



Meeting	Cabinet
Date and Time	Wednesday, 21st July, 2021 at <u>9.00 am* (nb: earlier start time).</u>
Venue	Walton Suite, Winchester Guildhall

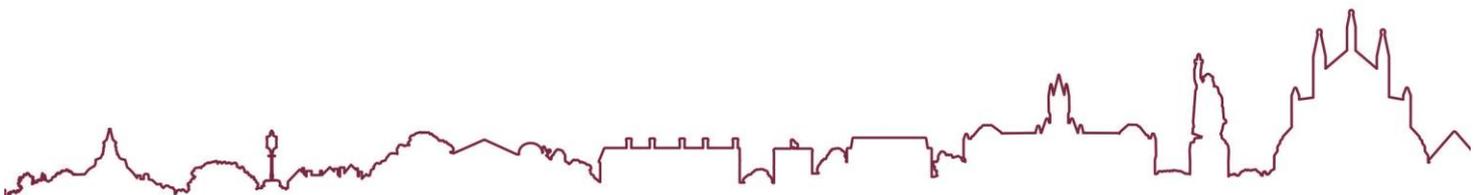
Note: *This meeting is being held in person at the location specified above. In line with relevant legislation and public health guidance the following arrangements apply. Members of the public should note that a live audio feed of the meeting will be available from the councils website (www.winchester.gov.uk) and the video recording will be available shortly after the meeting.*

For members of the public and “visiting councillors” who are unable to utilise this facility a limited number of seats will be made available at the above named location however attendance must be notified to the council at least 3 working days before the meeting. Please note that priority will be given to those wishing to attend and address the meeting over those wishing to attend and observe.

AGENDA

PROCEDURAL ITEMS

- 1. Apologies**
To record the names of apologies given.
- 2. Membership of Cabinet bodies etc.**
To give consideration to the approval of alternative arrangements for appointments to bodies set up by Cabinet or external bodies, or the making or terminating of such appointments.
 - a) West of Waterlooville Forum –
To confirm Newlands Parish Council entitled to nominate two representatives to the Forum
- 3. Disclosure of Interests**
To receive any disclosure of interests from Members and Officers in matters to be discussed.
Note: Councillors are reminded of their obligations to declare disclosable pecuniary interests, personal and/or prejudicial interests in accordance with legislation and the Council’s Code of Conduct.



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

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

BUSINESS ITEMS

5. **Minutes of the previous meeting held on 23 June 2021, less exempt minute.** (Pages 5 - 12)

6. **Public Participation**

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

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

Members of the public and visiting councillors may speak at Cabinet, provided they have registered to speak three working days in advance. Please contact Democratic Services **by 5pm on Thursday 15 July 2021** via democracy@winchester.gov.uk or (01962) 848 264 to register to speak and for further details.

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

8. Central Winchester Regeneration – Delivery (less exempt appendix) (Pages 13 - 152)

Key Decision (CAB3303)

9. Revised Local Development Scheme (Pages 153 - 184)

Key Decision (CAB3302)

10. Nutrient (Nitrate) neutrality update (Pages 185 - 200)

Key Decision (CAB3301)

11. General Fund outturn 20/21 (Pages 201 - 234)

Key Decision (CAB3309)

12. Housing Revenue Account (HRA) outturn 20/21 (Pages 235 - 258)
Key Decision (CAB3308)
13. Q4 Performance Monitoring (Pages 259 - 328)
Key Decision (CAB3297)
14. To note the future items for consideration by Cabinet as shown on the August 2021 Forward Plan. (Pages 329 - 332)
15. EXEMPT BUSINESS:
To consider whether in all the circumstances of the case the public interest in maintaining the exemption outweighs the public interest in disclosing the information.
- (i) To pass a resolution that the public be excluded from the meeting during the consideration of the following items of business because it is likely that, if members of the public were present, there would be disclosure to them of 'exempt information' as defined by Section 100 (I) and Schedule 12A to the Local Government Act 1972.
16. Exempt minute of the previous meeting held on 23 June 2021 (Pages 333 - 336)
17. Central Winchester Regeneration - Delivery (exempt appendix)
Key Decision

Lisa Kirkman
Strategic Director and Monitoring Officer

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.



13 July 2021

Agenda Contact: Nancy Graham, Senior Democratic Services Officer
Tel: 01962 848 235, Email: ngraham@winchester.gov.uk

**With the exception of exempt items, Agenda, reports and previous minutes are available on the Council's Website www.winchester.gov.uk*

CABINET – Membership 2021/22

Chairperson: Councillor Thompson (Leader and Cabinet Member for Partnership Working)

Councillor Cutler (Deputy Leader and Cabinet Member for Finance and Service Quality)

Councillor	-	Cabinet Member
Clear	-	Cabinet Member for Communities and Wellbeing
Gordon-Smith	-	Cabinet Member for Built Environment
Learney	-	Cabinet Member for Housing and Asset Management
Murphy	-	Cabinet Member for Climate Emergency
Tod	-	Cabinet Member for Economic Recovery

Quorum = 3 Members

Corporate Priorities:

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

Public Participation at meetings

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

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

Filming and Broadcast Notification

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Disabled Access

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

Terms Of Reference

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

CABINET

Wednesday, 23 June 2021

Attendance:

Councillor Thompson (Chairperson)	– Leader and Cabinet Member for Partnership Working
Councillor Cutler (Vice-Chair)	– Deputy Leader and Cabinet Member for Finance and Service Quality
Councillor Clear	– Cabinet Member for Communities and Wellbeing
Councillor Gordon-Smith	– Cabinet Member for Built Environment
Councillor Murphy	– Cabinet Member for Climate Emergency
Councillor Tod	– Cabinet Member for Economic Recovery

Others in attendance who addressed the meeting:

Councillors Brook and Horrill

David Light (TACT)

Apologies for Absence:

Councillors Learney

[Full audio and video recording](#)

1. **MEMBERSHIP OF CABINET BODIES ETC.**

RESOLVED:

That Councillor Fern replace Councillor Bentote as the Chairperson of the North Whiteley Development Forum for the remainder of 2021/22.

2. **DISCLOSURE OF INTERESTS**

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

3. **MINUTES OF THE PREVIOUS MEETING HELD ON 25 MAY 2021.**

RESOLVED:

That the minutes of the previous meeting held on 25 May 2021 be agreed as a correct record.

4. **PUBLIC PARTICIPATION**

Janet Berry and Patrick Davies spoke during public participation regarding report CAB3300 below.

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

Cabinet members made a number of announcements as summarised briefly below.

Councillor Murphy

The Council had signed up to be a supporter of the Climate and Ecological Emergency Bill.

Councillor Tod

Provided an update on the monies paid out to support businesses impacted by Covid. £3.6m had been paid out in additional restriction grants and a further £1.3m had been allocated to the Council from the government to continue business support.

Councillor Clear

Provided an update on the successful opening of the new Winchester Sport and Leisure Park with numbers attending and membership subscriptions increasing, despite reduced occupancy levels due to Covid restrictions.

The small grants scheme was open for up to £500 for local community associations and voluntary groups and crowd funding grants up to £2000 were also available.

6. **WINNALL FLATS OPEN SPACE PROJECT - COMMUNITY INFRASTRUCTURE LEVY (CIL) FUNDING (CAB3305)**

Councillor Gordon-Smith introduced the report which proposed funding to enable an upgraded landscape area, community park and small play area around the existing Winnall flats. He emphasised that although the report referred to a "pocket park" the entire area was approximately two hectares in size.

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

Welcomed the proposals but requested confirmation that the project was supported by existing residents and that they expected to share the space. In addition, did it address parking and open space amenities and private space requirements in the area? Was the sum of £755k likely to have to be increased?

The Housing Development and Strategy Manager responded to the points raised by Councillor Horrill and confirmed that various consultations had been undertaken with residents, the most recent in October 2020, and no negative comments on the proposals had been received. The Strategic Director advised

that the CIL funding was a contribution to the costs which could be supplemented by Housing Revenue Account (HRA) funding if required, following further consultation as to exact details of the scheme.

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

RESOLVED:

That an allocation of £755,000 be approved to help fund the provision of a new public open space in association with the provision of new development at Winnall Flats. The allocation of funds will be conditional on the approval of the business case for the New Build housing scheme.

7. **NEW COUNCIL HOMES, WINNALL FLATS SITE – FINAL BUSINESS CASE (LESS EXEMPT APPENDICES)**
(CAB3300)

In the absence of Councillor Learney, Councillor Thompson introduced the report which sought authorisation to proceed with a new homes scheme for 76 new homes at the Winnall flats site. The homes would be built to a high energy efficiency standard and the scheme would also improve the surrounding open space area (as detailed in report CAB3305 elsewhere on the agenda).

