming evictions, birds nest inspections, pending repairs/upgrades which have been scheduled in for early October

GH13 – 18 out of 4,704 properties, which have been unable to be fully checked pending either clearance, upcoming evictions, birds nest inspections, pending repairs/upgrades which have been scheduled in for early October

GH14 – Average inspection for Q2 is 75% but since July when 50% was achieved we have seen improving performance month on month, achieving 93% in September. We expect to see increasing reports as we move into the colder months which will be addressed through either works orders or surveyor inspections supported by follow up contact to ensure resolution. This is a positive direction of travel as we embed processes in readiness for Awaab's Law coming into force on 27 October 2025. Inspections also rely on an agreement with customers for the availability for a visit, so sometimes that falls outside the 14 days despite our best efforts.

Section 5 Efficient and Effective

Delivery highlights – July to September 2025

- Customer Experience project: 17 core service areas have been mapped to capture current operational processes and document business requirements. This work lays the foundation for a digitally enabled future. Opportunities have been identified for increased efficiency and work is progressing to enhance productivity through the strategic use of existing and new IT solutions.
- A new on-line consultation tool has been procured which will provide much richer and efficient platform capability.
- As part of our transition to more digital working 'Declutter Day' was held in September and a significant number of obsolete items and stationery were removed or repurposed.
- A new self-serve and user-friendly booking system for Guildhall bookings has been procured and will be implemented in Q3.
- A total of £239,883 achieved during the quarter against the TC25 programme.
- Begun creating interactive dashboards using Microsoft Power Bi with charts and graphs to make complex data easier to analyse and understand.

Transformation Challenge (TC25)

Lead Cabinet Member: Cllr Neil Cutler					Project Sponsor: Liz Keys							
Programme RAG status	Timeline				Budget				Budget Reduction			
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
RAG Status update <p>Due to a change in market circumstances related to the disposal of Bar End, the actual TC25 impact of £320k has been removed. This adjustment has resulted in an 11% reduction to the overall programme savings achieved. However, it does not materially affect the total TC25 forecast impact.</p>												
Progress achieved during the last quarter: <ul style="list-style-type: none"> • Total budget reductions to date totalling £1.429m (49% of £3m target) • During Q2 there has been a total of £239,883 achieved against the TC25 programme: <ul style="list-style-type: none"> • £88,383 achieved from a review of the Policy Service • £25,000 annualised capital from the sale of 27 Eastgate Street • £110,000 from a review of grants allocations from 2026/27 • £8,000 saved by the Community team by redesigning and embedding delivery activity in wider community development resource • £8,500 saved annually as a result of the insurance service being brought in-house and employing an officer directly. • Completed 95% of Service Level Digital & IT Roadmaps and shared initial findings with Senior Leadership Team. • Majority of the Strategic Reviews ('Preparing for change' meetings') held with CHOS' and Cabinet Members to inform future TC25 reviews and priority areas in preparation for LGR. • Future delivery model of Land Charges options appraisal paper approved at ELB and budget implications being worked through. Land Registry transfer planned migration due to complete by 31 October 2025. 												

Actions for the next quarter:

- Remaining Strategic Reviews ('Preparing for change' meetings') to be held with CHOS' and Cabinet Members and prioritisation exercise to be undertaken
- Service Level Digital & IT Roadmaps next steps: progressing actions agreed and building them into 26/27 service planning.
- Strategic review of parking management – Options appraisal and modelling

Efficient and Effective - Progress against actions in service plans

Ref	Project	Cabinet Member	Delivery Date	Status R/A/G	
				Q1	Q2
1	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.	Cllr Cutler	Ongoing		
2	Support the TC25 transformation and digital agenda by supporting digital innovation and digital initiatives across the Council	Cllr Cutler	Ongoing		
3	Digitisation and review of the Planning Service (linked to this, other services that use the IDOX platform)	Cllr Porter	TBC		
4	Review of website to improve digital customer experience	Cllr Cutler	October 2025		
5	Customer focused digital improvements of housing landlord services	Cllr Reach	April 2026		
6	Development of Cyber Security and Resilience Strategy to increase cyber resilience and awareness across the council.	Cllr Cutler	April 2025	Complete	
7	Lead on the review and refresh of strategic key performance indicator set that align to the new Council Plan priorities	Cllr Cutler	June 2025		Complete

