

REPORT TITLE: QUARTER 4 FINANCIAL AND PERFORMANCE MONITORING

9 JULY 2020

REPORT OF CABINET MEMBER SERVICE QUALITY AND TRANSFORMATION:
CLLR MARTIN TOD

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WARD(S): ALL

PURPOSE

This report provides a summary of the council's progress during the period January to March (Q4) 2020 against the five priorities in the Council Plan 2020-25.

Incorporating a new style of performance reporting, this report includes data against the newly adopted strategic key performance indicators (KPIs) and an update on the progress of the council's significant projects.

A high level summary forecast of the financial outturn for 2019/20 for the General Fund revenue and capital budgets as well as the Housing Revenue Account (HRA) is also included.

RECOMMENDATIONS:

1. That Cabinet notes the progress achieved during Q4 of 2019/20 and endorses the contents of the report.

IMPLICATIONS:

1 COUNCIL PLAN OUTCOMES

- 1.1 This report forms part of the framework of performance and financial monitoring in place to report the progress being made against the projects and programmes supporting delivery of the priorities included in the Council Plan 2020-25 that was adopted in January 2020.
- 1.2 Strategic Service Plans to support delivery of the Council Plan were adopted from April 2020 along with a new suite of KPIs. In the main, the targets that have been set for these KPIs relate to 2020/21. Therefore where available, data has been reported for Q4 of 2019/20 in this report or for the full year of 2019/20. This has not been possible in all cases though as the data may not previously have been collected. In some cases the Q4 or end of year data sets the baseline target moving forward. When the Q1 20/21 reporting is undertaken this will present the full and complete set of data.
- 1.3 Presenting this report supports the council in being open and transparent to our public, partners, stakeholders and residents and covers the period January to March 2020 (Q4).

2 FINANCIAL IMPLICATIONS

- 2.1 The financial implications of this report are detailed in the appendices to this report and in particular the Financial Summary in Appendix 1. Almost all the projects included in the Council Plan will have financial implications, some significant and these are agreed and reported separately before the commencement of the project.
- 2.2 It is important to note that this report provides a summary of the council's provisional financial position as at 31 March 2020 and the position has changed significantly since 31 March 2020. This has been reported in CAB3244 (Section 13 and Appendix 1) and is the subject of ongoing monitoring and reporting.

3 LEGAL AND PROCUREMENT IMPLICATIONS

- 3.1 Key performance indicators and progress reporting must be fit for purpose, monitored and managed to ensure council governance. Key Performance Indicators enable evidence based quantitative management reporting and where necessary remedial actions and decisions to be taken.
- 3.2 There are no legal and procurement implications arising directly in this report, though individual projects are subject to review by Legal Services and Procurement, and in particular will require consideration of the council's Contract Procedure Rules and Public Contracts Regulations 2015 (PCR2015) and governance where required.

4 WORKFORCE IMPLICATIONS

4.1 None directly.

5 PROPERTY AND ASSET IMPLICATIONS

5.1 None.

6 CONSULTATION AND COMMUNICATION

6.1 Cabinet members, Executive Leadership Board, Corporate Heads of Service and Service Leads have been consulted on the content of this report.

7 ENVIRONMENTAL CONSIDERATIONS

7.1 Many of the activities detailed in this report actively protect or enhance our environment and support the council to reduce its carbon impact. These will be considered as part of each detailed business justification case.

8 EQUALITY IMPACT ASSESSEMENT

8.1 There are no direct equalities implications arising from the content of this report, although officers will have regard to the considerations as set out in the Equalities Act 2010 and whether an Equality Impact Assessment will be required to be undertaken prior to requested recommendations, policy and project implementation and decisions.

9 DATA PROTECTION IMPACT ASSESSMENT

9.1 None required.

10 RISK MANAGEMENT

Risk	Mitigation	Opportunities
<i>Property- none</i>		
<i>Community Support- Lack of consultation and community engagement on significant projects that affect residents and can cause objections and lead to delay.</i>	Regular consultation and engagement with stakeholders and residents regarding projects or policy changes.	Positive engagement and consultation can bring forward alternative options that might not have otherwise been considered.
<i>Timescales- Delays to project delivery can lead to increased cost and lost revenue.</i>	Regular project monitoring undertaken to identify and resolve slippage.	
<i>Project capacity- Availability of staff to deliver projects.</i>	Resources to deliver projects are discussed at the project planning stage and agreed by the project	Opportunities present themselves for staff to get involved in projects outside their normal role

Risk	Mitigation	Opportunities
	board and monitored by the Programme and Capital Strategy Board	enabling them to expand their knowledge and skills base as well as working with others.
<i>Financial / VfM- Budget deficit or unforeseen under or overspends.</i>	Regular monitoring of budgets and financial position including forecasting to year end to avoid unplanned over/underspends.	Early notification of unplanned under/overspends through regular monitoring allows time for plans to be put in place to bring the finances back into line with budget forecast.
<i>Legal</i>	Legal resources are discussed with project leads.	Opportunity for the use of in house resources able to input to through the life of the project with local Winchester and cross Council knowledge.
<i>Innovation – improvement in service delivery</i>		KPIs can evidence the need for innovation to improve service delivery
<i>Reputation- Ensuring that the Council delivers the outcomes as set out in the Council Strategy.</i>	Regular monitoring and reporting of the progress the Council is achieving against its priorities included in the Council Strategy, including this report.	Work with Communications Team on press releases to promote or celebrate success.
<i>Other</i>		

11 SUPPORTING INFORMATION:

- 11.1 This report provides an update on the council's finances and the progress achieved against the priorities included in the Council Plan 2020-25 and new KPIs.
- 11.2 Appendix 1 provides a high level summary of the financial position for both General Fund and Housing Revenue Account as at the end of the 2019/20 financial year.
- 11.3 Following adoption of the Council Plan 2020-25 in January 2020, this is the first performance report that provides an update on the progress achieved against the five priorities and covers the period January to March 2020.
- 11.4 Outlined in the recent Strategic Service Plans report (CAB3230 refers) the performance information included in Appendix 2 is based on the new format which has been developed to be easier to read and have clear links to the new Council Plan priorities. KPIs are supported by a newly introduced

narrative for each Council Plan priority which allows a story to be told quarter by quarter.

