

Decisions taken by the Cabinet on Thursday, 12 February 2026

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

A7	General Fund Budget 26/27	<p><u><i>That it be recommended to Council*</i></u>:</p> <ol style="list-style-type: none"> 1. That the level of General Fund Budget for 2026/27 be agreed and the summary be recommended as shown in Appendix A of CAB3541, as amended, due to the late change in the Government's local government financial settlement announced by MHCLG on 10 February 2026. 2. That in relation to the Greener Faster Council Plan priority: <ol style="list-style-type: none"> a. a growth of £30,000 be approved to 	<p>The purpose of report CAB3541 is to consider and recommend to Council the 2026/27 General Fund Revenue Budget. The report details the proposals for additional savings, spending and investment for the year ahead in order to support core council services and enhance delivery of the priorities in the Council Plan 2025-2030.</p> <p>The Medium-Term Financial Strategy (report CAB3522 in November 2025) set out the forecast position for the medium term. Projections have now been updated and the new Medium Term Financial Plan (MTFP) is</p>	<p>Consideration has been given to not increasing Council tax in 2026/27. However, it should be noted that the Government settlement and resulting forecasts still indicate increasing deficits in future years and therefore this cannot be recommended.</p>
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		<p>increase the annual Town Account tree maintenance budget as a result of risks associated with the effects of climate change and associated tree disease.</p> <p>3. That in relation to the Healthy Communities priority of the new Council Plan:</p> <p>a. the revised income bands for the Council Tax Reduction scheme for working age applicants (set out in Appendix E of report CAB3541) be approved, that ensure claimants continue to receive the appropriate level of support after the</p>	<p>shown at Appendix A. This shows that, although the council’s financial position to 2029 is stable, there are increasing forecast deficits in the longer term.</p> <p>Forecast deficits from 2029/30 are largely due to the impact of the Government’s funding settlement ‘Fair Funding 2.0’ which included their long-promised full baseline reset of business rates. Strong business growth in the district over the last decade has mean the district benefitted from retaining a greater proportion of business rates locally. The reset will see much of that growth now shared nationally rather than retained locally.</p> <p>As set out in the Medium</p>	

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		<p>DWPs increase in Universal Credit rates with effect from 1 April 2026.</p> <p>4. That in relation to the Efficient and Effective priority:</p> <p>a. a growth to the annual expenditure budget of £89,000 be approved for improvements to make the way our residents' contact us is easier and faster.</p> <p>5. That other service expenditure annual budgets be amended as follows, in response to revised estimates:</p> <p>a. Utility budget increased by £150,000 in order to cover the additional forecast utility costs</p>	<p>Term Financial Strategy report in November (CAB3522) this budget for 2026/27 has limited 'budget options'. Instead, it focusses on continuing to deliver greener faster initiatives and maintaining the council's existing, high quality and resilient services. At the same time, it includes provision for preparing the council for the implementation of the Government's Local Government Reorganisation (LGR) plans. The council's 'unitary ready' transition plan is being formed around three themes:</p> <ul style="list-style-type: none"> • Focusing on the delivery of our Council Plan priorities, ensuring service stability and delivering continuous improvement through our 	

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		<p>from 2026/27.</p> <p>b. An additional budget of £115,000 per annum from 2026/27 for the Corporate Head of Resources.</p> <p>c. A growth of £130,000 to reflect the net budget pressure of the migration of the Land Charges service to HM Land Registry.</p> <p>d. A net budget saving of £215,000 per annum to reflect changes to forecast employers' pension contributions and rates.</p> <p>6. That one-off service expenditure budgets be approved as follows:</p> <p>a. A £470,000 digital transformation budget, relating to the</p>	<p>established transformation challenge programme.</p> <ul style="list-style-type: none"> • Preparing our systems, processes and services for a smooth transition and continuing our digital transformation. • Developing and supporting our workforce to adapt confidently and thrive in change. <p>The implementation cost to Winchester of Local Government Reorganisation cannot be known until the Government decides the final configuration in March 2026. The LGR submissions highlighted costs to the entire Hampshire & Isle of Wight area of between £128m and £132m. The Transitional Reserve will be the first funding source for the</p>	