Red/Amber status

5 - We are promoting the online “MyWinchestertenancy” Portal to all housing landlord customers to enable digital shift whilst ensuring the phone contact option is available to those customers who may not be digitally enabled. There is a project plan in development to support the digital shift for the service so that our customers have the options to self-service 24/7’

Measuring our progress

Practical real-time measures (Quarterly)										
No.	Performance measure	Cabinet member (Cllr)	Lead Director	Q2 - 24/25	Q3 - 24/25	Q4 - 24/25	Q1 - 25/26	Q2 - 25/26	Target 25/26	Status
EE1	% complaints responded to within 10 working days	Becker	Liz Keys	92%	86%	90%	88%	90%	90%	
EE2	% of upheld and partially upheld complaints	Becker	Liz Keys	48%	45%	68%	60%	70%	Measure only	n/a
EE3	Number of digital resident interactions with the council (online reports)	Becker	Laura Taylor	7,294	6,706	16,616	7,564	7,049	42,000	
EE4	% of major planning applications decided within time or agreed extension (WCC / SDNP)	Porter	Cheryl Headen	100% / ~	100% / ~	94.3% / ~	91.67% / ~	100% / ~	80%	
EE5	% of non-major planning applications decided within time or agreed extension (WCC / SDNP)	Porter	Cheryl Headen	93% / 81%	82% / 81%	93% / 88%	93.67% / 84.67%	94% / 81%	80%	

- Basis of targets:**

EE1 - Target based on achievable outcome times, aligned with customer expectation and common target used by other authorities

EE3 - Target based on performance improvement against previous years actuals (also allowing for plateau in new garden waste sign-ups as limited number of properties are viable for garden waste, i.e. have gardens)

EE4 & 5 - Government targets are 60%, WCC target based on performance being above government targets

Section 6 Listening and Learning

Delivery highlights – July to September 2025

- Engagement with Newlands and Headbourne Worthy parish councils to inform specification of community facilities to be delivered via S106 agreements for major development areas. This has informed planning applications for sports facilities at West Waterlooville and community building and sports facilities at Kings Barton.
- Collaboration with Sport England and various sporting governing bodies to inform development of the draft Playing Pitch Strategy and Sports Facility Assessment.
- Public drop-in events were held on 17 and 18 July 2025 to provide an update to residents and stakeholders on the progress being made by Jigsaw, the council's development partner, on developing proposals for the regeneration of Central Winchester.
- Engaged residents at the Winchester Green Fair about the food waste rollout and recycling services in general. This provided the team with helpful insight into what residents are passionate about and also where they need support to recycle better.
- Presented a talk at the Greener Schools Forum and was able to engage with the education sector on food waste in schools and how our efforts to raise awareness can help to drive participation levels for both school and household food waste recycling.
- Contacted Landlords, managing agents and housing providers about food waste and have been able to tailor solutions for food waste around specific resident needs.
- Worked with the 12 commissioning councils to undertake extensive engagement on a local and county wide basis to inform the Local Government Reorganisation proposal, which saw over 1,700 respond from the Winchester district.
- Consulted with residents, businesses and community groups to help shape the future of housing in our district. The results will be used to inform our Housing Development Strategy.
- Invited tenants to comment on six key housing policies to ensure they are clear, accessible and reflect the needs of our tenants. Feedback will directly influence how these policies are finalised before being presented for approval.
- A Hampshire Destination Management Plan (DMP) Stakeholder Workshop was held in Winchester, providing opportunity for the council and businesses across the district to input into strategic visitor economy planning for Hampshire.

Listening and Learning – Progress against actions in service plans

Ref	Project	Cabinet Member	Delivery Date	Status R/A/G	
				Q1	Q2
1	Community Governance Review – creation of a Winchester Town Council	Cllr Becker Cllr Cutler	April 2027		
2	Local Government Reorganisation and Devolution	Cllr Tod	2027/28		
3	Transfer of assets to parish councils – public conveniences	Cllr Becker	April 2026		
4	Parish Council engagement – planning	Cllr Porter	September 2025		Complete
5	Review and refresh EDI Policy, Strategy and Action Plan	Cllr Becker	February 2025	Complete	
6	Prepare a consultation policy and charter for adoption and use across the council	Cllr Becker	March 2026		

Red/Amber status

3 – The toilet contract has been retendered, and we are now in the standstill period. Once that has been completed, we have an agreed letter to go to Parishes who have not yet expressed an interest in taking on the toilet cleaning, with a view that from April 1 26 the cost of toilet cleaning is removed, or we go through the process of reviewing our options which could include closing them.