Janet Berry and Patrick Davies addressed Cabinet during public participation as summarised briefly below.

Janet Berry

Considered the proposed flats were too small and would not be genuinely affordable to many people, for example key workers. She believed that the short-hold tenancies proposed would not offer long term security for tenants and she queried whether the limited occupancy levels would result in tenants being evicted if they exceeded these levels. Protection such as an independent residents' advisor and residents' charter should be put in place. Instead of over-developing the Winnall site, the Council should consider building new homes on other land in its ownership.

Patrick Davies

Agreed with the points raised by Ms Berry. Queried why the scheme provided new flats in area where there were already large numbers of flats. Strongly supported principle of providing more council homes but believed this was the wrong area and wrong scheme. Queried why the financial aspects of the proposals were contained in exempt appendices so the decision-making lacked transparency.

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

Generally greatly supported the provision of new homes, with different types of accommodation and tenure. Queried whether it would have been

possible to develop more homes on this site and whether £250,000 was a fair price to pay per unit? Requested further clarity on the option of letting the flats through a housing company. Questioned why the report also sought authority to dispose of shared ownership schemes at Stanmore and Kings Worthy and believed that a separate report detailing any change in policy would have been more appropriate.

The Leader, the Service Lead - New Homes Delivery and the Housing Development and Strategy Manager responded to the points raised by Councillor Horrill and also during public participation. It was emphasised that the Winnall flats scheme should be considered as part of the wider Council new homes building scheme where all homes had been built to affordable or social rent levels. The scheme density could have been increased but at the expense of providing a good quality surrounding open space environment for new and existing tenants. A number of factors had impacted on the tender price including demolition of existing structures, asbestos removal, utility diversion and upgrading the electric sub station, as well as meeting high energy efficiency/low carbon standards and the new fire regulations such as sprinklers.

The Strategic Director: Services advised that work and understanding of the potential benefits of a housing company was evolving, with a report to be submitted to the Business and Housing Policy Committee and Cabinet later this year. It was anticipated that a housing company could be used for this scheme, but it could also operate as a Housing Revenue Account (HRA) scheme.

At the invitation of the Leader, David Light (TACT) stated that TACT had queried the one person occupancy restrictions and had recommended that one block be reserved for council tenants.

Officers responded to a number of further questions from Cabinet Members on the impact of the nitrates mitigation policy and the implications of the single occupancy restrictions. The Strategic Director confirmed that the council's agreed policies were directed towards supporting tenants who might find themselves in an overcrowding situation.

Cabinet then moved into exempt session to consider the exempt appendices to the report before returning to open session to agree the recommendations as set out below.

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

RECOMMENDED TO COUNCIL:

1. **That an increase in the scheme budget of £896,691, funded from the "unallocated schemes" provision in the New Homes Capital Programme and capital expenditure of up to £18,840,000 including contingency funding and estimated fees (as set out in exempt appendix 3 of the report), be approved.**

RESOLVED:

2. That the Corporate Head of Asset Management be authorised to award and enter into a design and build contract to construct 76 properties at Winnall Flats site, Winnall Manor Road, Winchester with Wates Construction Ltd for the sum as detailed in exempt appendix 1 of report CAB3300.
3. That the Corporate Head of Asset Management (CHAM) be authorised to negotiate and agree terms for easements, wayleaves and related agreements with utility suppliers, telecom/media providers and neighbours and relevant associated legal agreements in order to facilitate the development.
4. That the Corporate Head of Asset Management be authorised to dispose of the shared ownership properties, and other tenure mix, on this site as supported by the Housing Development Strategy agreed by Cabinet on 10 March 2021 (CAB3291) and Business Case.
5. That the Corporate Head of Asset Management be authorised to dispose of the shared ownership and discounted market sale properties at the Valley, Stanmore and the site off Hookpit Farm Lane, Kings Worthy.
6. That the Corporate Head of Asset Management be authorised to negotiate to purchase/lease Block B (41 flats) to enable the flats to be let at sub-market rents in partnership with a third party or representatives of a council owned housing company.
7. That the disposal of open space following the consultation exercise undertaken in September 2020 be approved.
8. That the Corporate Head of Asset Management be authorised to agree a scheme to mitigate nitrates in perpetuity either on sites owned by the Council, at Micheldever wetland scheme or purchase nitrates credits from a 3rd party prior to the occupation of the new homes located at the Winnall Flats site.
9. That the Corporate Head of Asset Management be authorised to submit a funding bid to Homes England, and if applicable, negotiate and finalise a grant figure and agree the terms and conditions associated of the grant funding and to enter into a funding agreement.
10. That the Corporate Head of Asset Management be authorised, in consultation with the Service Lead – Legal Services to include a condition in the tenancy agreement and shared ownership lease to limit occupancy levels.

11. That the Corporate Head of Housing be authorised to approve the bid for estate improvement funding for the cost of improvements to the areas around the existing blocks of flats.

8. **REVISED TERMS OF REFERENCE FOR MAJOR DEVELOPMENT AREA FORA**
(CAB3306)

Councillor Gordon-Smith introduced the report which proposed revised terms of reference for the three major development fora and confirmed the intention to continue the West of Waterlooville Forum.

At the invitation of the Leader, Councillor Brook addressed Cabinet as summarised briefly below:

Spoke in opposition to the proposals as she considered they should have been submitted to the individual Fora prior to consideration at Cabinet. She also believed there had been plans to discontinue the West of Waterlooville Forum but it was essential that this continue. She requested that further and wider consultation be undertaken as part of the proposed annual review.

Councillor Cutler and Clear responded to the comments made by Councillor Brook including confirming that there were no plans to discontinue the West of Waterlooville Forum and agreeing that the annual review of the terms of reference include external partners.

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

RESOLVED:

That the revised terms of reference for MDAs attached at appendix 1 to the report be adopted and reviewed annually.

9. **EXEMPT BUSINESS:**

RESOLVED:

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

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

<u>Minute Number</u>	<u>Item</u>	<u>Description of Exempt Information</u>
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10	New council homes – Winnall flats site (exempt appendices))	Information relating to the financial or business affairs of any particular person (including
13	New council homes – purchase of 54 homes at Whiteley)	the authority holding that information). (Para 3 Schedule 12A refers)
14	City Offices energy efficiency improvement works)	

10. **NEW COUNCIL HOMES, WINNALL FLATS SITE – FINAL BUSINESS CASE (EXEMPT APPENDICES)**

(CAB3300 exempt appendices)

The following is a summary of the questions asked and debate during the exempt session of the meeting regarding these exempt appendices. However, it is recorded in an open minute to support the principle of being an open and transparent council.

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

Questioned the reasons for the significant rise in tender costs over a relatively short space of time and the detail of the Carter Jonas valuation. She queried whether the recommendation regarding shared ownership approvals for other properties should have been subject to a separate report.

The Service Lead - New Homes Delivery and the Housing Development and Strategy Manager responded to the queries raised, confirming that previous figures were based on budget estimates whereas the figures now available were actual costs. Generally, construction costs were rising nationally.

Officers responded to Cabinet Member questions regarding the likely rent level and also confirmed that the long term requirements of increased electricity usage had been provided for by an additional electricity sub-station

Cabinet then returned to open session in order to consider the report's recommendations.

RESOLVED:

That the contents of the exempt appendices be noted.

11. **NEW COUNCIL HOMES - PURCHASE OF 54 HOMES AT WHITELEY**

Cabinet considered the above report which set out proposals regarding the purchase of new council homes at Whiteley (detail in exempt minute).

12. **CITY OFFICES ENERGY EFFICIENCY IMPROVEMENT WORKS**
(DECARBONISATION)
(CAB3307)

Cabinet considered the above report which contained proposals for energy efficiency works to be undertaken in the city offices (detail in exempt minute).

The meeting commenced at 9.35 am and concluded at 11.30 am

CAB3303
CABINET

REPORT TITLE: CENTRAL WINCHESTER REGENERATION – STRATEGIC
OUTLINE BUSINESS CASE

21 JULY 2021

REPORT OF CABINET MEMBER: Cllr Kelsie Learney - Cabinet Member for
Housing and Asset Management

Contact Officer: Veryan Lyons Tel No: 01962 848596 Email
vlyons@winchester.gov.uk

WARD(S): TOWN WARDS

PURPOSE

Central Winchester Regeneration (CWR) is a once in a lifetime opportunity to transform the centre of our historic county city, bringing homes for local families, providing jobs for local people, making a visit to this heritage city one which will be remembered. The council recognises the role it plays in bringing forward sensitive development, adapting to the challenges faced by a new generation and critically to be delivered through the lens of responding to climate change.