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		<p>implementation of improvements to make our residents' digital contact with us easier and faster, with £400,000 funded from the digital transformation reserve and £70,000 funded from the transitional reserve.</p> <p>b. A Town Account budget of £15,000 for feasibility work related to speed indicators within the town area, funded by the town reserve.</p> <p>c. £1.7m for essential structural and repair works to the Guildhall to maintain this listed civic building (and required prior to further decision</p>	<p>council's contribution towards these implementation costs.</p>	

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		<p>making on the future operating model of the Guildhall and Abbey House) funded from Property - Asset Management Reserve, and delegates authority to:</p> <ul style="list-style-type: none"> i. the Strategic Director to appoint, in accordance with the council's Contract Procedure Rules (CPRs), all necessary consultants to prepare design work for the works required to the Guildhall through a competitive bid process or 		

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		<p>framework;</p> <p>ii. the Strategic Director to undertake a procurement exercise to obtain bids or use of a framework to appoint a contractor(s) for the works required to the Guildhall, in accordance with the council's CPRs;</p> <p>iii. the Strategic Director to appoint the relevant contractors and to negotiate and agree contractual heads of terms</p>		

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		<p>with the contract appointment; and</p> <p>iv. the Service Lead: Legal to prepare and enter into all relevant agreements, negotiate the contractual agreements and see them to completion to enable the Guildhall works.</p> <p>7. That following a review of earmarked reserves they be amended as follows:</p> <p>a. £2m of the Major Investment Reserve be re-allocated to the Property Reserve to fund maintenance requirements of</p>		

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		<p>corporate properties.</p> <p>b. £1m from the Major Investment Reserve be re-allocated to the Car Parks Property Reserve to fund maintenance of and investment in parking.</p> <p>c. An additional £500,000 per annum be set aside into the Property Reserve, for the maintenance of and investment in operational assets.</p> <p>8. That the sum of £1,434,779 be treated as Special Expenses under Section 35 of the Local Government Finance Act 1992 in respect of the Winchester Town area as set out in section 17 and Appendix D of the</p>		

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		<p>report.</p> <p>9. That the Council Tax for the Special Expenses in the Winchester Town area at Band D for 2026/27 be increased by 5% (£4.50) to £94.58.</p> <p>10. That the surplus balance on the Council Tax Collection Fund for distribution to this Council, calculated in January 2026 of £107,910, be approved.</p> <p>11. That the level of Council Tax at Band D for City Council services for 2026/27 be increased to £168.49, an increase of £4.83 reflecting an average Council tax increase of 2.95% (the maximum allowed under the referendum limit of 2.99% when combined</p>		

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		<p>with the increase to the Special Expenses for the town area).</p> <p>12. That the carry forward of the balance of the Council Tax Exceptional Hardship Fund in 2025/26 to 2026/27 be approved in order to extend this vital support for those on low income.</p> <p><u>That Cabinet approve:</u></p> <p>13. That authority be delegated to the Director (Finance), in consultation with the Cabinet Member for Finance and Transformation, to procure, award and enter into any necessary contract(s) required to progress the Customer Experience Digital Project, within the approved budget</p>		

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		<p>envelope.</p> <p>14. That the proposal to write-off the three individual outstanding Non-Domestic Rate debts totalling £228,435.25, listed in Appendix F of the report be approved, in accordance with Financial Procedure Rule 12.7(f).</p> <p>15. That the proposal to write-off the debt of £53,649.94 owed by Provident Asset Management in connection with rent arrears of £27,649.94 and dilapidation liabilities for external repairs of £26,000 be approved.</p> <p><i>*NB recommendations to Council are not subject to call-in</i></p>		