- 11.5 The period that this report relates to was largely unaffected by the COVID-19 pandemic. A detailed report covering the council's response to the outbreak of COVID-19 was considered by Cabinet on 21 May 2020.
- 11.6 Appendix 3 provides, for the first time, reporting on performance against the new Strategic KPIs. These were agreed by Cabinet at its meeting on 21 May 2020 and are directly linked to the Corporate Heads of Services and Heads of Programmes Strategic Service Plans.
- 11.7 The monitoring and reporting frequency of each KPI varies between monthly, quarterly and annually depending on the availability of data.
- 11.8 Appendix 4 provides an update on the progress made against the Council's significant programmes and projects which are being, or will be undertaken during the next five years. The next report - Q1 of 20/21 - will provide a new highlight report format which coincides with new corporate programme management arrangements and the introduction of the Programme and Capital Strategy Board from July 2020.
- 11.9 The financial outturn for each capital project in 2019/20 is provided in Appendix 5.

12 OTHER OPTIONS CONSIDERED AND REJECTED

12.1 None.

BACKGROUND DOCUMENTS:-

Previous Committee Reports:-

CAB3228 – Quarter 3 Finance and Performance Monitoring dated 12 February 2020

CAB3230 – Strategic Service Plans 2020-25 and Performance Reporting dated 21 May 2020

Other Background Documents:-

None

APPENDICES:

Appendix 1 Finance Report 2019/20

Appendix 2 Council Plan 2020-25 progress update – January to March 2020

Appendix 3 Strategic Key Performance Indicators

Appendix 4 Programme Management – Tier 1 projects update

Appendix 5 General Fund Capital Expenditure 2019/20 outturn

Appendix 6 Winchester Town Account 2019/20 outturn

Appendix 7 General Fund Earmarked Reserves

Section 1 – Financial Update as at 31 March 2020

This section presents a summary of the council's provisional financial outturn for 2019/20 with regard to the General Fund and Housing Revenue Account budgets.

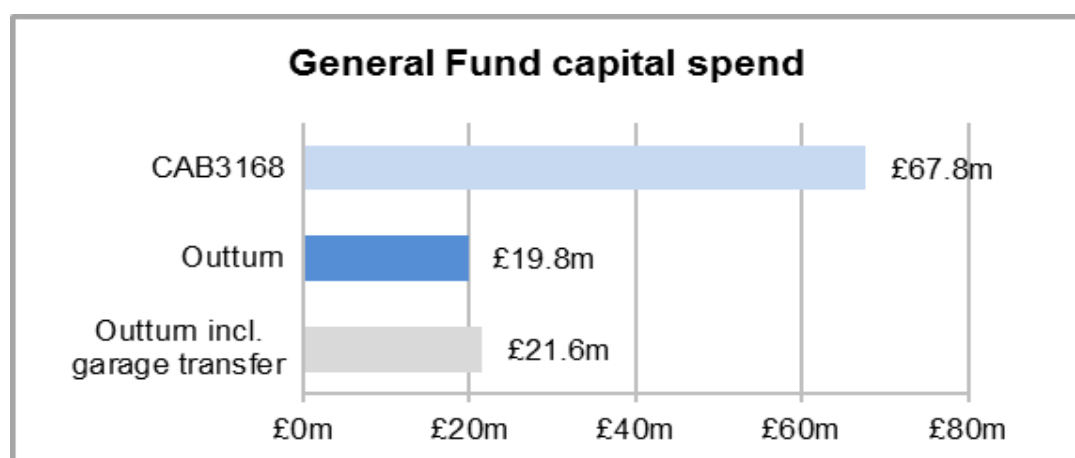
General Fund Revenue

1. As at the end of Q4 there is a provisional outturn 2019/20 underspend of £1.4m. Much of this favourable variance flows through from Q4 in 2018/19, after the budget for the year was set, or is a result of one off income achieved.
2. Additional financing and treasury activity net income of £0.8m is related to forecast higher net interest receivable due to higher cash balances.
3. Also included in this appendix is a report that shows the progress and status of the 2019/20 Outcome Based Budgeting proposals. The overall target status is amber due to the March 2020 impact of COVID-19 and some projects, such as the one relating to the Guildhall café space, have been deferred to 2020/21.
4. Earmarked Reserve balances are shown in Appendix 7, with closing balances roughly in line with opening balances. Whilst balances are higher than forecast, much of this increase in closing balance relates to higher in-year Community Infrastructure Levy receipts and re-profiling of major project spend. The Major Investment Reserve has been replenished with an additional £0.7m of uncommitted balance.
5. Q4 key variances:
 - i) **Net Interest Receivable** – (+£0.8m) higher than budgeted cash balances have been available for investment which has significantly increased the net interest receivable for the year.
 - ii) **Planning Fee Income** – (+£0.25m) higher than planned income for the year relating to major planning applications.
 - iii) **Benefits** – (+£0.05m) higher than planned subsidy and overpayment recovery rates.
 - iv) **HRA Recharges** – (+£0.36m) higher recharges to the HRA reflecting the 2018/19 outturn for example additional utilisation of the Special Maintenance team and other specific additional resources utilized by the HRA in 2019/20.
 - v) **NDR** – (+£0.49m) Winchester share of additional business rates receipts received in 2019/20.
 - vi) **Guildhall** – (-£0.17m) a target saving of £0.15m was set commencing 2019/20. Whilst plans are progressing, it is now expected that the planned savings will not commence until 2020/21.