The CWR Development Proposals were approved at Cabinet on 10th March 2021 (CAB3281) following public consultation and there is genuine interest in the proposals from the development community. Officers were tasked with exploring the options for delivery of the CWR site, the best way to bring forward the Creative Quarter at Kings Walk and options to provide the on street bus solution.

This report provides an update on progress and sets out the Strategic Outline Case (SOC) for the proposed development site (the Defined Site), which is located within the CWR Supplementary Planning Document red line area (CWR SPD area), addressing the strategic aims, options for delivery and preferred way forward. The Defined Site is illustrated on the plan in Appendix A

RECOMMENDATIONS:

That Cabinet;

1. Approves the Strategic Outline Business Case and agree that officers prepare the Outline Business Case for consideration by Cabinet in autumn 2021
2. Approves revenue expenditure of up to a further £525,000 from the £2m CWR revenue budget to:
 - a. prepare and complete the Outline Business Case for Cabinet approval in autumn 2021.
 - b. Prepare and produce draft procurement and marketing documents for the Defined Site, for Cabinet approval in autumn 2021, subject to approval of the Outline Business Case as referred to in Rec 1 above.
 - c. Research, prepare and submit funding bids to support delivery of the Defined Site.
 - d. Implement the meanwhile uses strategy for Kings Walk as outlined in this report at paragraphs 13.24 to 13.26.
3. Approves a supplementary revenue budget of £275,000 to carry out essential repair and maintenance requirements associated with Kings Walk, funded from the Asset Management Reserve.
4. Approves a supplementary increase of £185,000 to the Kings Walk improvements capital scheme budget and authorises its spend to undertake the additional works, to activate the Kings Walk area in accordance with the meanwhile uses strategy.
5. Delegates authority to the Strategic Director, in consultation with the Cabinet Member for Housing and Asset Management, to prepare, finalise and procure services to carry out improvement works and deliver the meanwhile uses strategy at Kings Walk.
6. Delegates authority to the Service Lead – Legal to enter into contractual arrangements to carry out improvement works and deliver the meanwhile uses strategy at Kings Walk and any necessary ancillary agreements.
7. Instructs the Strategic Director in consultation with the Cabinet Member for Housing and Asset Management, to agree and implement governance arrangements for the next stage of the project.

IMPLICATIONS:**1 COUNCIL PLAN OUTCOME**

- 1.1 Regeneration of central Winchester is a key priority for the council and supports the council plan priorities by working to deliver vibrant new mixed use development that will be creative and innovative.
- 1.2 The council's climate emergency declaration will be one of the critical elements to consideration of any development approaches used so as to work to achieve the net carbon zero targets for the district.
- 1.3 The CWR development proposals, which include the Defined Site, incorporate the objectives and guidance set out within the CWR SPD and will deliver towards the homes for all priority through the residential element of the development. It will support a vibrant local economy by working to fill the gap of affordable and flexible commercial space, enhancing the evening economy offer and creating an area aimed at attracting and retaining the young and creative talent in the City.

2 FINANCIAL IMPLICATIONS

- 2.1 Following the commissioning of work in 2016 to produce and subsequently in 2018 adopt the CWR SPD, a total revenue budget of £1,158,000 and a total capital budget of £750,000 has been approved, all of which is either spent, committed or allocated.
- 2.2 An additional £535,128 has been spent (or committed) with JLL and Arup. Work carried out includes, but is not exclusive to, the CWR Roadmap Review, Competitive Positioning study, testing proposals for the site, assessing delivery models, advice and planning with regard to bus provision, ongoing work on viability, financial analysis, planning and soft market testing to support the CWR development proposals and preparation of the Strategic Outline Case.
- 2.3 Revenue:

Spent	Currently Committed	Currently Allocated
£632,729	£49,803	£475,468
This includes the CWR SPD and supporting reports, specialist consultant advice, legal and accounting fees, archaeology investigation works, Friarsgate hoardings, bus provision due diligence, the business case, communications and consultation support, lower high street and Broadway	This includes further archaeology investigation works, legal fees, the business case and communications and consultation support.	This includes further archaeology investigation works, Kings Walk surveys, communications and consultation, planning strategy, site due diligence, legal fees and fees associated with Kings Walk planning application and operator procurement.

designs and feasibility studies for meanwhile uses, Kings Walk and a hotel.		
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2.4 Capital:

Spent	Currently Committed	Currently Allocated
£49,078	£4,582	£696,340
This is the works to bring Coitbury House back into use as temporary accommodation and Friarsgate Medical Centre replacement interim public space design and pre-app fees.	This includes fees for essential works to Coitbury House.	This includes outstanding works to Coitbury House, demolition of the Friarsgate Medical Centre and further design works for the replacement interim public space. Immediate short term improvement works to the ground floor of Kings Walk and surrounding public realm.

2.5 Work has been carried out to ascertain what budget, both revenue and capital will be required to progress the next stage of the project.

- a) Revenue – £525,000 from the CWR revenue reserve is required to further inform the decision on the delivery of the Defined Site and to proceed to procurement in the Autumn of 2021
 - (i) progress work on the outline business case
 - (ii) carry out market preparation including site due diligence, marketing strategy and deal structure
 - (iii) identify and implement a meanwhile uses strategy for Kings Walk.
- b) Capital expenditure
 - (i) of £185,000 is required to bring forward meanwhile uses for Kings Walk, to re-activate the ground floor areas and surrounding public realm whilst work continues on the longer term plans for the Defined Site as set out in section 13.

2.6 In addition, it should be noted that a recent survey of Kings Walk has highlighted essential maintenance requirements to ensure it can remain operational for existing tenants in the short term. It is recommended that £275,000 additional revenue funding be approved to carry out essential repair and maintenance requirements as set out in section 13. It should also be noted that additional maintenance over and above this initial provision will be required, although the extent of works will be subject to decisions made as part of this report on the short to medium term use of the building.

3 LEGAL AND PROCUREMENT IMPLICATIONS

- 3.1 Under section 1 of the Localism Act 2011, the council has the power to undertake any activity a normal person could undertake, so long as not otherwise prohibited by an express statutory restriction. There are no such prohibitions that apply, and therefore the council may pursue the CWR scheme under this power and take steps to deliver it. In doing so, it will be subject to other statutory and common law obligations, including in relation to consultation. In reaching decisions, the council must observe general public law principles framed by the Wednesbury test, i.e. to take account of all relevant considerations, to disregard irrelevant ones, and to act in rational manner. Moreover, the council should have regard to its fiduciary duty, having regard to council tax-payers in particular.
- 3.2 Decisions made as landowner in pursuing the CWR scheme must not fetter the council's discretion as planning authority and therefore the planning functions of the council will remain subject to the usual checks and balances required (i.e. to address conflicts of interests, pre-determination and bias)
- 3.3 All procurement(s) for goods, works and services necessary for delivery of any part of the CWR scheme must be in compliance with the city council's constitution which include the Council's Financial Procedure Rules, Contract Procedure Rules and the Public Contract Regulations 2015 (PCR2015). Any subsequent contracts must be managed in-line with the Council's Contract Management Framework and the Public Contract Regulations 2015. Any changes to procurement law will, of course, need to be taken into full account as they materialise.
- 3.4 In undertaking the CWR scheme the council as landowner must observe its statutory duties, including in regard to the duty to obtain best consideration on any disposal of land, and duties to consult. It should be noted that by carrying out a competitive process to select a purchaser or development partner(s) or contractor(s), the council will be in a stronger position to demonstrate compliance with the duty to obtain best consideration, and must obtain independent valuation advice to validate land values.
- 3.5 The CWR supplementary planning document must be given due and proper consideration which will become more apparent as the project moves forward with the availability of additional information provided through the analysis of the OBC. The CWR supplementary planning document, provides more detail or guidance on policies in an adopted local plan which the LPA will look to in determining any planning application. It is important that the LPA as the planning authority remains separate to that of the applicant.
- 3.6 Local authorities are given powers under the Local Government Act 1972 Act to dispose of land in any manner they wish, including sale of their freehold interest, granting a lease or assigning any unexpired term on a lease, and the

granting of easements. A power also exists to dispose of land held for planning purposes under the Town and Country 1990. The only constraint is that a disposal must be for the best consideration reasonably obtainable (except in the case of short tenancies), unless the Secretary of State consents to the disposal. Where the disposal is under the 1927 Act there is a general consent to make disposal at under-value where that would contribute to the promotion of the economic, social or environmental well-being of the area., provided that such an undervalue does not exceed £2,000,000. Generally it is expected that land should be sold for the best consideration reasonably obtainable. However, the ability to apply for Secretary of State consent or rely on this general consent recognises that there may be circumstances where an authority considers it appropriate to dispose of land at an undervalue. Authorities should clearly not divest themselves of valuable public assets unless they are satisfied that the circumstances warrant such action and such circumstances must be fully justified.