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A8	Housing Revenue Account (HRA) Budget 26/27	<p><u><i>That it be recommended to Council:*</i></u></p> <ol style="list-style-type: none"> 1. That the HRA Financial Plan operating account, including annual working balances be noted, as detailed in Appendix 6 of report CAB3540. 2. That the 2026/27 Housing Revenue Account budget be approved, as detailed in Appendices 1 and 2 to the report. 3. That the proposed capital programme for maintenance, improvements and renewals totalling £162.7m be approved. 4. That capital expenditure 	<p>Report CAB3540 requests approval for the proposed HRA revenue and capital budgets for 2026/27, and the 10 year indicative capital programme to 2035/36, as detailed in Appendices 1 to 4 and taking account of the funding shown in Appendix 5.</p> <p>Despite the continuing budget challenges outlined in the Budget Options report in November 2025, and further pressures arising since the November report, this report proposes a budget for 2026/27 and business plan that achieves the Council's policy objectives to go greener faster, to support healthy communities and maintain the commitment to deliver 1000 new homes.</p> <p>Funding to go greener faster</p>	<p>The council could consider investing less in customers' homes than is required to achieve the regulatory requirement of EPC C by 2030. This is not recommended as it would breach the regulatory requirements and in addition would not support the council's policy objective of being greener faster.</p> <p>The council could also seek increased revenue savings than those identified in this report so as to provide investment capacity in the HRA. At this time the level of revenue savings identified is challenging, and further savings are likely to lead to a reduction in the quality of service delivered. Investment in improving the digital access to services may</p>

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		<p>be approved and authority be delegated to the Strategic Director with responsibility for housing to enter into necessary contracts for the 2026/27 capital programme of £22.8m, as detailed in Appendix 3 of the report in accordance with Financial Procedure Rule 7.4.</p> <p>5. That a change in approach to delivery of retrofit installation of solar panels and batteries to achieve best value for money following the decision by the Department for Energy Security and Net Zero to withhold Social Housing Decarbonisation Fund</p>	<p>has been maintained and the changed new homes strategy to move towards buying as well as building is already seeing increased numbers of new homes for the council. The balanced budget has been achieved by identifying approximately £1.13m of revenue savings in 2026/27 with minimal impact on service delivery.</p> <p>Energy costs remain significantly higher than historic levels and continue to impact on many of the most vulnerable residents in our homes. To mitigate the additional energy costs for residents; to improve energy efficiency ratings; and to promote de-carbonisation of our council homes, the business plan retains the significant investment in</p>	<p>generate efficiencies in the future that can be realised without detriment to services. Therefore, increased revenue savings are not recommended at this time.</p>

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		<p>grant on battery installations be approved, as outlined at paragraphs 11.56 to 11.63 of the report.</p> <p>6. That the proposed 10 year capital programme for new homes totalling £202.8m, and expenditure of £21.8m in 2026/27 be approved, as detailed in Appendix 4 of the report in accordance with Financial Procedure Rule 7.4.</p> <p>7. That the financing of the HRA Capital Programme be approved as detailed in Appendix 5 of the report, (noting the planned repayment of borrowing following the</p>	<p>retrofitting the stock, and, subject to award of grant funding, proposes introducing technology-based measures for properties that cannot achieve EPC-C ratings by economic fabric measures.</p> <p>The report proposes a 4.8% increase in rents, based on September CPI of 3.8% plus 1%. (see paragraph 11.7 of the report).</p> <p>The HRA Budget remains sustainable and viable over the 30-year period whilst the Council adds to the housing stock through new build or acquisition and continues to invest in the existing stock.</p> <p>The timetable for local government reorganisation means that the council is</p>	

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		<p>1000 homes programme).</p> <p>8. That the revenue savings target of £1.13m at Appendix 7 of the report as amended be approved, which was outlined to Cabinet in November 2025 (CAB3523) and includes additional savings as outlined at paragraphs 11.32-11.38 of the report.</p> <p>9. That the Section 151 Officer be authorised, in consultation with the Strategic Director with responsibility for Housing to approve buybacks of individual former HRA properties sold under the Right to Buy during 2026/27,</p>	<p>expected to become part of a unitary council from 1 April 2028. Therefore, forecast capital expenditure beyond that date only includes projects to which the council will be contractually committed as well as estimated future capital works to the housing stock beyond the transition. Also included are the council's forecast housing new build programme, and commitment to achieving EPC-C ratings on all properties by 2030/31. Similarly, the HRA Business Plan continues to show the expected revenue income and expenditure for managing the housing stock beyond the transition date. However, decisions relating to the HRA after April 2028, unless contractually committed, will be the</p>	