- vii) **Estates Property Income** – (-£0.4m) A provision for doubtful debts of £0.2m has been applied in order to cover outstanding debts which may never be recovered. The remaining variance is caused by higher than budgeted garage voids and void investment properties. There are currently a high number of voids within the property portfolio causing an adverse budget forecast for the year.

General Fund Capital

1. Total capital expenditure in year was £42.5m - of which £22.7m relates to the Housing Revenue Account (HRA). The detailed HRA outturn is reported separately to Cabinet (CAB3241); summary details are provided below.
2. General Fund capital expenditure amounted to £19.8m. This compares to an original budget of £62.2m set in February 2019 (CAB3134) and a revised budget of £67.8m (including 'brought forwards') set in July 2019 (CAB3168). Following subsequent approvals and reprogramming, the forecast expenditure was amended to £26.3m in February 2020. Further details by project are provided in Appendix 5.
3. An estimate of £2.8m was included in the General Fund capital budget for the transfer of 364 garages from the Housing Revenue Account. However, as there is no third party transaction the 'acquisition' by the General Fund is not treated as expenditure; instead the transaction is accounted for by a reduction in the HRA's borrowing need (Capital Financing Requirement) and a corresponding increase in the General Fund's borrowing need. In effect this has the same consequence as a capital purchase and receipt in that the GF will need to finance the transfer and the HRA will be able to use the reduction to finance new capital spend. The actual value of the transfer was £1.8m.



4. The following are some of key projects undertaken in 2019/20:

- **New Sport & Leisure Park** *Total Budget: £43.07m*
Expenditure: Prior years £2.8m 2019/20 £15.28m Total £18.08m

Work commenced on site in 2019 and significant progress has been made since with the new building rapidly taking shape. The budget was increased by £205,000 in 2019/20 to help the council achieve its priority of tackling the climate emergency by installing more solar panels. The new facility is expected to open in Spring 2021.

- **Disabled Facilities Grants** *Total Budget: £1.47m*

Expenditure: recurring *2019/20 £1.27m*

Expenditure on disabled facilities grants increased in 2019/20 by over £300,000 from the previous year. The grants allow disabled people to stay in their own homes by, for example, widening doors, installing ramps and stairlifts, or adapting heating and lighting controls to make them easier to use.

- **Partnered Home Purchase Scheme** *Total Budget: £2.0m (pilot)*

Expenditure: Prior years £0.5m *2019/20 £1.35m* *Total £1.85m*

The 'myHome' Partnered Home Purchase Scheme was an open market shared ownership scheme which was discontinued in February 2020 in order to release £1.45m of capital receipts to invest in other Council priorities. Whilst the scheme attracted significant interest and assisted 11 households to access housing in the district, the overall risks to the Council were considered too high to support its continuation. It was introduced as an investment scheme although does not support the cost of borrowing. The properties purchased during the pilot will provide the council with an ongoing index-linked rental income stream from the share the organisation owns and has enabled homebuyers to enter into a shared ownership arrangement without the restrictions of traditional schemes. It has also made a positive contribution to the council's housing strategy which will continue to be delivered through the Council's own shared ownership offer and alternative tenures offered through the housing company.

- **Kerbside glass recycling bins** *Total Budget: £170,000*

Expenditure: one-off *2019/20 £161,000*

In line with our commitment to increasing recycling in the district, the council introduced kerbside glass recycling in 2019 for which 50,000 bins were purchased for distribution to households.

- **Coventry House (Vaultex)** *Total Budget: £530,000*

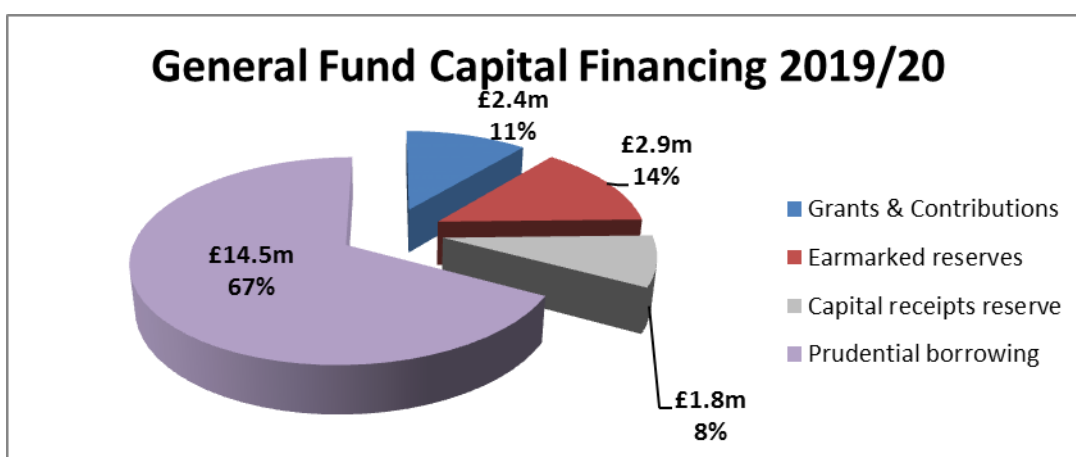
Expenditure: Prior years £nil *2019/20 £121,000*

Following the purchase of Coventry House in 2018/19 (for £1.68m), the site was leased back to its original owners for 12 months. Following their vacation of the site, the building has been demolished (at a cost of £115,000) and

preliminary work has commenced on provision of a surface car park on the site. The total budget was increased to £530,000 in June Cabinet (CAB3239).