Measuring our progress

Long range trackers (Annual)										
No.	Performance measure	Cabinet member (Cllr)	Lead Director	2021	22/23	23/24	24/25	25/26	Target & Status 24/25	Target 2026
LL1	% of residents satisfied with the way the council runs things (LG Survey) ¹	Becker	Laura Taylor	No survey	75% (SE 62%)	No survey	69% (LG 55%)	n/a	> LGA average	> LGA average
LL2	Resident's satisfaction with local area (LG survey) ¹	Becker	Laura Taylor	No survey	96% (SE 74%)	No survey	87% (LG 75%)	n/a	> LGA average	> LGA average
LL3	Housing Satisfaction survey scores TSM	Reach	Simon Hendey			78%	76%	tbc	n/a	82%

- Basis of targets:**

LL1 & 2 - Target based on outperforming scores from LG surveys to provide better satisfaction for our residents

LL3 – Target agreed with the TACT board based on benchmarking similar housing providers so as to aim for top quartile performance

- Footnotes:**

¹ Previous year's data relates to past resident survey responses for equivalent questions.

Practical real-time measures (Quarterly)										
No.	Performance measure	Cabinet member (Cllr)	Lead Director	Q2 - 24/25	Q3 - 24/25	Q4 - 24/25	Q1 - 25/26	Q2 - 25/26	Target 25/26	Status
LL4	Number of respondents to consultations	Becker	Laura Taylor	540	1,332	112	98	1,745	Measure only	n/a

Section 7 Financial Report

Financial Position

This section presents a summary of the council's financial position as of 30 September 2025 regarding the General Fund (Revenue and Capital) and Housing Revenue Account budgets.

General Fund Revenue

Summary

1. A balanced budget was set by Council in February 2025 (CAB3494 refers).
2. Inflation has increased in recent months to 3.8% in August 2025 (CPI). This remains within the original budget forecast.
3. The inflationary uplift budget forecast for salaries was 4.0% for 2025/26. The final pay offer is 3.2% and is slightly offset by lower government support for increased employers NI, leaving a net saving of c£0.1m. Other vacancy management savings above target of £0.3m give a total forecast employee underspend of £0.4m.
4. Commercial property rents are subject to regular review and an additional £0.1m is currently forecast above the current budget for 2025/26. This is mainly due to rent reviews.
5. The ongoing TC25 project has identified further budget savings of approximately £0.310m per annum in 2025/26.
6. Interest receivable has been reviewed and a total net interest receivable of £0.792m is now forecast, which is £0.3m higher than budget.
7. Extended Producer Responsibility grant was confirmed at £1.680m for 2025/26, which was £0.846m higher than the provisional figure of £0.834m which was used in the budget.
8. Food Waste transitional funding of £0.118m has been received in 2025/26.
9. Lower than forecast employer's national insurance funding of £0.153m versus a budget of £0.2m.
10. Income is a major risk area and currently forecasts relating to Car Parking, Planning, General Fund Properties are currently in line with the budget set in February.

General Fund Budget
Forecast 2025/26 (£000)

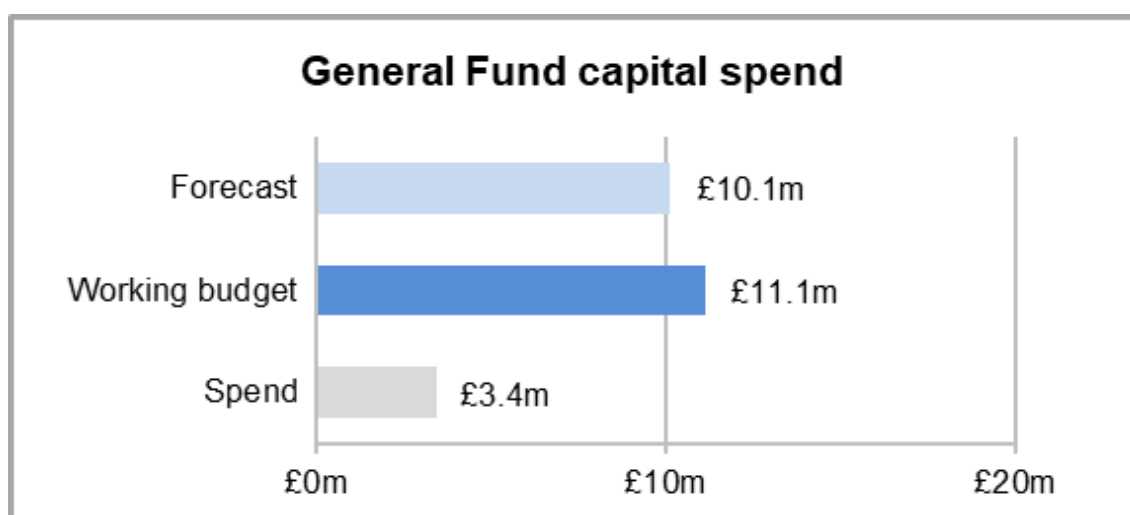
	<u>Budget</u>	<u>Forecast</u>	<u>Variance</u>
Greener Faster	8,783	8,783	
Healthy Communities	4,108	4,108	
Good Homes for All	1,378	1,378	
Thriving Places	2,920	2,920	
Efficient and Effective	7,209	6,499	710
TOTAL before funding	24,396	23,686	710
TOTAL funding	(24,396)	(25,713)	1,317