- 3.7 In determining whether or not to dispose of land for less than the best consideration reasonably obtainable, and whether or not any specific proposal to take such action falls within the terms of the Secretary of State consent, the council should ensure that it complies with normal and prudent commercial practices, including obtaining the view of a professionally qualified valuer as to the likely amount of the undervalue. When disposing of land at an undervalue, there remains the need to fulfil a fiduciary duty in a way which is accountable to local people and consider whether or not the disposal gives rise to subsidy control (formerly state aid) considerations.

4 WORKFORCE IMPLICATIONS

- 4.1 The council has sufficient capacity with current staffing levels, together with consultant support, at this stage but following any approval to progress with development work a range of further resource will be required. Therefore a review of the staffing implications and costing of the full work programme is being undertaken.
- 4.2 Work streams, and hence required resource, will include;
- a) next stages of the business case – Outline Business Case and Full Business case including further work on the residual land values and phase viabilities so that decisions at OBC stage are taken with more detailed financial information;
 - b) alongside preparation for the next stage will be work to prepare a marketing and procurement strategy, associated documents, data room set up, market launch and soft market engagement with potential developers;
 - c) develop and implement meanwhile use proposals for Kings Walk to re-activate the building and surrounding area over the next three years requiring input around developing the brief, legal advice such as

- operator agreement, procurement, finance and funding, communications and engagement and planning advice;
- d) demolition of Friarsgate Medical Centre and replacement interim public space requiring input around design and planning;
 - e) external expert planning advice and input to agree the planning strategy; and
 - f) communications and engagement strategy and resourcing.
- 4.3 A clear workstream is also required to review and develop the project governance as we move through the business case considerations. The City Council governance follows best practise in line with Prince 2 methodology but it is appropriate to review the external facing engagement opportunities. It is proposed to establish a cross party Reference Group, similar to the successful Local Plans Advisory Group to provide early and regular engagement as the project develops. The Open Forum will remain as the primary method to update residents.
- 4.4 If the proposal to move forward with a single development agreement across the Defined Site is agreed, then clear and well established governance proposals will be incorporated to the terms and conditions that will remain in place throughout the life of the agreement. These will be scoped for inclusion in the Outline Business Case accompanying report

5 PROPERTY AND ASSET IMPLICATIONS

- 5.1 The CWR SPD vision includes social, employment and urban design as important factors, and hence sets out a less commercial use focus on proposed uses than could have been considered if optimising financial value was the over-riding priority.
- 5.2 Consequently, in terms of making best financial use of assets, the council in adopting the CWR SPD, have already decided that the typologies of mixed uses proposed will afford a greater community benefit than a purely commercially led scheme.
- 5.3 The existing Kings Walk retail units at ground floor level currently produce a rent of £96,000 pa to the council and this income may be lost if the buildings are refurbished, remodelled or demolished. The upper floors are currently vacant, decommissioned due to uncertainty around the future of the buildings. A further £240,000 pa is currently received from other tenants in the Kings Walk/Middle Brook Street block and potential loss of this income needs to be considered as the business case is finalised and development comes forward.

- 5.4 Kings Walk maintenance and expenditure has been kept to a minimum to date, due to uncertainty over its future. A condition survey has been undertaken and identified essential works to be undertaken in the short term.

6 CONSULTATION AND COMMUNICATION

- 6.1 The CWR development proposals, which include the Defined Site, were approved at Cabinet on March 10th 2021, CAB3281 following an eight week consultation period.
- 6.2 The consultation period opened on 11 November 2020 and closed on 12 January 2021 and focused on creating opportunities for as many people as possible to get involved given to the impact of Covid-19 and restrictions on bringing people together. All activities were designed to allow for virtual, remote access for all. Details of the activities and feedback from the consultation were shared at Cabinet in March.
- 6.3 An Open Forum was held on 26 January 2021 to share with the public the initial feedback from the consultation.
- 6.4 The recent consultation built upon the formal consultation on the draft CWR SPD which started on 11 December 2017 and ran until Monday 5 February 2018. The CWR SPD was adopted in June 2018.
- 6.5 Work was then undertaken on proposals for the site, based on the adopted CWR SPD, and options for the site were developed and presented to stakeholders and the public at an Open Forum Events hosted on 24 September 2019 and 17 February 2020. Feedback from these events was shared with the Open Forum Panel and the Cabinet Member Decision Day on 10 March 2020.
- 6.6 During the period March 2020 to October 2020, a number of stakeholder engagement sessions on elements of the project also took place. These sessions included work to develop public realm guidance, relocation of the bus station and options for Kings Walk. These discussions were fed into the draft CWR development proposals.
- 6.7 A briefing was given to All Members to share the conclusions of the SOC and preferred way forward on Monday 5 July 2021 to update them on progress and next steps for the CWR project.
- 6.8 An Open Forum was also held on 5 July 2021 to share with the public the conclusions of the SOC and the proposed next steps for the project. The Open Forum was attended by over 90 people and a number of questions were asked. These included questions relating to the inclusion of the bus solution and Kings Walk in any Development Agreement, resource within WCC to deliver the project and the process of appointing a developer.
- 6.9 Topics discussed also included timescales, landownership transfer options, social value, private ownership of public spaces and the inclusion of a

museum and performance space. Archaeology and opening up the waterways were highlighted as being of interest and important as was the question of how the design and master planning process would be managed, Other areas of discussion were around improving the bus provision for the long term, achieving net zero carbon and how the project fits with other council projects.

- 6.10 This Cabinet report, together with a presentation, will be considered at a Scrutiny Committee meeting held on 19th July and a verbal update on this will be given at the Cabinet meeting to be held on 21st July.

7 ENVIRONMENTAL CONSIDERATIONS

- 7.1 The regeneration of the central Winchester area has the opportunity to showcase sustainable development and help meet the council's priority of a carbon neutral district. The concept of city centre living and the 15 minute city help shape a sustainable community. Consideration of the carbon emission impact of development, transport implications, nitrate mitigation and the sustainability of the scheme is a critical part of the development process. The scheme is being devised within the policy framework set by the CWR SPD, the Council Plan and the Council's Carbon Neutrality Action Plan.
- 7.2 JLL provide advice on matters of sustainability and more locally WinACC are engaged through the Open Forum Panel, and the council's sustainability officers are also involved.
- 7.3 The council has considered the carbon impact of wider re-use of existing structures on the development site, rather than wholesale demolition. For example, retention and reuse of Kings Walk may potentially have a lower carbon footprint compared with new-build construction as a result of reduced demolition works, reprocessing of waste materials and waste sent to landfill. It also avoids manufacture, transport and new construction. But this should be balanced against creating a carbon neutral building in an existing structure which also has additional challenges. Clearly the proposals for all buildings will be carefully evaluated in any development proposal.

8 EQUALITY IMPACT ASSESSEMENT

- 8.1 As progress on delivery of the CWR development moves forward, the needs of all groups including those who fall within the protected groups defined in the Equalities Act 2010 will be considered. Winchester Access for All is one of the key stakeholder organisations identified to support the council with this.
- 8.2 Careful regard has been given to the council's duties under the Human Rights Act 1998, and the Equalities Act 2010 and detailed assessments will be undertaken if works progress.

9 DATA PROTECTION IMPACT ASSESSMENT

- 9.1 Any data collected as a result of the consultation and engagement with the project will be kept confidential and will not be used for any other purpose unless further permission is sought and agreed from the participant.

10 RISK MANAGEMENT

- 10.1 The CWR risk register can be seen at appendix B.