5. Capital Financing

The sources of finance available for capital projects include capital receipts, grants and contributions, reserves, revenue contributions, and prudential borrowing or “Capital Financing Requirement” (unfinanced capital expenditure met by future revenue provision). Under the Prudential Code, the council can invest in a capital programme so long as its capital spending plans are “affordable, prudent and sustainable”. The financing of the 2019/20 General Fund capital expenditure including the transfer of garages from the Housing Revenue Account was as follows:



Where capital expenditure is to be financed in future years by charges to revenue, the expenditure results in an increase in the Capital Financing Requirement (CFR), a measure of the capital expenditure incurred historically by the council that has yet to be financed. While the council has sufficient cash and investment balances, it is able to internally borrow but as CFR increases in the future it will need to borrow externally in addition to the £156.7m the council has already borrowed as a result of the HRA self-financing settlement. In the General Fund an annual charge is required (Minimum Revenue Provision) to finance prior year unfinanced expenditure; this reduces the CFR over the lives of the related assets.

Capital Financing Requirement	General Fund £000	Housing Revenue Account £000	Total £000
Capital Financing Requirement at 1 April 2019	27,145	162,859	190,004
Unfinanced Capital Expenditure - in year	12,756	1,754	14,510
Provision for the Financing of Capital Investment	(502)	0	(502)
Transfer of Garages from the HRA to the General Fund	1,754	(1,754)	0
Capital Financing Requirement at 31 March 2020	41,153	162,859	204,012

6. Commercial activities: Property

The council owns an investment property portfolio (assets held solely for rental income or capital appreciation) which was valued at £61.5m as at 31 March 2020 (£53.8m as at 31 March 2019) and generated gross income of £2.9m and net income after costs of £2.3m in 2019/20. This income helps contribute to the Council Plan outcomes. This represents an average net yield of 3.9%.

In 2019/20, the council spent £1.35m on new acquisitions all of which related to the organisation's share in Partnered Home Purchase scheme properties. In addition, 364 garages were transferred from the HRA to the General Fund where they will be held as investment properties.

Property held for investment purposes in £000s

31 March 2019	53,794
Acquisitions	1,349
Enhancements	1
Gains/(losses) in fair value	4,561
Transfer from PPE (operational assets)*	1,754
31 March 2020	61,459

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

7. Proportion of Financing Costs to Net Revenue Stream

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

costs - this is compared to the net revenue stream: Council Tax, Business Rates, and general government grants in the case of the GF; and rents and other charges in the case of the HRA.

Prudential Indicator: Proportion of financing costs to net revenue stream

	2018/19 actual	2019/20 forecast	2019/20 actual	2020/21 budget
GF financing costs (£m)	-0.1	-0.1	-0.1	0.6
GF proportion of net revenue stream	-0.5%*	-0.8%	-0.7%*	3.5%
HRA financing costs (£m)	5.1	5.2	5.1	6.0
HRA proportion of net revenue stream	17.7%	17.9%	17.6%	20.3%

* In 2018/19 and 2019/20 investment income exceeded interest payable and MRP

General Fund 2019/20 Outturn

	General Fund Revenue				
	Budget		Outturn		
	Income	Expenditure	Net contrib'n / (spend)	Outturn	Variance
	£000	£000	£000	£000	£000
Total Housing	284	(2,337)	(2,053)	(1,849)	204
Total Environment	10,353	(16,909)	(6,556)	(5,669)	887
Total Health & Happiness	360	(2,502)	(2,142)	(2,825)	(683)
Total Business	213	(2,104)	(1,891)	(1,508)	383
Total Operational Delivery	2,239	(5,290)	(3,050)	(3,756)	(706)
Total Investment Activity	3,219	(882)	2,337	2,440	103
Total Organisational Management	466	(6,388)	(5,922)	(4,929)	993
	17,135	(36,412)	(19,277)	(18,095)	1,181
Total Tax and Grant Income			15,296	16,190	894
Total Financing & Treasury Activity			(677)	1,520	2,197
Total Reserve Related Movements			4,658	385	(4,273)
Total Funding			19,277	18,095	(1,181)

**Housing Revenue Account
2019/20**

	Housing Revenue Account						Notes
	Budget		Outturn				
	Income	Expenditure	Net contribution / (spend)	Feb Forecast	Full Year Outturn		
£'000	£'000	£'000	£'000	£'000	£'000		
Rent Service Charges & Other Income	27,688	0	27,688	27,903	27,871	(32)	
Housing Management General	164	(5,011)	(4,847)	(4,394)	(3,703)	691	1.a)
Housing Management Special	1,155	(2,552)	(1,397)	(1,728)	(1,799)	(71)	1.b)
Repairs (including Administration)	101	(5,356)	(5,255)	(5,366)	(5,274)	92	
Interest Payable	0	(5,188)	(5,188)	(5,188)	(5,196)	(8)	
Depreciation	0	(6,904)	(6,904)	(8,348)	(8,095)	253	1.c)
Capital Expenditure Funded by HRA	0	(8,622)	(8,622)	(2,680)	(2,461)	219	1.d)
Other Income & Expenditure	21	(85)	(64)	(60)	14	74	1.e)
	<u>29,129</u>	<u>(33,718)</u>	<u>(4,589)</u>	<u>139</u>	<u>1,357</u>	<u>1,218</u>	
Working Balance at 1 April 2019			<u>10,666</u>	<u>11,627</u>	<u>11,627</u>	<u>0</u>	
Add Surplus / (Deficit)			<u>(4,589)</u>	<u>139</u>	<u>1,357</u>	<u>1,218</u>	
Projected Working Balance at 31 March 2020			<u><u>6,077</u></u>	<u><u>11,766</u></u>	<u><u>12,984</u></u>	<u><u>1,218</u></u>	