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		<p>following positive financial appraisal, utilising the unallocated New Homes budget (see paragraph 11.26 of the report).</p> <p>10. That subject to the acceptance of the expression of interest to the Local Authority Housing Fund (LAHF) round 4:</p> <p>a. the Strategic Director with responsibility for Housing be authorised to enter into a revised Memorandum of Understanding with Ministry of Housing, Communities & Local Government to secure additional LAHF funding.</p> <p>b. Authority be delegated to the</p>	<p>decisions of the new unitary authority.</p>	

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		<p>Section 151 Officer to approve capital expenditure (subject to financial appraisal, in accordance with Financial Procedure Rule 7.4) of up to £12m to purchase up to 30 properties between 2026/27 and 2029/30 using the approved HRA unallocated new build budget, to be part-financed by LAHF grant with any balance via prudential borrowing.</p> <p>c. The Corporate Head – Asset Management and the Strategic Director with responsibility for Housing be authorised to purchase up to 30 properties. (Paragraphs 11.74-11.78 of the report).</p>		

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		<p>11. That the average rent increase for 2026/27 for all affordable, Shared Ownership and social housing of 4.8% be approved, based on the September 2024 CPI figure of 3.8% +1% (Paragraphs 11.6-11.8 of the report).</p> <p>12. That amendments to HRA tenant service charges in 2026/27 be approved to reflect cost recovery based on 2024/25 actual costs (see paragraphs 11.41 to 11.45 of the report).</p> <p>13. That it be noted that the draft HRA Business 30-year Plan is viable and sustainable and has the capacity to support the</p>		

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		<p>delivery of 1,000 new affordable homes.</p> <p><i>*NB recommendations to Council are not subject to call-in</i></p>		
A9	Capital Investment Strategy 26-36	<p><u><i>That Cabinet recommend to Council*</i></u></p> <p>1. The Capital Investment Strategy be approved including:</p> <p>a) the Capital Programme and Capital Programme Financing (Appendices A and B to report CAB3539);</p> <p>b) the Minimum Revenue Provision (MRP) Policy Statement (Appendix E of the report);</p> <p>c) the Flexible Use of Capital Receipts</p>	<p>The Capital Investment Strategy sets out the council’s capital spending programme and the principles which underpin this in order to deliver the desired priorities as set out in the Council Plan.</p> <p>It details the overall programme for the next 10 years, how this will be financed, and the impact of the programme on the council’s Medium Term Financial Strategy. The timetable for local government reorganisation means that the council is</p>	<p>The council could elect to have no capital programme at all or to plan for an alternative programme. Both these options have been rejected as the council would no longer be able to meet its objectives.</p>

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		<p>Strategy (Appendix G of the report); and d) the prudential indicators detailed in the report and Appendix F of the report.</p> <p><u>That Cabinet:</u></p> <p>2. Subject to Council approval of the capital programme, the following capital expenditure be approved:</p> <p>a) IMT equipment in 2026/27 (£154,000) as detailed in paragraph 11.8.6 of the report;</p> <p>b) Repairs to the Guildhall clocktower in 2026/27 (£250,000); and</p> <p>c) Capital improvements to the Guildhall in</p>	<p>expected to become part of a unitary council from 1 April 2028. Therefore, forecast capital expenditure beyond that date only includes projects to which the council will be contractually committed as well as estimated required capital works to, for example, maintain existing assets or programmes such as disabled facilities grants (DFG) which are expected to continue beyond the transition. Also included are the council's forecast housing new build programme in the HRA based on existing targets; however, decisions as to which projects will ultimately proceed beyond that date, unless contractually committed, will be the decision of the new unitary</p>	