11 SUPPORTING INFORMATION:

- 11.1 Without doubt, the engagement undertaken over many years has demonstrated that there is widespread support for the central Winchester area of the city to be repurposed for future generations. The council is critically aware of the role it plays in shaping the development and is committed to reflect development proposals back to the aspirations set out in the CWR SPD. The CWR development proposals will provide a city space that attracts more people, supports the economy, welcomes overnight visitors and enables more of our young people to stay – to build a career in their home district, to live, work and play.
- 11.2 In more recent years, 2018 and 2019, the council has acquired land and buildings at Kings Walk, the bus station and Friarsgate Medical centre. The rationale behind this approach was to enable the council to take the lead in bringing forward regeneration of the area to support the High Street and local businesses and work to build a strong and resilient economy in the city and for the district.
- 11.3 The competitive positioning study commissioned by the council in 2019 as part of the CWR project work, which can be seen on the CWR website pages, shows the challenges we face as a city. These include the lack of affordable living opportunities, workspace and employment opportunities which are a barrier to younger generations staying or settling in Winchester. A limited night time economy provides little reason for younger age groups to visit the city centre and has led to a lack of over-night tourism. This must change to support a sustainable community in the future.
- 11.4 This trend combined with the emerging impact of COVID-19 on the national economy shows that this opportunity in central Winchester can place the city on the front foot to enhance a unique heritage city. It is therefore vital we invest now to ensure our city will continue to attract people to live, shop, visit and work. This approach will bring positive changes to the city centre by delivering a dynamic mix of uses which will reinforce the cultural/heritage and retail heart of the city, alongside additional residential space.
- 11.5 Following a comprehensive consultation exercise, carried out through November 2020 to January 2021, the CWR Development Proposals, which can be seen at appendix C, were approved at Cabinet on March 10th and

work on the SOC to explore the delivery options to achieve those proposals has now been completed.

Consideration of the Strategic Outline Case

- 12 The SOC can be found for review in Appendix D, and the following paragraphs set out key aspects.
- 12.1 The council is guided by the framework of the HM Treasury Green Book using the Five Case Model to identify the best value for spending public sector money taking into account the direct and indirect benefits of the proposals.
- 12.2 The five cases considered in the Green Book process are as follows:
- a) Strategic Case – establishing the case for change and demonstrating the strategic fit.
 - b) Economic Case – to identify the proposal that delivers best public value to society, including wider social and environmental effects.
 - c) Commercial Case – to demonstrate that the preferred option will result in a viable procurement and well-structured deal.
 - d) Financial Case - to demonstrate the affordability and funding of the preferred option.
 - e) Management case - to demonstrate that robust arrangements are in place for the delivery, monitoring and evaluation of the scheme and its delivery.
- 12.3 Guidance in the HM Treasury document Better Business Cases outlines the process whereby the Business Case is developed incrementally;
- a) CWR current stage:

Stage 1: Strategic Outline business Case (SOC); to establish the need for investment; to appraise the main options for solution delivery; and to provide decision makers with a recommended – or preferred – way forward, together with indicative costs, for further analysis at the next stage.
 - b) CWR next stage:

Stage 2: Outline Business Case (OBC); to evidence the case for change and the preferred way forward identified in the SOC; establish the option(s) which optimises value for money; outline the deal and assess affordability; and demonstrate that the proposed scheme is deliverable. However, as indicated in the SOC a degree of analysis and engagement has been undertaken for the purposes of the SOC and the OBC stage will be reached by autumn 2021.

c) CWR final stage:

Stage 3: Full Business Case (FBC); to evidence, prior to contract signature, that the most economically advantageous offer is being procured and that it is affordable. In addition, the FBC explains the fundamentals of the negotiated deal and demonstrates that the required outputs can be successfully achieved.

Strategic Outline Case summary

- 12.4 The SOC has been produced as part of, and in line with, the HM Treasury Green Book approach to developing business cases for a Gateway review by the council. There has been significant work done on developing the CWR development proposals since 10th March 2021 and in particular, identifying the Defined Site. This has enabled the council to develop a SOC for delivery of regeneration of the Defined Site. This work has progressed certain elements of the 5 Case Model beyond the required level of completeness for SOC purposes, including the level of detailed assessment of the short-listed delivery options and the progress made on the financial appraisal. This will enable progress through to a Stage 2 (OBC) to be more expeditious.
- 12.5 The Strategic case of the SOC outlines how delivery of the CWR development proposals will meet the strategic and investment objectives of the Council Plan 2020 – 2025 and the CWR Supplementary Planning Document (SPD). The Strategic case in the SOC highlights the key objectives from the relevant policies and outlines how delivering the CWR development proposals will work both to deliver the Council Plan key priorities of tackling the climate emergency, housing for all, vibrant local economy and living well and also deliver the vision and objectives of the SPD for a vibrant, mixed use scheme with a cultural offer set in exceptional public realm with the imaginative re-use of existing buildings.
- 12.6 This section of the SOC also identifies the investment objectives for the CWR project such as providing an area that will provide space for young people to live, work and play and also attract and provide for more overnight visitors.
- 12.7 The key strategic and investment objectives are then used to assess the long list of options outlined in the SOC.
- 12.8 The Economic case identifies the long list of options that deliver best public value to society, including wider social and environmental benefits. This section of the SOC looks at key assessment categories;
- a) Solution options; what the options are in terms of the scope and coverage of the development from “business as usual” (minimum) to “do maximum” i.e. – whether to carry on as things are, deliver the CWR development proposals or something in between.
 - b) Implementation options; choices in terms of delivery timescales i.e., incremental delivery verses one single development phase.

- c) Solution delivery options; options for delivery methods from selling the site freehold through to the council delivering the CWR development proposals itself.
- d) Funding options; how will delivery of the solution be financed and funded.

12.9 The assessment categories are then assessed against key critical success factors to establish which elements in the long list will be further considered;

- a) Alignment to city needs
- b) Alignment to the CWR SPD
- c) Alignment to the Investment Objectives
- d) Achieving the benefits optimisation
- e) Affordability
- f) Obtaining planning permission

12.10 The table below is taken from the SOC and shows the long list of options together with the summary of the findings.

Option	Descriptor	Finding
Assessment 1: Solution		
1.1	Do nothing	Excluded. Will result in the city centre continuing to degenerate
1.2	Do minimum	Excluded. Will not result in the required vibrant mixed-use quarter
1.3	Do more than minimum	Excluded. Will not result in the required vibrant mixed-use quarter
1.4	Do maximum	Included. Option most closely aligned with the investment objectives
Assessment 2: Implementation		
2.1	Single phase	Excluded. Not aligned to SPD phased development approach
2.2	Incremental	Included
Assessment 3: Solution delivery		
3.1	Disposal- Freehold or Long Leasehold	Excluded. Insufficient control of the development.
3.2	WCC to bring forward Kings Walk Creative Quarter and deliver the on-street bus solution. Remaining land parcels disposed of on a Freehold basis and brought forward by multiple developers	Excluded. Insufficient control over the development of the sold land parcels.
3.3	WCC to bring forward Kings Walk Creative Quarter and deliver the on-street bus solution.	Excluded. High WCC expenditure and resource

	Followed by a development agreement with one development partner to bring forward the remaining land parcels in the defined site	requirement. Lack of market appetite.
3.4	WCC to bring forward Kings Walk Creative Quarter. Development Agreement with one development partner for the remainder of the defined site	Included as shortlisted option
3.5	Development agreement across the defined site with one development partner	Included as preferred shortlisted option
3.6	WCC acting as master developer	Excluded. Requires significant capital expenditure, resources, and expertise.
Assessment 4: Funding		
4.1	Private funding	Included as a blend of both private and public funding is preferred
4.2	Public funding	Included as a blend of both private and public funding is preferred

12.11 It can be seen that options taken forward to the short list for further consideration are;

- a) Do maximum with regard to what is delivered
- b) Delivery should be phased
- c) Delivery route should be either;
 - (i) WCC to bring forward Kings Walk Creative Quarter with a development partner secured under a development agreement for the remainder of the site.
 - (ii) A development partner secured through a development agreement across the Defined Site, with a development to be bought forward in distinct phases. A short term meanwhile use strategy will be implemented to bring improvement and activity to Kings Walk while a partner is found.
- d) Funding to be a blend of public and private finance.

For these purposes the exact form of development agreement would be ascertained at OBC stage but would be a contractual agreement with a developer appointed through a competitive process detailing the respective obligations of each party (the council and developer) and securing development on agreed terms.