**Housing Revenue Account
Capital 2019/20**

	HRA Capital Programme			
	Budget	Feb Forecast	Outturn	Variance
	£'000	£'000	£'000	£'000
Housing Major Works	(6,853)	(5,960)	(4,998)	962
Improvements and Conversions	(1,090)	(1,240)	(1,076)	164
Other Capital Spend	(1,103)	(1,118)	(15)	1,103
New Build Programme	(22,407)	(21,576)	(16,642)	4,934
	(31,453)	(29,894)	(22,731)	7,163

Notes:

1. The indicative HRA revenue outturn for 2019-20 shows a favourable variance of £1.218m when compared to that forecast in February which represents just below 4% of gross HRA expenditure. The surplus for the year is £1.357m and this will result in a healthy HRA general working balance at 31 March 2020 of £12.984m. The 30 year HRA Business plan will need to be updated to reflect the impact of the revenue outturn and the need to re-profile capital slippage.

1a) There are a number of factors that have contributed to the variance shown;- these include an underspend on professional services of £360k, a compensation insurance payment of £440k in respect of Victoria Court, the impact of capitalising some of the costs of the new build team £268k, and of recharging the General Fund for the management and maintenance of the transferred garages £68k, and an underspend on subscriptions and equipment purchases of £60k, which was partly offset by increased recharges into the HRA of £346K.

- 1b) Further investigations are required here but the key factors are an overspend on sheltered housing of £148k.
 - 1c) The actual cost of depreciation to both the dwelling and non-dwelling stock was £254k less anticipated in February.
 - 1d) The capital outturn resulted in a reduced capital financing requirement and as a result the RCCO required was £219k less than anticipated
 - 1e) The anticipated budgeted contribution to the insurance fund was not required in 2019/20
2. The reasons for the key material variances are currently being reviewed and investigated to understand if they are likely to be ongoing and need to be reflected in future budget setting. In addition at this stage it is being proposed that the only revenue carry forward from 2019/20 is £50k funding for the establishment of the proposed Housing Company.
 3. The capital outturn shows a favourable variance of £7.163m, which represents 24% slippage on that forecast in February. The amount being proposed to be carried forward to 2020/21 and future years is £7.038m.

Outcome Based Budgeting – 2019/20 Progress Monitoring

The General Fund Budget 2019/20 report ([CAB3132](#), 14 February 2018 refers) included a number of budget proposals for 2019/20 that would achieve savings of £0.96m which would enable a balanced budget for 2019/20 and contribute towards savings for future years.

The table below provides an update on the progress achieved against the proposals for savings.

Item	Budget	Achieved	Total	Status			Comments
	£'000	£'000	£'000	Q2	Q3	Q4	
Savings Proposals							
Guildhall	150.0	0.0	0.0	Red	Red	Red	Cabinet on 23 December approved procurement of a new catering contract for the Café Eighteen71. Target was not achieved in 2019/20 but a very positive outcome to the procurement agreed. This has been further delayed by COVID-19 and progress will be subject to economic recovery.
Internal Catering	20.0	10.5	10.5	Amber	Amber	Amber	Part-year savings in 2019/20 with the full year targets to be met from 2020/21. Savings are to a large extent reliant on number and type of meetings held during the year.
Salary Sacrifice Employee Benefits	21.5	16.3	16.3	Amber	Amber	Amber	Savings are based on estimated employee take up and subsequent reduction in Employers National Insurance contributions. Benefits are being actively promoted and take up

Item	Budget	Achieved	Total	Status			Comments
	£'000	£'000	£'000	Q2	Q3	Q4	
							is expected to increase over the coming months generating higher full year savings for 2020/21.
Business Travel	50.0	28.5	28.5	Green	Green	Green	On target for full year savings from 2020/21.
Public Conveniences – Business Rates	25.0	25.0	25.0	Green	Green	Green	Contractual savings were achieved in 2019/20 meaning the targeted savings were achieved. Central Government announced in December 2018 that stand alone public conveniences would become exempt from Business Rates. The savings forecast is based on this policy which is still progressing towards adoption. This is expected to generate additional savings when the new policy is in place.
Occupational Health	10.0	10.0	10.0	Green	Green	Green	New contract arrangements – budget saving achieved.
Training Hub	17.0	17.0	17.0	Green	Green	Green	The £17k savings have been achieved within the Learning & Development budget in 2019/20. Further efficiencies, with a training hub based in Winchester, will be explored. In addition a robust and new approach to learning and development planning is work being undertaken by the new Service Lead in HR.

