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THE SCRUTINY COMMITTEE

Tuesday, 10 February 2026

Attendance:

Councillors
Brook (Chairperson)

Wallace
Batho
Laming
Pett

Power
Murphy
Bolton

Apologies for Absence:

Councillor Clear

Deputy Members:

Councillor Gordon-Smith as deputy for Councillor Clear

Other members in attendance:

Councillors Cutler, Porter, Reach and Tod

Video recording of this meeting

1. **APOLOGIES AND DEPUTY MEMBERS**

Apologies for the meeting were noted as above.

2. **DECLARATIONS OF INTERESTS**

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.

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.

3. **CHAIRPERSON'S ANNOUNCEMENTS**

The Chairperson advised that the running order of agenda would be adjusted to bring forward the item "Treasury Management Strategy 2026/27"

4. **MINUTES OF THE MEETING OF THE 19 JANUARY 2026**

RESOLVED:

That the minutes of the previous meeting held on 19 January 2026 be approved and adopted.

5. **PUBLIC PARTICIPATION**

There were no comments or questions made during public participation

6. **TREASURY MANAGEMENT STRATEGY 2026/27**

Councillor Neil Cutler, Deputy Leader and Cabinet Member for Finance and Transformation introduced the report, ref CAB3538 which set out proposals for the Treasury Management Strategy 2026/27. Councillor Cutler advised that there were no significant changes to the strategy for the 2026/27 year and that whilst the report included updated figures there was no change in policy proposed. Gemma Farley and Daniel O'Rourke on behalf of Hampshire County Council were also present to respond to the committees' questions.

The committee was recommended to comment on the proposals within the attached cabinet report, ref CAB3538 which was to be considered by cabinet at its meeting on 12 February 2026. The committee proceeded to ask questions and debate the report. In summary, the following matters were raised.

1. A question was asked regarding the trajectory of higher borrowing shown on page 151 and whether this represented a shift in the council's appetite for risk.
2. Further clarification was sought on whether externalising borrowing increased the risk profile, particularly given the council's moderate risk appetite.

These points were responded to by Neil Aitken, Service Lead: Finance accordingly.

RESOLVED:

1. That the report be noted.

7. **PLANNING ENFORCEMENT - TASK AND FINISH GROUP - FEEDBACK TO SCRUTINY COMMITTEE.**

The committee thanked the Task and Finish Group for their work and noted the minutes of the two meetings held. Councillor Wallace, as Chair of the Task and Finish Group asked that a review of the recommendations be undertaken and a further virtual meeting was agreed. The Chief Executive proposed that the recommendations through the report be brought together once agreed and an update included on the agenda of a future meeting of this committee.

8. **HOUSING REVENUE ACCOUNT (HRA) BUDGET 2026/27**

Councillor Mark Reach, Cabinet Member for Good Homes introduced the report, ref CAB3540 which set out proposals for the Housing Revenue Account (HRA) Budget 2026/27 and the longer-term business plan regarding capital investment. The introduction included the following points.

1. The report was produced following modelling and engagement with tenants, including the TACT board, two members of which were present at the meeting and a wider consultation which received 291 responses.
2. The plan addressed challenges arising from inflation, increased construction costs, energy prices, and borrowing.
3. The aim was to ensure a housing service that was fit for purpose, providing tenants with good, warm, safe, and secure homes that were economical to run and met regulatory standards.
4. The report set out plans to protect the repairs and maintenance programme, retrofit and decarbonisation plans, and the strategy for building or acquiring further council homes.
5. Savings of approximately £1.1 million were identified within the budget.
6. The proposal followed the rent setting guidelines from the Social Housing Regulator of CPI plus 1%, equating to 4.8% for the period.
7. Risks facing the HRA in the medium term were outlined, primarily relating to macroeconomic factors and central government funding.
8. A verbal update would be provided to Cabinet regarding a change to one of the savings recommendations following a request from the TACT board.

The committee was asked to comment on the proposals within the attached cabinet report, ref CAB3540, which was to be considered by the cabinet at its meeting on 12 February 2026. The committee proceeded to ask questions and debate the report. In summary, the following matters were raised.

1. A question was asked regarding the table on page 44 regards “loss of funding”, as it was felt that the numbers did not appear to add up correctly.
2. Further clarification was sought regarding paragraph 11.9 and the full stock condition survey, and whether any unexpected findings were anticipated.
3. Clarification was requested regarding paragraph 11.66 and the wastewater treatment plant upgrades, specifically which site was referred to in this paragraph.
4. Clarification was requested on whether the council was moving towards full cost recovery for sewage treatment, the progress in rationalising resident charges, and if the issues regarding charging at Hobbs Close would be addressed.
5. Clarification was sought regarding paragraph 1.6 and how the feedback from tenants, including those who had exercised Right to Buy, had been considered.
6. A question was asked regarding paragraph 11.64 and EPC targets, and how much the needs of tenants for warmer homes and lower costs were considered in prioritisation decisions.

7. It was asked whether the challenges regarding energy improvements and the Social Housing Decarbonisation Fund (SHF) Programme Wave 3 funding had been discussed at a recent the Cabinet Committee: Housing meeting.
8. Clarification was sought regarding the change in approach to Department for Energy Security and Net Zero (DESNZ) funding, noting that the proposal was for the council to self-fund.
9. Clarification was requested on how many of the confirmed programme of 672 homes for solar panel and battery installation had been completed.
10. A question was asked regarding the target of 87% of stock to meet EPC-C by March 2028, and what percentage of tenants were resistant to retrofit schemes and what was a realistic target.
11. Clarification was sought regarding paragraph 11.8 and the average social rent for new tenancies.
12. A question was asked regarding paragraph 11.9 and the stock condition survey availability in mid-2026, and whether this should feed into the 2027/28 planning process rather than 2026/27.