12.12 As the council is keen to progress with the CWR project the shortlisted options are assessed in the SOC to enable a decision as to the preferred option. The table below summarises the outcome;

Assessment category	Included options	
Solution	Option 1.4 Do maximum	
Implementation	Option 2.1 Incremental implementation	
Delivery	Option 3.4- Shortlisted WCC to bring forward Kings Walk Creative Quarter. Development Agreement with one development partner for the remainder of the site	Option 3.5- Preferred Contractual agreement (i.e. development agreement) across the defined site with one development partner
Funding	Blend of private & public funding	

- 12.13 The preferred option will be explored in more detail in the OBC, including as to the form and content of the procurement strategy and terms of agreement(s) to be entered into.
- 12.14 The Commercial Case section of the SOC outlines the proposed deal structure in relation to the preferred option. This will be further developed at OBC stage.
- 12.15 The council will procure a development partner on the basis of carefully prepared procurement documentation and detail on this approach is included in the SOC (and will be developed further in the OBC).
- 12.16 In addition to the procurement of the development partner, specialist support will be required in areas such as legal, finance and estates as well as expert external advisors to support internal resources.
- 12.17 The Financial Case section of the SOC assesses the viability of the shortlisted options based on the assumption that the Kings Walk building is refurbished in phase 1.
- 12.18 The financial modelling of both options indicates that the proposal to refurbish the existing Kings Walk building in phase 1, which forms the basis of both option 3.4 and 3.5, is not affordable for the Council. With costs over £6m to refurbish the building to a suitable standard to operate as “creative space”, the proposals result in relatively low capital values and an insufficient income stream to achieve a positive “net present value” for the scheme.
- 12.19 The Management case of the SOC addresses the ‘achievability’ of the scheme. Its purpose is to set out the actions that will be required to ensure the successful delivery of the scheme in accordance with best practice. The SOC touches on key considerations that will be explored in more detail at the OBC stage but currently includes key programme governance, timelines and gateways.

- 12.20 The Strategic Outline Case touches on elements within all 5 of the Cases: Strategic, Economic, Commercial, Financial and Management. Significant work has been done to analyse and evaluate the solution and the delivery options. It concludes that the preferred option is through a contractual agreement (development agreement) with a development partner to bring forward development of the Defined Site.

Strategic Outline Case Conclusion

- 13 The preferred route involves WCC procuring a partner through a competitive tendering process to bring forward phased delivery of the Defined Site. The plan at appendix A shows the Defined Site in relation to the CWR Development Proposals area and the CWR SPD red line area.
- 13.1 This would involve a likely 9-12 month partner selection process to secure a development partner to bring forward development in phases by way of a contractual agreement with the council.
- 13.2 The development agreement between the council and the development partner would set out the roles and responsibilities of both parties. This would not fetter the council's role and duties as local planning authority. The development agreement for the Defined Site would be drawn up to meet the council's objectives and issued as part of the procurement process. That procurement process would limit the ability of the prospective developer partner to undermine those objectives by seeking amendments (because they will be bidding in competition). The development agreement would include conditions and obligations around planning, design, quality, funding, phasing and other key areas important to the council and there would be checks and balances built in to ensure compliance. As is common, the agreement would enable other parties to be involved, such as registered providers, retail specialists and other off-takers.
- 13.3 As majority landowner, the council will control the process for selection of a developer and can (by reference to its award criteria) select a partner that will best deliver the council's objectives. The council can transfer development risk to the development partner and the developer will bring expertise and resource that the council might not have access to. The development agreement would provide levels of control to the council through conditions and obligations and provide a mechanism for phased delivery across the Defined Site, thereby ensuring comprehensive regeneration and the ability to balance viability and uses efficiently.
- 13.4 In arriving at the preferred option, and in addition to the financial and affordability factors which will be further interrogated at the OBC stage, careful consideration has been given to the views expressed throughout the CWR development proposals consultation, held late 2020/early 2021, and more widely in general about a single development partner developing the whole CWR SPD red line area.

- 13.5 The council is fully committed to delivering a scheme that meets the vision and objectives of the CWR SPD and has taken the time, through developing the SOC, to explore options that will ensure delivery of a vibrant, creative mixed use scheme in line with the aspirations of the CWR SPD.
- 13.6 The CWR SPD envisages using multiple developers to bring the CWR SPD red line area forward by way of smaller projects on individual sites, with multiple developers. It also envisages that multiple architectural practices will be used. The preferred option for development and delivery of the Defined Site represents an apparent departure from what was envisaged by the SPD, but on analysis is considered to be consistent with the delivery route envisaged by the CWR SPD, and the most appropriate option because the Defined Site:
- a) Sits within the Defined Site, but is not wholly, the CWR SPD red line area. Therefore, the preferred delivery route retains flexibility around appointing different development partners over time. An early phase of delivering the Defined Site is to implement meanwhile uses therefore smaller projects are also currently being progressed at Coitbury House and Friarsgate Medical centre and there are plans to bring an additional project forward at Kings Walk.
 - b) Retains the incremental approach of delivery in phases within the Defined Site with the early phase of meanwhile uses currently being implemented. Future phases can come forward on other parcels of land as appropriate.
 - c) Enables better integration of multiple design inputs from multiple partners within the Defined Site through the opportunity to build this requirement into the terms of the development agreement. Future phases outside the Defined Site can come forward with different design inputs from other architects and developers as appropriate.
 - d) Enables better sharing of infrastructure and public realm related costs across land parcels within the Defined Site to ensure cohesive delivery. Future land parcels can be delivered as appropriate using the same design guidance thus ensuring a cohesive and comprehensive scheme across the CWR SPD red line area.
 - e) Under the development agreement can enable smaller sites to be developed under a masterplan and phasing strategy and does not preclude bringing in additional parties with specialist ability (including design inputs).
- 13.7 The SPD also envisaged no requirement for use of CPO powers. Delivery of the Defined Site does not require the use of CPO powers as the land is within the council's ownership. Although the CWR SPD envisages no requirement for CPO, it may be necessary to re-consider this as future phases come forward but it is the councils desire to bring forward development of future phases through negotiation

- 13.8 The council has carefully considered how the desired outcome can be achieved by adoption of the preferred delivery option, in recognition of consultation responses in particular, the conclusions drawn are:
- a) As majority landowner and promoter of the scheme (see Appendix E), the council can (through the competitive procurement process) select a development partner that shares in the council's objectives and will best meet its requirements. When looking for the right partner, the council can consider the potential partners track record, their approach to providing wider social value and views on sustainability together with other key elements that are important for the council and the wider community. There are developers in the market that specialise in delivering mixed use schemes that are looking to invest for the long term. They can bring a wealth of knowledge and experience and the council has the opportunity to scrutinise the credentials and intentions of interested parties through the procurement process.
 - b) Through the procurement process the council can set out the structure and terms of the development agreement it will enter into that will form part of the bidding process. Alignment to the council's vision and objectives forms part of the tendering and evaluation process. Through dialogue within the procurement process, the council can select the right solution offered on terms satisfactory to the council that are binding on the developer.
 - c) It is important that the aspirations set out in the CWR SPD are met. The development agreement will regulate in detail how the council and developer will work together on the development proposals, master planning, phasing and planning applications. The development partner can bring expertise to that process and ongoing pre-application discussions with the planning department will monitor how plans adhere to the CWR SPD guidance.
 - d) The preferred option identified in paragraph 12.19, following completion of the SOC, is that a single development partner is found for the Defined Site but as this will take some time, and, in addition to progress at Coitbury House and Friarsgate Medical Centre (details of which are included later in this report), work has been done to identify how Kings Walk can be improved and activated in the meantime, further to the short term works already approved (CAB3281). To ensure that the meanwhile uses strategy continues once a development partner has been chosen, any development agreement entered in to may contain an obligation for the development partner to have a meanwhile use strategy and this will build on the activity already implemented by the council.
- 13.9 The council has carefully considered the shortlisted options and the conclusion in the SOC that a single development agreement across the Defined Site is the preferred option and examined the advantages and

disadvantages together with key factors such as levels of council control and risk, public views and long term aspirations for the city and financial and commercial considerations.

- 13.10 Recommendation 1 in this report, is therefore, that Cabinet approves the SOC and progresses to the OBC. In considering that recommendation, members of the Cabinet should very carefully consider the matters dealt with in this report and the SOC and in particular how the recommended delivery option best enables delivery under the SPD. This will enable further work to be done to move towards development of the Defined Site with a single development partner through a development agreement. The OBC will be brought back to Cabinet for approval in autumn 2021.