Item	Budget	Achieved	Total	Status			Comments
	£'000	£'000	£'000	Q2	Q3	Q4	
Other minor efficiencies	20.0	20.0	20.0	Green	Green	Green	
Restructure	100.0	100.0	100.0	Green	Green	Green	Savings achieved under the revised staffing establishment.
Energy Efficiency	20.0		0.0	Amber	Red	Red	All electricity now from renewable sources. Investment in 2019/20 focussed towards additional solar and other measures at the new Sport and Leisure Park. Improvements to other council buildings planned for 2021/22
Asset Management / Income Generation							
Rent Reviews	200.0	50.0	50.0	Green	Green	Amber	Some major rent reviews delayed to 2020/21 and assessment of COVID-19 impact will be required.
Digitalisation of services – Customer Services / Cash Office	30.0	30.0	30.0	Green	Green	Green	Savings achieved through the installation of cash kiosks in reception from January 2019.
Pest Control	35.0	10.0	10.0	Green	Amber	Amber	Delayed implementation of new charges and COVID-19 impact in March 2020.
Concessions at car parks	50.0	0.0	0.0	Amber	Red	Red	The focus of car parks has been targeted to support significant increases in usage (and income) particularly at Park & Ride sites. The potential use of concessions is being explored to balance what can be delivered against the primary focus of ensuring spaces are available and

Item	Budget	Achieved	Total	Status			Comments
	£'000	£'000	£'000	Q2	Q3	Q4	
							usage is encouraged at outer car parks such as the Park & Ride sites.
Street naming and numbering	12.0	20.6	20.6	Green	Green	Green	
Fees and Charges	50.0	50.0	50.0	Green	Green	Green	
Car parking income through volume increase	150.0	150.0	150.0	Green	Green	Green	Additional usage particularly at Park & Ride sites
TOTAL	960.5	537.9	537.9				

COUNCIL PLAN 2020 – 25

Q4 PROGRESS UPDATE

PRIORITY – TACKLING THE CLIMATE EMERGENCY AND CREATING A GREENER DISTRICT

The climate crisis is the biggest challenge all of us face in the coming years and decades. Winchester must play its part in tackling the crisis and hand our district to our children and grandchildren in a better state than it is now.

What we want to achieve

- Winchester City Council to be carbon neutral by 2024
- The Winchester district to be carbon neutral by 2030
- Reduced levels of waste and increased recycling, exceeding national targets
- An increase in the proportion of journeys taken by walking, cycling and public transport

Over the last quarter we have achieved the following

- **Carbon neutrality to be made central to everything we do**

Agreed a contract for the council's operational buildings to be supplied by electricity provided from sustainable sources, including wind and solar power, from the 1st April 2020. This will have the immediate impact of reducing our carbon emissions by 19% with the long term aim of further reducing our carbon emissions by 40% if we can 'on-board' all of our sites onto our new green tariff.

Staff travel survey undertaken, generating 292 responses. Results identified lack of ability to work from home as one of the barriers, prior to recent changes in work patterns.

- **Have an adopted and up to date Local Plan with positive policies which promote low carbon development and transport while protecting our heritage and natural environment**

Work is progressing on the new Local Plan in accordance with the timetable in the Council's adopted Local Development Scheme. The outstanding information to complete the evidence base is in the process of being obtained. A Strategic Issues and Options document (formerly referred to as the "Prospectus"), which will include how the Council's climate change declaration is being woven into the heart of the Local Plan, is due to be considered by Cabinet in the summer with a date to be confirmed shortly.

- **Take a lead with partners and residents to deliver the Carbon Neutrality Action Plan throughout the district**

A total of 342 trees were planted over two days by more than 30 volunteers at Newlands Walk Open Space in Waterlooville. The volunteers included local residents, community groups and businesses along with council staff.

Launched the LEAP scheme to provide free energy surveys to people on a low income or those suffering from fuel poverty. Working with Agility Eco, we will signpost people to funding for heating upgrades to eligible homes; making buildings warmer, cheaper to heat and reducing their carbon footprint.

Work is underway on a proposal for the Council to rent roof space from targeted large businesses, in order to install solar PV. The Council would then sell the generated power from the PV to the business.

- **Deliver the City of Winchester Movement Strategy, refresh the air quality management action plan and prioritise walking, cycling and public transport throughout the district**

The Winchester Movement Strategy (WMS) phase 1 studies now complete and members briefing held in June. A summary report is to be made public in July. Phase 2 studies underway. A local cycling and walking improvement plan for Winchester is being developed as part of the WMS

- **Work with other public authorities to expand the range of materials we recycle**

Winchester is working through the Project Integra partnership to review options for a single MRF in Eastleigh, and are looking at the option of moving to a twin stream or kerbside sort system to greatly increase the range of material being collected.

We are also working with Project Integra to understand the impact of introduction of food waste recycling which is government's preferred direction of travel by 2023 for every local authority.

- **Safeguard our district's extensive natural habitats and precious ecosystems by delivering the actions in our Biodiversity Action Plan**

We are continuing to deliver biodiversity gain through current land management projects and work programmes. With regard to the Biodiversity Action Plan (BAP), the Business Justification Case has been approved and a Members briefing will take place on 30 June 2020, providing an update on the proposals for the new BAP as well as wider ecological initiatives. Production of the BAP has started, and the draft document will be presented to the Health & Environment Policy Committee on 30 Sep 2020 and Cabinet in December 2020.

PRIORITY – LIVING WELL

We want all our residents to live healthy and fulfilled lives. We recognise that our residents are living longer and want to ensure the district offers the right mix of facilities for all ages and abilities.

What we want to achieve

- Reduced health inequalities
- Increase in physical and cultural activities
- An increase in active travel
- Services that work for all, but especially for residents who need more help to live well
- Attractive and well used green spaces with space for relaxation and play

Over the last quarter we have achieved the following

- **Focus our activities on the most disadvantaged areas, communities and groups**

We have continued to issue grant support to key voluntary sector organisations supporting our more vulnerable residents, such as Citizens Advice Winchester District, Trinity, Winchester Nightshelter, Home-Start, Winchester Live at Home scheme and Winchester Young Carers.