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

RESOLVED:

1. That the report be noted.
2. That whilst the committee had no specific recommendations to forward to Cabinet, that cabinet considers the committee's comments raised during the discussion of the item.

9. **GENERAL FUND BUDGET 2026/27**

Councillor Neil Cutler, Deputy Leader and Cabinet Member for Finance and Transformation introduced the report, ref CAB3541 which set out proposals for the General Fund Budget 2026/27. The introduction included the following points.

1. The budget paper was prepared based on the Medium Term Financial Strategy (MTFS) and budget options presented to the committee in November 2025.
2. The priority remained on maintaining business as usual and prioritising key projects.
3. The provisional government spending settlement received on 17 December 2025 was worse than expected, potentially leaving a deficit of £3.5 million rather than the expected £1.8 million over a 3-year period.
4. It had been confirmed earlier this month that the government had made a calculation error regarding business rates pooling, the correction of which was resulting in a reduction of the settlement by just under £1.4 million per year.

5. The government had provided a special grant to cover this loss for the current year, meaning the 2026/27 budget remained balanced; however, the annual £1.4 million reduction would impact subsequent years.
6. The MTFs figures would be updated to reflect this change before being presented to the Cabinet on the 12 February 2026.

The committee was asked to comment on the proposals within the attached cabinet report, ref CAB3541, which was to be considered by the cabinet at its meeting on 12 February 2026. The committee proceeded to ask questions and debate the report. In summary, the following matters were raised.

1. A question was asked regarding the government recalculation, specifically whether this affected most councils in the same way or if Winchester City Council was particularly affected.
2. A question was raised regarding the statement that Shire Districts were mainly affected by the recalculation, and how this would affect LGR plans and the preservation of services for the new unitary councils.
3. Clarification was sought regarding paragraph 14.3 on the digital customer experience, and whether the system would track queries from residents who contacted the council by phone or in person.
4. A question was asked regarding recommendations four and six, specifically the reasons for the spending of £470k (one-off) and £89k (recurring) on “digital transformation” software.
5. Clarification was sought regarding the £60k income reduction for the Guildhall.
6. A question was asked regarding the Guildhall condition surveys, and the level of contingency included in the budget given the history of rising costs for building works.
7. Clarification was requested regarding page 75, specifically regarding risk reserves in support of the TC25 programme.
8. A question was asked regarding the debt write-off mentioned in paragraph 21, and whether lessons had been learned to avoid such positions in the future.
9. A question was raised regarding New Burdens Funding, and whether existing funding was adequate to cover additional duties resulting from the Renters' Rights Bill and homelessness requirements.
10. Clarification was sought regarding the employer's pension contribution reduction.
11. A question was asked regarding the reference to “parking overtime” of £30k in and whether this was a one-off or anticipated to be recurring.
12. Clarification was sought regarding the Community Infrastructure Levy (CIL) General Fund in Appendix C, and why the reserve balance appeared to plateau in 2027/28.

13. Further information was sought regarding Plant, Property, and Equipment (PPE) and Investment Properties and if the valuation matters previously highlighted in a recent Audit & Governance Committee should be reflected in this report.
14. Clarification was sought regarding Appendix D and the tree works undertaken in the Winchester Town area.
15. A question was raised regarding the reduction in the “night bus contribution” referred to in Appendix D.

These points were responded to by Liz Keys, Director (Finance), Councillor Neil Cutler, Deputy Leader and Cabinet Member for Finance and Transformation, Darren Kennedy, Finance Manager (Strategic Finance) and Simon Hendey, Strategic Director accordingly.

RESOLVED:

1. That the report be noted.
2. That whilst the committee had no specific recommendations to forward to Cabinet, that cabinet considers the committee’s comments raised during the discussion of the item.

10. **CAPITAL INVESTMENT STRATEGY 2026-2036**

Councillor Neil Cutler, Deputy Leader and Cabinet Member for Finance and Transformation introduced the report, ref CAB3539 which set out the Capital Investment Strategy 2026-2036. The introduction included the following points.

1. The Capital Investment Strategy was brought forward as part of the annual budget setting process.
2. The report provided detailed information regarding the capital programme, the financing of capital, Minimum Revenue Provision (MRP) requirements, and the policy for the flexible use of capital receipts.
3. Officers had undertaken significant work to collate the extensive information contained within the report.

The committee was asked to comment on the proposals within the attached cabinet report, ref CAB3539, which was to be considered by cabinet at its meeting on 12 February 2026. The committee proceeded to ask questions and debate the report. In summary, the following matters were raised.

1. A question was asked regarding page 132 and the acquisition of land and property. Specifically, whether this would require Minimum Revenue Provision (MRP) in the General Fund or if it would be treated like the Housing Revenue Account (HRA) with a write-down over time.
2. Further clarification was sought regarding; the HRA budget and whether assets were depreciated over time and the rules surrounding depreciation time periods.

These points were responded to by Neil Aitken, Service Lead: Finance accordingly.

RESOLVED:

That the report be noted.

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

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 8.10 pm

Chairperson

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