FORECAST BUDGET
UNDERSPEND

2,027

General Fund Capital

1. General Fund capital expenditure to the end of June was £3.4m the majority of which relates to the following projects: Food Waste including the purchase of vehicles (£1.4m), River Park Cricket Pavilion (£0.6m), CIL funded community projects (£0.37m), Disabled Facilities grants (£0.35m), Resurfacing of St Catherine's car park (£0.1m), and the Refurbishment of public conveniences (£0.17m). There have also been smaller amounts of expenditure on several other projects.
2. Capital budgets for 2025/26 were revised for brought forward balances and other changes, such as reforecasting, as part of the General Fund 2024/25 outturn reported to September cabinet (CAB3514 refers), and this is reflected in the working budget below. The forecast of full year spend is lower due to some forecast slippage (primarily in Energy Management projects £0.3m and CIL funded community projects £0.4m) and forecast savings with the largest being the acquisition of vehicles and containers for food waste (£0.3m). 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 2025/26.



4. Key items of expenditure in Q1-Q2 2025/26:

River Park Cricket Pavilion

Total Budget: £2.3m

Exp: Prior years £0.039m Q1-Q2 £0.576m Total £0.615m

Work on the new pavilion has commenced and is expected to be completed in early 2026. The new pavilion will be a valuable additional asset in River Park, which is already a hub for sporting, community and social activity and recreation. It will provide the required standard of changing rooms, umpire facilities, toilets

and accessibility to enable a wide and diverse range of people to participate in cricket. By providing high quality facilities, increased community sport outcomes can be achieved across a wider demographic and the pavilion can be used to support users of River Park, not just cricket, by provided changing and club house facilities to support their events or sports.

Food Waste

Total Budget: £1.8m

<i>Exp: Prior years £nil</i>	<i>Q1-Q2 £1.4m</i>	<i>Total</i>	<i>£1.4m</i>
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The council has completed its purchase of the food waste vehicles and containers; the collection of food waste commenced in October. Food waste recycling has the potential to reduce the district's carbon footprint by an estimated 1,900 tonnes of CO2e per year by recycling this waste to generate clean green energy and nutrient dense soil improver.

Disabled Facilities Grants

Total Budget: £1.34m

<i>Expenditure: recurring annually</i>	<i>Q1-Q2</i>	<i>£0.35m</i>
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During the period 1 April to 30 September £352,000 of grants were paid over. In addition to the grant allocation, the council holds £0.6m of unapplied grant from prior years which can be applied to DFG expenditure should it exceed grant received in year.

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.

Housing Revenue Account summary**Summary**

1. A deficit budget of £2.03m was set by Council in February 2025 (CAB3490 refers).
2. The inflationary uplift budget forecast for salaries, as with the General Fund, was 4.0% for 2025/26. The final uplift was 3.2%, which will reduce pressure on staffing budgets but will be offset by low government grant for increase in Employers NI.
3. An overall deficit of £0.591m is forecast for 2025/26.