The GP referral scheme saw 94 new referrals during Q4, with the most common health conditions referred being osteoarthritis, mental health and obesity. Total throughput at community exercise classes for people with health conditions was in excess of 600 over the three months and the 79 health walks saw more than 1200 attendees.

- **Opening of the new Winchester Sport and Leisure Park to offer sustainable, accessible facilities for all to enjoy a wide range of activities**

See project update at Appendix 4

- **Supporting communities to extend the range of sports facilities across the district**

Discussions are underway with the developer over the specification and design of a cricket pavilion for the West of Waterlooville development.

- **Create safe cycleways and pathways to make it safer and more appealing for our residents to cycle and walk to their destination**

A local cycling and walking improvement plan for Winchester is being developed as part of the Winchester Movement Strategy. The Parking and Access Strategy delivery will consider the needs of the market towns. Meetings are underway to discuss these with representative groups.

- **Maintain and enhance the open spaces and parks that support good mental and physical health for residents of all ages**

All play areas are currently closed due to coronavirus, although the council is still undertaking visual inspections for health & safety purposes.

Some projects have continued throughout lockdown including the creation of a new area called Badgers Patch in Stanmore, as well as work on the replacement of the North Walls Cricket Pavilion and the renovations to Chilcomb Pavilion. It is still expected that renovation programme for play areas for 2020/21 will be delivered despite the delays due to the pandemic.

PRIORITY - HOMES FOR ALL

Housing in our district is expensive and young people and families are moving out because they can't find suitable accommodation they can afford.

Winchester District needs homes for all – homes that are affordable and built in the right areas for our changing communities

What we want to achieve.

- More young people and families working and living in the district.
- All homes are energy efficient and affordable to run
- The creation of communities not just homes
- No-one sleeping rough except by choice

Over the last quarter we have achieved the following

- **The council building significantly more homes, both traditional council homes and through the council housing company**

There are currently 121 new homes under construction across four sites. Plans are progressing through the appointment of Wates contractors to build 75 new homes at Winnall, a proportion of which may be transferred to the council's housing company.

- **Strengthen our Local Plan to ensure homes are built for all sectors of our society including young people**

A Strategic Housing Market Assessment has been completed and this information will be used to inform the housing policies in the new Local Plan.

- **Use the new Winchester Housing Company to deliver a wide range of housing tenures to meet local needs**

The company has limited resources and as such seeks to minimise its drawdown of capital funding through leasing assets from the HRA, and

potentially acquiring properties from the market place. The company business plan is progressing to be in a position to lease 5 properties per year which could include a block of flats as one transfer. Providing housing that will become income generating and at the same time offer social advantages for a need not met elsewhere such as homes for keyworkers and young professionals.

- **Provide support for our homeless and most vulnerable people**

In partnership with Two Saints and HCC, 12 new units of accommodation were made available to help vulnerable people to avoid rough sleeping. Having been recently refurbished by the Council and using the 'Housing First' principles of tackling homelessness, Two Saints will offer intensive support to help clients settle in, maintain their tenancies and learn how to live independently.

Following a successful funding bid with MHCLG, 4 additional bed spaces were made available throughout the cold weather period and 4 individuals were prevented from sleeping rough and were supported by the outreach team to move on to alternative accommodation.

At the end of March Government directed all housing teams to 'Get Everyone in' to protect those sleeping rough or at risk of sleeping rough and considered to be most vulnerable from Covid19. A 10 bed project was secured and 10 individuals were accommodated, receiving food, healthcare and support from the outreach services

- **Be innovative in moving the energy efficiency of new and existing homes towards zero carbon**

Significant progress has been made towards submitting a planning application for a pilot Passive House scheme at Micheldever. Subject to the outcome of a local consultation exercise and member approval an application will be made in September 2020.

A Member/Tenant Briefing held in early March entitled "Reducing the Environmental Impact (carbon) in Council Housing Stock" looked at a variety of measures to improve energy efficiency and/or reduce carbon emissions. Various options and models - which include fabric improvements, changes to heating systems and local electricity generation (eg. PV) - are now being scoped and costed for approval in September.

- **Work with developers to ensure that they provide affordable housing and homes at fair market value as part of new developments**

Discussions are underway with Cala Homes to progress a council owned extra care scheme at Kings Barton on land set aside for elderly persons affordable housing. Work has commenced on North Whiteley which will involve both on-site affordable housing through a local Registered Provider and an off-site contribution of funding.

PRIORITY - VIBRANT LOCAL ECONOMY

Winchester district is home to a host of successful businesses and enterprises with high levels of employment in our urban and rural areas. In the face of tough competition, our high streets, town and business centres must attract new investment in low carbon offices, workspace and transport links

What we want to achieve

- Grow opportunities for high-quality, well-paid employment across the district
- New offices and workspace are located in areas with sustainable transport links or where they reduce the need to travel to work
- More younger people choose to live and work here
- Businesses grasp opportunities for green growth
- The city, market towns and rural communities across our district have a compelling and competitive visitor offer

Over the last quarter we have achieved the following

- **Working with business, universities and colleges to position Winchester district as a centre for digital, creative, knowledge-intensive networks**

An EDRF funding bid submitted for a Digital Growth Factory including commercialisation courses, acceleration support, incubation and scale up support for digital businesses.

Sponsorship of the Winchester Business Excellence Awards Digital Innovation category with Winchester BID.

One off project funding approved for the Winchester Design Festival that will excite and inspire young people about how design; accelerate business growth and increase employability; and promote Winchester to the world as a innovative city.