New proposals for the Kings Walk area

- 13.11 The council remains committed to bringing forward improvements to the surrounding area in the immediate future but financial modelling carried out to inform the SOC indicates that the proposal to refurbish Kings Walk to the standard outlined in the feasibility study as a first phase for the redevelopment is not affordable for the council.
- 13.12 Refurbishment of the building to a suitable standard to operate as a creative hub to support established or emerging creative and local businesses with affordable workspace and contribute to increase the quality of life and offer to Winchester's residents and visitors would require significant up front capital expenditure.
- 13.13 To inform decision making within the SOC, a soft market testing exercise was carried out with a range of potential operators in the UK who cover the primary fields of artistic studios, creative / makerspace, co-working, food halls and emerging leisure trends, to fully understand the market.
- 13.14 Those consulted suggested there would be flexibility around the structure of an arrangement, such as by way of management agreement, JV, partnership, profit share and turnover lease. All stated that any interested operators would want to be involved in the refurbishment and design of the Kings Walk building.
- 13.15 Three parties, because of their track record, ability to work with local authorities, keenness to work with local businesses, and the opportunity for their brand to bring something new and fresh to Winchester went on to share their ideas for Kings Walk with the council and presented to the council to enable discussion and questions.
- 13.16 The sessions with these operators were attended by WCC officers, JLL consultants and cross party membership. Each operator presented their ideas before entering into a question and answer session. A summary of the feedback is set out below:
- a) Innovative design work and wealth of experience

- b) Very different cost base, rental assumptions and suggested payback to WCC showing options for potential deal structures but there would likely be significant upfront payment required from WCC with uncertainty around the return.
 - c) Highlighting the choices around using national operators large existing networks which would be highly attractive to potential occupiers, with those parties that have a greater understanding of the local market in Winchester
- 13.17 The output from the soft market testing exercise has been incorporated and fully explored in the work done to prepare the SOC and the conclusion of the SOC is that the best way forward to ensure delivery of the creative quarter at Kings Walk is via the single development agreement route as an integrated part of the comprehensive regeneration of the area.
- 13.18 In addition to the soft market testing exercise and in order to confirm the council's commitment to revitalising the Kings Walk area, a budget of £200,000 was approved at Cabinet in March (CAB3281). The budget was made available to carry out short term works to improve the ground floor and public realm around Kings Walk ahead of further activating and re-using the space in line with the councils desire to bring about change.
- 13.19 The short term works are as follows;
- a) Enhance ground floor entrances, courtyard and undercroft
 - b) Convert Loading Bay into events space
 - c) Silverhill frontage improvements
- 13.20 Approval to spend this budget was subject to the outcome of further intrusive testing on the structural integrity and survey work to establish the current condition of the building. This £200,000 budget remains available to carry out the works outlined in the March Cabinet report.
- 13.21 The intrusive investigations are ongoing and likely to be completed in the next 6 to 12 weeks.
- 13.22 The condition survey has now been completed and the conclusion is that in order to keep Kings Walk in use, either long or short term, further maintenance work is required.
- 13.23 The condition survey has identified that up to £275,000 of expenditure is required in 2021 for Health and Safety/Essential maintenance to prevent further deterioration and to maintain the building in an operational condition for existing tenants. This will need to be funded from the Asset Management Reserve. Some additional expenditure will be required, although the extent of works in future years is subject to decisions made on the short to medium

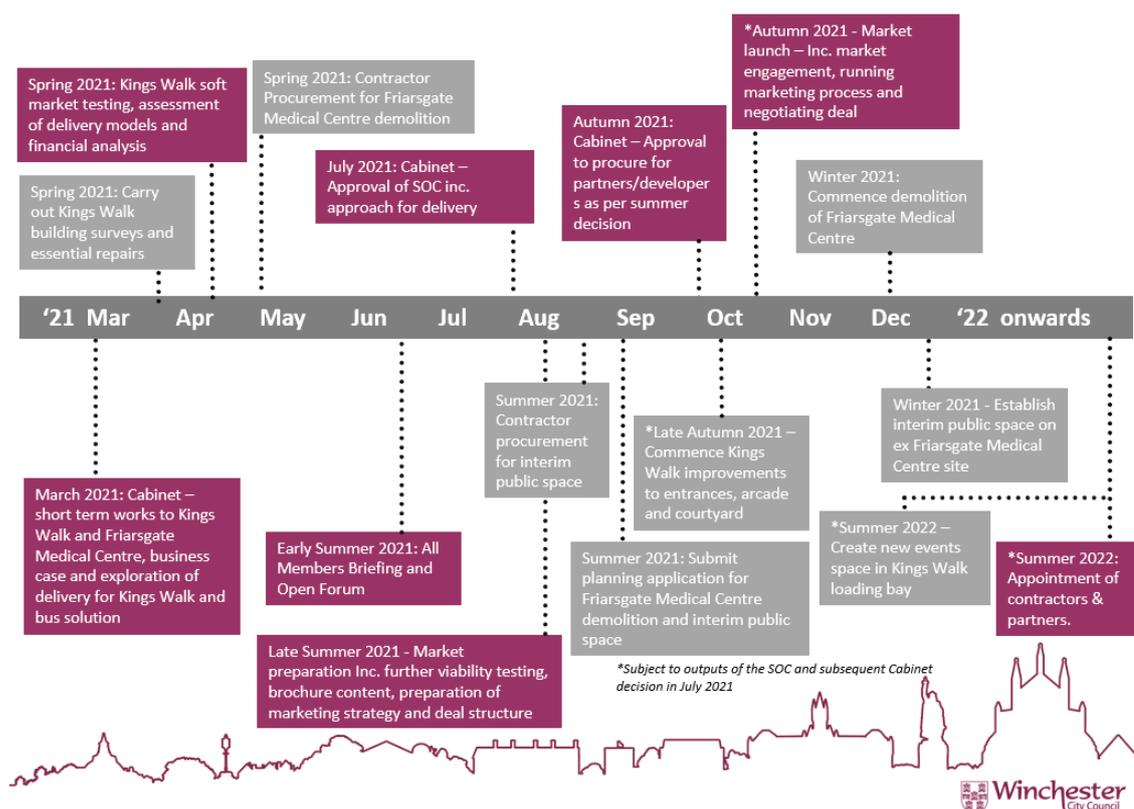
term use of the building. Work is underway to determine whether this can be absorbed in existing maintenance budgets.

- 13.24 Having established that the vision for the creative quarter is best delivered through the single development agreement route, further work has been carried out to investigate alternative meanwhile uses for Kings Walk that go beyond the £200,000 already approved to bring about significant improvements to, and re-activate the ground floor areas and surrounding public realm whilst work continues on the longer term plans for the CWR area.
- 13.25 The meanwhile uses strategy will be developed and implemented for a period of three years from 1st Jan 2022 aligning with lease renewals in Middle Brook Street and existing uses will be reviewed against fit for preferred tenant mix. The aim will be to carry out physical improvements to the building whilst bringing about an increase in activity and footfall for the area and bring in creative uses as a starting point for the longer term creative quarter. The council will explore options that might include activating the roof top car park and enhancing the work to create an attractive space in the Kings Walk courtyard, together with looking at additional improvements to the public realm at Middle Brook Street. Key to bringing about change and activity to this area will be to publicise and market the opportunities and activities that will be available.
- 13.26 A budget of £185,000 (see Appendix F) will be required to explore and carry out works to enable implementation of the meanwhile uses strategy.
- 13.27 The options around re-using Kings Walk have been carefully considered in the options contained in the SOC and in arriving at the preferred option and Recommendation 4 in this report, is that Cabinet approves the implementation of a meanwhile uses strategy as outlined above.

Next steps

- 13.28 Identify and carry out improvements, in addition to the approved short term works, and implement meanwhile uses at Kings Walk.
- 13.29 Progress to the OBC stage to identify;
- a) Economic case: More detail on the public benefits – wider social, economic and environmental effects/benefits.
 - b) Commercial case: Potential draft deal structure and Heads of Terms, marketing material, data room, procurement docs and process
 - c) Financial case: detailed analysis on potential draft deal structure and Heads of Terms to ensure continued viability and affordability
 - d) Management Case: details on deliverability

- 13.30 Engage with key partners with regard to opportunities to apply for external funding to support delivery of the CWR development proposals.
- 13.31 Establish CWR Reference Group in line with the approved recommendation at March Cabinet (CAB3281). The CWR Reference Group will include cross party representation and will be established to act as a sounding board as the project progresses through the procurement and development phases. The Group will draw on external experts as necessary to provide specialist advice and guidance to the Group who will provide comments to inform Cabinet during the decision making process.
- 13.32 Timeline to next Cabinet in autumn



ASSOCIATED WORKSTREAMS

The primary work being undertaken is the overall delivery option for the site but there are several critical associated workstreams

Buses and WMS

- 14 Relocation of the bus station is crucial to allow development of the eastern side of the site. It was agreed - by Cabinet in March that further work should be done to explore the options as to delivery of the proposed CWR bus solution, which is to provide enhanced public realm and bus facilities on street.
- 14.1 In tandem with the CWR work, the WMS workstream is progressing towards the phase 2 study summary which looks to outline next steps in the wider

strategy to achieve the vision to support economic prosperity whilst enhancing Winchester are a place where people can have an excellent quality of life.