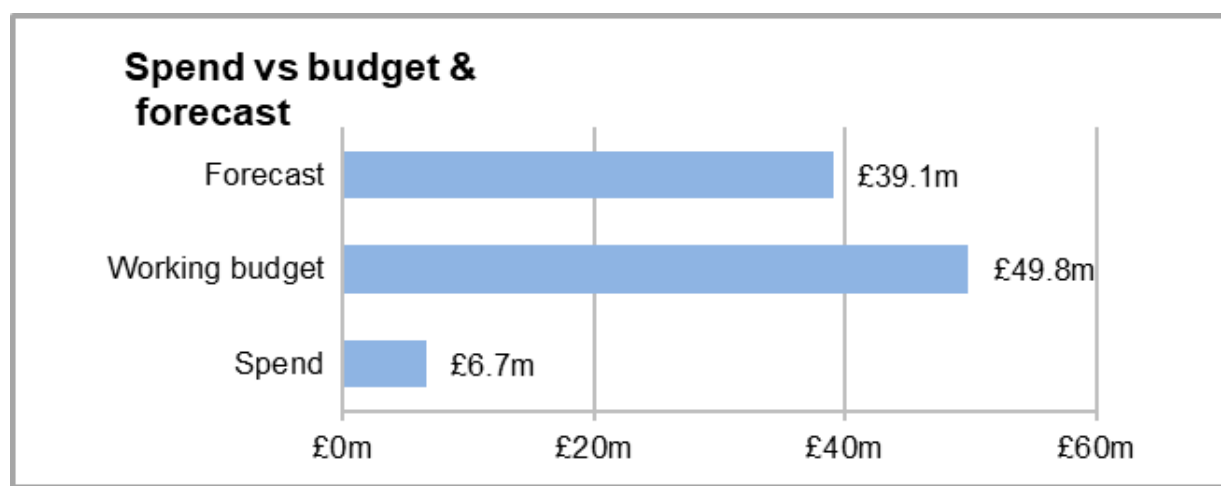
Housing Revenue Account Budget Forecast 2025/26 (£000)	Expenditur e	Income	NET
Housing Management - General	6,992	(258)	6,733
Housing Management - Special	4,252	(3,258)	993
Repairs & Repairs administration	12,462	(182)	12,279
Debt management & interest income	6,000	0	6,000
Contribution to Major Repairs costs (Depreciation)	10,917	0	10,917
TOTAL	40,621	(3,699)	36,923
Rent, Service Charges & Other income			(34,317)
FORECAST BUDGET OVERSPEND			2,605
AGREED BUDGET OVERSPEND			2,016
Forecast movement:			591
Of which (net):			
Baseline			900
One-off			(309)

4. In total there is a forecast adverse variance of £0.591m which is made up of a number of variances which offset one another as follows.
5. There were a number of vacancies in the first half of 2025/26. Much of this vacancy has been offset through the use of interim staff to cover vacancies, giving rise to a favourable forecast variance of £0.08m. Work is ongoing to ensure posts are filled with suitable candidates; however, the vacancy saving forecast may increase if posts continue to remain vacant.
6. The 2025/26 budget included a one-off investment budget for software upgrades, stock condition survey, and repairs procurement. It is expected that £0.15m of the budget set aside for software development will not be spent in 2025/26 and will be returned to the working balance to be reprofiled over future years.
7. So far in 2025/26, there has been a trend demonstrating both an increase in void properties, and an increase in the associated average cost of repairing void properties to bring these back into use. On current trend, the likely overspend on void properties is likely to be approximately £1m. Additional void costs are also reflected in a forecast adverse variance of £0.03m on empty property council tax charges. In addition, a waking watch was in place at Winnall flats while fire safety issues were resolved. This has generated an adverse forecast variance of £0.07m. Compensation payments in respect of complaints and disrepair are also forecast to exceed budget by £0.05m.
8. The depreciation charge is notoriously difficult to estimate accurately, as the actual charge for the year is calculated based on both component cost of assets and valuation of properties. However, based on the 2024/25 outturn, the projected depreciation forecast has been increased by £0.3m. Whilst depreciation is a notional figure, the council is required to transfer a sum equal to depreciation to the major repairs reserve which is restricted to capital expenditure only.
9. Adverse variances are offset by a reduction in the net interest cost forecast for 2025/26. The interest cost of external borrowing is based on known PWLB debt and the rates at which the loans were taken out. Interest income on internal balances, and internal borrowing costs are based on estimated cashflow in and out of the HRA and an assumed interest rate based on short term PWLB rates. The rate achieved to date on interest on balances has been significantly better than assumed which, combined with a slower spend on capital in the first half of 2025, has generated a favourable variance of £1.1m.
10. Issues with the quality of retrofit work to void properties undertaken in 2023/4 have been identified. Engagement with the contractor responsible has taken

place and a sample of 30 properties has been selected to determine the extent of retrospective work required. At this stage it is prudent to make provision for the gross cost of works of £ 0.5m in 2025/6 and £ 0.5m in 2026/7 until the extent and nature of works is confirmed, as well as the proportion of the cost that may fall back to the Council.