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		<p>2026/27 and 2027/28 (£3,300,000)</p> <p>3. That the requirement to ensure Members have the right knowledge and skills to undertake their governance role be noted and that the ongoing support and training offered to members is continued and enhanced as required.</p> <p><i>*NB recommendations to Council are not subject to call-in</i></p>	<p>authority.</p> <p>It includes several prudential indicators that are required to be published by the CIPFA Prudential Code for Capital Finance and the Ministry of Housing, Communities and Local Government (MHCLG) Statutory Investment Guidance and, in addition to outlining how the council ensures it has access to the right knowledge and skills (internal and external), it details how it ensures elected Members have sufficient knowledge and skills to undertake their governance role.</p>	
A10	Treasury Management Strategy 26/27	<p><u>That Cabinet recommend to Council*:</u></p> <p>1. That the Treasury</p>	Report CAB3538 sets out the proposed Treasury Management Strategy Statement, including the	The council could elect to bring all treasury management activity back in-house. This option has been

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		<p>Management Strategy Statement which includes the Annual Treasury Investment Strategy for 2026/27 (and the remainder of 2025/26) is approved;</p> <p>2. That authority be delegated to the Section 151 Officer to manage the council’s pooled property investment and long-term borrowing according to the Treasury Management Strategy Statement as appropriate; and</p> <p>3. That authority be delegated to the Section 151 Officer, who in turn discharges this function to Hampshire County Council’s Director of Corporate Operations,</p>	<p>Annual Investment Strategy for the council for 2026/27.</p> <p>Following the council’s declaration of a Climate Emergency in June 2019 the Investment Strategy (Section 16) includes a commitment not to make equity investments either directly or indirectly (via pooled funds) in companies directly involved in the fossil fuel industry.</p> <p>In addition, following changes to the Public Works Loans Board (PWLB) lending criteria which precludes a local authority from borrowing from PWLB for any purpose if it plans to purchase assets primarily for yield, the Borrowing Strategy (section 15 of the report) confirms the council has no</p>	<p>rejected as the arrangement with Hampshire County Council’s Investments and Borrowing team provides significant resilience and economies of scale.</p> <p>The CIPFA Code does not prescribe any particular treasury management strategy for local authorities to adopt. The Section 151 Officer believes that the above strategy represents an appropriate balance between risk management and cost effectiveness. Some alternative strategies, with their financial and risk management implications, are listed in Table 11 at paragraph 20.2 of report CAB3538.</p>

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		<p>as agreed in the Service Level Agreement, to manage all council investments (other than the high yield portfolio) and short-term borrowing according to the Treasury Management Strategy Statement as appropriate.</p> <p><i>*NB recommendations to Council are not subject to call-in</i></p>	such plans.	
A11	Venta Living - Business Plan 26/27 (less exempt appendix)	<ol style="list-style-type: none"> 1. That the updated financial business plan be approved, as recommended by Cabinet Committee: Housing. 2. That the proposed rent increase for 2026/27 of 5.26% to £1100 per month be approved. 	Providing Homes for all is a key priority within the Council Plan, which includes supporting households who struggle to access affordable longer-term market housing. To support this priority the council has established a wholly owned local housing company, Venta Living Ltd.	No other options were considered.

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		<p>3. That the move to a dynamic renting model following the implementation of the renters rights Bill in May 2026 be approved, allowing for prevailing market rents to apply to individual units at the point of relet.</p>	<p>This report brings forward a financial business plan for consideration required under the shareholder agreement with Venta Living Ltd, with an illustrative business model based on leasing 41 flats in Winnall.</p> <p>Although there is no proposal to expand the remit of the company in 2026/27, the business case allows for future opportunities to be considered on a case-by-case basis and fulfils the council's policy objectives to provide homes for all.</p> <p>Approval of the updated financial business plan will allow Venta Living Ltd to continue trading in 2026/27 based on the recommended business plan.</p>	