Continued to issue monthly e-newsletter to arts and cultural sector – Arts News.

Cultural Network Group meeting for 19 March postponed. Future meetings to be held virtually for the foreseeable future. Continued engagement with key stakeholders in the arts community including engagement meeting with the Arts Council, The Winchester School of Arts and Arts Referral project with Eastleigh Borough Council.

Design Festival Grant approved and planning meeting held with Festival organiser. Ongoing dialogue in relation to the impact of COVID-19

The redevelopment of central Winchester prioritises the needs of younger people and work continues on the development framework and delivery strategy for the area.

This includes:

- *Ongoing partnership work with the bus operators and HCC is reviewing potential solutions bus operations.*
 - *The tender process for a consultant to carry out early stage archaeology investigations is complete and work is due to commence this month.*
 - *Work to explore how Kingswalk could be developed into vibrant creative hub to support small businesses, the arts and opportunities for young people is underway.*
 - *Options are currently being investigated to bring Coitbury House back into use, in line with the emerging development framework*
- **Strengthening the Winchester brand and working in partnership to promote and develop our unique cultural, heritage and natural environment assets**

2020 Visitor guide published in January

Re-engineered Mayflower 400 – Hampshire's Connection trail leaflet to an online campaign as a result of COVID-19

Worked with partners to develop offers for locals as part of a new initiative; 'Winchester Residents' Week' - due to take place in April 2020, however postponed as a result of COVID-19.

Commissioned local film company with expertise in tourism films to develop a series of promotional destination films and initial meetings to plan themes and locations.

Continue to work with Discover Winchester partners and Rocket Launch PR – Press visit in March from The Globe (publication currently on hold). Easter press release drafted but held back due to COVID-19. Weekend breaks content provided to The Times and Easter Holiday staycation ideas to Evening Standard. Work started on 2020/21 PR plan – City with a village feel.

Monitored landscape in the lead up to lockdown - kept a record of business closures and managed messages around visiting the district, shared communications from partners and signposted to government guidelines and advice all via our online marketing channels.

- **Supporting business in meeting the challenge of carbon neutrality**
Bid submitted for LoCASE funding to support 12 businesses per year to adopt low carbon technologies – outcome expected October 2020.

Sustainable Business Network moving to virtual meetings.

Held meetings with large businesses to help them reduce their carbon emissions.

- **Securing support to replace LEADER funding and sustain business development in rural areas.**

Processed claims for payments for three projects on current programme.

Post payment monitoring for current project.

Claim made and received of £4,000 from Rural Payments Agency for administration of current project.

Brexit followed by COVID-19 response has been focus of all government departments so no other rural funding has become available that we are able to bid for. The service has put a bid to Enterprise M3 for town centre recovery.

YOUR SERVICES, YOUR VOICE

We want to have high quality, good value services and track the performance of our remote working teams in relation to customer response and service delivery. that are continuously improving to address the changing needs and expectations of residents, tenants, visitors, businesses and non-profit organisations across our district – and are accessible to all, whatever their circumstances. We want our residents to have the opportunity to make their voice heard and be able to see and understand how the council makes its decisions.

What we want to achieve?

- An open and transparent council
- Improving satisfaction for our services
- Good value compared to other similar authorities
- Continuous improvement in cost-effectiveness
- High accessibility and usage of our services
- Constructive and effective partnerships across the district
- A balanced budget and stable council finances

Over the last quarter we have achieved the following

- **New processes that involve the public, businesses, stakeholders and ward councillors earlier and more deeply in the design and decision making process**

A new approach to engagement is being developed by the communications team to ensure that public participation around developments to the district can take place in a new format, and not lose the interaction that is needed to meaningfully engage due to restrictions around social distancing. The Head of Engagement and Head of Programme for Central Winchester Regeneration are working on engagement 'events' that benefit from new technology and recently enhanced techniques around virtual meetings and conferences/webinars.

- **New processes that effectively respond to and use complaints and feedback to drive service improvement**

Reviewed current complaints procedures and updated Customer Complaints Policy due to be introduced during the summer supported by training programme for staff who manage and respond to customer complaints.

- **New wider set of published measures designed to drive improved satisfaction and performance**

Cabinet approved a set of Strategic Key Performance Indicators in May 2020 with progress against these KPIs is included in Appendix 3 of this report. A new performance management area for the website is under development which will enable the council to publish regular updates against the performance indicators.

- **More effective use of technology to make it simpler and easier to deal with the council and its delivery partners while reducing cost**

All services are now online – with over 105 forms being created to deliver this option across the board.

- **Strong focus on accessibility standards to ensure our services are usable by all**

Work is underway in IT to ensure the website complies with the latest standards in accessibility.

- **Investing in our staff and making the most of their skills and talents**

*During the period 01/01/20 to 31/03/20 HR undertook the following work in order to **invest in staff and make the most of their skills and talents***

- *Reviewed service level learning and development plans*
- *Planned for a new cohort of aspiring managers to attend the 'First Ascent' training programme.*
- *Planned for more apprenticeships in the Council.*
- *Planned for climate emergency training to be included in the 2020/21 corporate training programme*
- *Held management workshops on the sickness management policy*
- *Held workshops on mental health awareness*
- *Planned for Dementia awareness week*
- *Sent out advice to managers on 'Managing Virtual Teams'*
- *Sent out advice on employee well-being when working from home*
- *Set up and advised on the completion of appraisals.*
- *Reminded managers of the mandatory on-line training.*

- *The council's internal weekly staff bulleting City Voice has been refreshed in order to celebrate the achievements of individuals and teams, and also thank colleagues for individual efforts.*