Housing Revenue Account Capital Spend

1. Housing capital expenditure to the end of September was £6.689m, of which:
 - £1.638m was on major works.
 - £0.19m improvements & upgrades.
 - £3.731m on the New Build programme; and
 - £1.130m on other schemes.
2. Capital budgets for 2025/26 have been revised for carried forward balances and other changes following the approval of the HRA outturn report in September 2025. (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. Capital expenditure in quarters 3 and 4 is expected to include expenditure on the acquisitions at Kings Barton. The initial deposit payments have been made, with further stage payments of over £8m expected in Q3, and will account for nearly half of the overall capital forecast by March 2026. Furthermore, contracted retrofit works for the SDHF programme are expected to commence in Quarter 3.



4. Key items of expenditure in Q1 2025/26 includes:

- **Major repairs**

Total Budget £7.49m

Exp: Recurring Annually

Q1-Q2 £1.638m

Total £1.638m

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. Expenditure against the budget is comparatively low as at the end of quarter 1. This is partly due to staff vacancy in the first quarter of 2025/26, and partly due to the completion of 2024/25 works prior to commencement of the 2025/26 programme. Most contracts for the 2025/26 programme of works are in progress with the remainder being tendered or scoped. Spend for 2025/26 is therefore expected to be higher as Q3 progresses, and The forecast spend for 2025/26 is currently £7.02m against revised budget of £7.49m.

Climate Emergency

Total Budget £5.336m

Exp: Recurring annually

Q1-Q2: £0.530m

Total £0.53m

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 2025/26 is anticipated at £5.1m. The main variance relates to the termination of the contract at Swiss Cottages, which will be considered by Cabinet at its October meeting. Spend is expected to increase in the second half of the year as the contract for SDHF works, which represents £3.5m of the forecast total, is expected to commence in October 2025.

• ***Improvements & Upgrades***

Total budget £0.68m

Exp: Recurring annually

Q1-Q2: £0.19m

Total £0.19m

The budget for improvements and upgrades relates specifically to Sheltered Housing upgrades and Estates improvements. The Estates improvements programme expected spend for 2025/26 is £0.35m, against budget of £0.46m.

• ***Victoria House Sewerage Connection***

Total Budget £0.516m

Exp: Prior years - None

Q1-Q2 £0.00

Total £0.00m

The budget included £0.5m for potential remedial upgrades to the sewerage connection at Victoria House. However, the work has been undertaken at no cost to the Council and the budget will therefore not be spent.

• ***Sewage treatment plant upgrades***

Total budget £1.58m

Exp: Prior Years – None

Q1-Q2 £0.107m

Total £0.107m

The budget includes £1.5m for upgrades to sewage treatment plants across the HRA stock. This is divided into works to reduce costs where running costs are high, and works to generate nutrient credits. Sites are currently being surveyed, and one site currently expected to be upgraded by the end of the year. As a result, forecast spend in 2025/26 is expected to be £0.3m and a carry forward request made for the remaining budget.

New build:

- **Local Authority Housing Fund Round 3** *Total budget: £0.530m*

Exp: Prior years None Q1-Q2 £0.01m Total £0.01m

The Council was successful in securing £0.9m in Round 3 of the Local Authority Housing fund. No properties were identified in Quarter 1; however two suitable properties were subsequently identified for purchase during July 2025. One of these properties is expected to complete in October 2025, with the second following shortly afterwards. Further suitable properties are currently being sought prior to delegated decision to release budget.

- **Buyback of former Council Houses** *Total budget: £1.36m*

Exp: Prior years £0.312m Q1-Q2 £0.00m Total £0.312m

In September 2024 the Cabinet approved the spend of up to £1.36m on the repurchase of former Council properties. To date, one property has been purchased at Princes Place. Further properties are currently being sought.

- **Kings Barton Property Acquisition** *Total budget: £33.927m*

Exp: Prior years £0.03m Q1-Q2 £3.3m Total £3.33m

The acquisition of 146 units at Kings Barton was agreed during 2024/25. The deposit and advance works payments have now been made. Further Golden Brick and stage payments for properties are expected to continue in October & November, with overall spend in 2025/26 expected to reach £20m; the first four properties are expected to be handed over in Quarter 3.

- **Unallocated budgets New Homes** *Total budget: £7.41m*

Exp: Prior years £0.00m Q1-Q2 £0.00m Total £0.00m

The capital programme includes £7.41m of budgets subject to approval of expenditure. During Quarter 2, Cabinet agreed in July 2025 to dispose of Cornerhouse and return the budget to unallocated, and subsequent delegated decisions have been made to allocate £0.5m to match fund the purchases of LAHF properties. Cabinet also agreed at its October meeting to proceed with a development at Woodman Close, which will reduce the unallocated funding. However, the expected commencement for Woodman will likely be December 2025 and the majority of spend expected in 2026/27.

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WINCHESTER CITY COUNCIL – THE SCRUTINY COMMITTEE WORK PROGRAMME

	Item	Lead Officer	Date for Scrutiny	Date for Cabinet
Meeting 13 November 2025				
1	General Fund Budget Options & Medium Term Financial Strategy	Liz Keys	13 Nov 2025	19 Nov 2025
2	HRA business plan & budget options	Liz Keys	13 Nov 2025	19 Nov 2025
3	Q2 Finance & Performance Monitoring	Simon Howson	13 Nov 2025	19 Nov 2025
4	Hobbs View, Southbrook Cottages, Micheldever - Lessons Learned	Caroline Egan	13 Nov 2025	19 Nov 2025
Meeting 10 February 2026				
5	Treasury Management Strategy 26/27	Liz Keys	10 Feb 2026	12 Feb 2026
6	Capital Investment Strategy 26-36	Liz Keys	10 Feb 2026	12 Feb 2026
7	Housing Revenue Account (HRA) Budget 26/27	Liz Keys	10 Feb 2026	12 Feb 2026
8	General Fund Budget 26/27	Liz Keys	10 Feb 2026	12 Feb 2026
9	Task & Finish Group (Planning Enforcement) Reporting Back	Cheryl Headon	10 Feb 2026	
Meeting 4 March 2026				
1	Community Safety Partnership Performance Review	Sandra Tuddenham	4 Mar 2026	
1	Q3 Finance & Performance Monitoring	Simon Howson	4 Mar 2026	12 Mar 2026

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Forward Plan of Key Decisions

1 December 2025 – 28 February 2026

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 . [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.

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

1	Land transaction (if required)	Cabinet Member for Regeneration	Yes	All Wards	Geoff Coe	Cabinet report	Cabinet	Dec-25	10-Dec-25	Part exempt 3
2	Car parks major works programme	Cabinet Member for the Climate Emergency & Nature Emergency	Yes	All Wards	Campbell Williams	Cabinet report	Cabinet	Jan-26	21-Jan-26	Open
3	Tenant Satisfaction measures survey results 2025/26	Cabinet Member for Good Homes	Yes	All Wards	Sarah Hobbs	Cabinet committee report	Cabinet Committee: Housing	Feb-26	2-Feb-26	Open
4	General Fund Budget 26/27	Cabinet Member for Finance and Transformation	No	All Wards	Liz Keys	Cabinet report	Cabinet Council	Feb-26	12-Feb-26 26-Feb-26	Open
5	Housing Revenue Account (HRA) Budget 26/27	Cabinet Member for Good Homes	No	All Wards	Liz Keys	Cabinet report	Cabinet Council	Feb-26	12-Feb-26 26-Feb-26	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
6	Capital Investment Strategy 26-36	Cabinet Member for Finance and Transformation	No	All Wards	Liz Keys	Cabinet report	Cabinet Council	Feb-26	12-Feb-26 26-Feb-26	Open
7	Treasury Management Strategy 26/27	Cabinet Member for Finance and Transformation	No	All Wards	Liz Keys	Cabinet report	Cabinet Council	Feb-26	12-Feb-26 26-Feb-26	Open

Section B

Decisions made by individual Cabinet Members

None currently scheduled for this period.

Section C

Decisions made by Officers

8	Treasury Management - decisions in accordance with the Council's approved strategy and policy	Cabinet Member for Finance and Transformation	Yes	All Wards	Designated HCC Finance staff, daily	Designated working papers	Designated HCC Finance staff, daily	Dec-25	Dec-25	Open
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