- 14.2 Public consultation in 2017 and 2018 showed strong support for 3 key WMS priorities;
- a) Reducing city centre traffic
 - b) Supporting healthier lifestyle choices
 - c) Investing in infrastructure to support sustainable growth.
- 14.3 Extensive work has been done to identify an interim bus solution that will allow redevelopment of the current bus station and work towards fulfilling and supporting the outcomes of the WMS. The joint Winchester City Council and Hampshire County Council Winchester Movement Strategy (WMS) team and the bus operators have worked alongside the CWR project team, together with consultants Arup and Atkins, to provide significant detail to support delivery of the interim bus solution which was shared at the CWR Development Proposals consultation in November and December 2020.
- 14.4 The WMS bus provision study has identified that the proposed CWR interim bus solution can be implemented so as not to preclude any next steps proposed within the WMS work whilst remaining able to respond to any conclusions reached in later phases. Plans to transform The Broadway over time are supported within the WMS and work has been done to identify how and when that could come about.
- 14.5 Following publication of the Bus Back Better strategy setting out the government's vision to deliver better bus services for passengers, an additional work stream to develop a bus strategy as part of the WMS which will outline ambitious objectives around the future of bus provision in the city and the wider district is being progressed. The CWR regeneration will play a part in achieving these ambitions but further work should be done with regard to sharing the joint long term vision more widely with key stakeholder groups and members of the public so the WMS team is currently developing a strategy to do this.

Coitbury House

- 14.6 Planning permission granted 29th January 2021, landlord and tenants works have now been completed and LOWE began marketing the building on June 1st 2021 for occupation from 1st July 2021.
- 14.7 The Nitrates mitigation position has been agreed and final documents are in train, other planning conditions concerning water usage and foul and surface water drainage have been discharged.

- 14.8 At the time of writing, 8 guardians have signed up and are moving in to the building and comprise local key workers and interest in the remaining rooms is high.

Friarsgate Medical Centre (FGMC) and Busket Lane

- 14.9 Following the Cabinet approval, Arup who have been appointed as the designers for the project under the JLL contract, have continued developing the concept design of the interim public space. The demolition of the building and which walls on site that would be retained within the new design were also considered.
- 14.10 With the concept design at an advanced stage, three separate meetings were held with key stakeholders, the School of Art, Play to the Crowd and Hampshire Cultural Trust on March 31st. Attendees were shown a short presentation of the concept design and were invited to provide feedback. Aspects such as an event space and providing an area for local art work were some of the key points raised in the feedback. This feedback was then incorporated into the concept design.
- 14.11 Following further developments of the concept design, a pre-planning application was submitted on April 12th to seek feedback on the relevant policies and issues.
- 14.12 The demolition aspect of the project was put out to tender and a preferred bidder was identified, with the demolition of the building ready to commence once planning permission is received. Anticipated time scales are;
- | | |
|----------------|---|
| Summer 2021 | Planning application and permission |
| Feb-Jun 2021 | Procurement of demolition contractor |
| July-Sept 2021 | Demolition of FGMC to ground floor slab |
| Oct-Dec 2021 | Create interim public open space in line with long term CWR development proposals |
- 14.13 To complement the work being carried out at Friarsgate Medical Centre, additional improvement work is being undertaken to open up Busket Lane and the vacant space at the bus station, Busket Yard, utilising funding from the Government's Reopening High Street Safely (RHSS) European Regional Development Fund (EDRF) programme. This funding is to support the high street and city centre recovery after COVID, and to help local authorities deliver activities. The area will see painted tarmac in the bus station yard, as well as planters and seating, with bunting hung between the Crown & Anchor and Incognito. The aim is to activate the area to be a public meeting and performance space and help create the link from the Broadway to the new public space at FGMC once it is completed.

- 14.14 Work is due to commence in early July, with a completion by the end of July 2021.

Communication and engagement

- 14.15 The following key milestones will be used to create positive news stories to maintain public interest and excitement.
- a) Cabinet decision – July 2021
 - b) FGMC – approval of design of interim public space
 - c) FGMC – start of demolition works on site
 - d) Next steps on Kings Walk
 - e) Archaeology updates
- 14.16 Press releases, social media posts, mailshots to the CWR database and updates the website will be issued for each of these milestones, as appropriate.
- 14.17 Briefing sessions and site visits will also be undertaken with key stakeholders to provide updates on progress and maintain dialogue.
- 14.18 Being mindful of any potential negative impacts on local residents and businesses (e.g. disruption caused by demolition of FGMC), those affected will be kept updated on plans, and measures that will be taken to minimise any inconvenience, via direct communications (e.g. letters), as well as via social media.
- 14.19 A CWR Reference Group will also be set up to act as a sounding board as the project progresses, drawing on cross party representation, stakeholders and external experts as necessary to inform the decision making process.

15 OTHER OPTIONS CONSIDERED AND REJECTED

- 15.1 SOC option 3.4 WCC deliver Kings Walk and find a development partner (DA) across the remainder of the site;
- a) Kings Walk: WCC self- deliver Kings Walk through upgrading the building to a leasable standard and securing a partner to operate the building on a 15-year lease. The operator partner would be responsible for delivering the creative quarter vision. As with all options, this is an internal refurbishment to bring it in line with current occupational needs and demands, and does not comprise a comprehensive redevelopment of Kings Walk.

- (i) Key advantages are around the level of control with certainty of delivery, certainty of timescales and potential to secure external funding to support delivery.
 - (ii) Key disadvantages are around cost and risk, work to bring the building in to use in line with the vision explored is substantial and the cost would need to be funded by the council. The council would also bear the risk for delivery and operation of the project and there would be no comprehensive redevelopment of the Kings Walk site as part of the CWR project.
- b) Wider Defined Site Delivery: This route involves WCC procuring a partner through a competitive tendering process for the WCC ownership excluding Kings Walk. This would involve a likely 9-12 month partner selection process to secure a development partner to bring forward the site in phases, excluding Kings Walk, by way of a contractual development agreement with WCC.
- (i) Key advantages around cost, risk and expertise. Both cost and risk of delivery are transferred to the developer and in addition, the developer will also bring resource and expertise to the project. The council can maintain a level of control through the terms of the DA.
 - (ii) Key disadvantages are around level of control with the council and developer working together to agree delivery and timescales. An additional consideration is that a key gateway to the site may remain undeveloped for 15 years and some parties view Kings Walk as unattractive and dated therefore there would be no comprehensive redevelopment across the site.
- 15.2 Through analysis carried out for the SOC, this option did not score as highly as the preferred option in meeting the Critical Success Factors identified in the SOC and has therefore been rejected.
- 15.3 Not to progress the CWR project to the OBC stage and either;
- a) Revisit justification and objectives for the project
 - b) Do nothing and continue with the current arrangements
- 15.4 Considerable public engagement and consultation has taken place through the adoption of the CWR SPD and the subsequent CWR Development proposals and there is a clear need and desire to progress with the CWR project. If the council decided to either revisit the justification for the project and potentially start again or continue with current arrangements, regeneration of the area would be delayed which would jeopardise the future resilience and prosperity of the city. The objectives of the CWR SPD and Council Plan would not be met and the opportunity to address the gaps

identified in the Competitive Positioning report would be missed. This option has therefore been rejected.

BACKGROUND DOCUMENTS:-

Previous Committee Reports:-

CAB3034 Central Winchester – Adoption of SPD - June 2018

DD17 Cabinet Member for Housing and Asset Management Decision Day CWR Project Update – 12 October 2020

CAB3271 CWR Development Proposals - November 2020

CAB3281 CWR Development Proposals and Delivery Strategy – March 2021

Other Background Documents:-

Available on the WCC website:

CWR SPD

Competitive positioning report

Road map review

CWR bus provision - Working draft

Kings Walk feasibility study

CWR development proposals

[CWR Consultation Nov-Jan 21 Summary](#)

[CWR Arup Kings Walk Structural Survey Report 24 10 19](#)

APPENDICES:

Appendix A: Site plans

Appendix B: CWR risk register

Appendix C: CWR development proposals

Appendix D: Strategic Outline Case

Appendix E: CWR Strategic outline case

Appendix F: Kings Walk Financial Appraisal

Exempt Appendix G – CWR Strategic Outline case – Extract of Financial Information



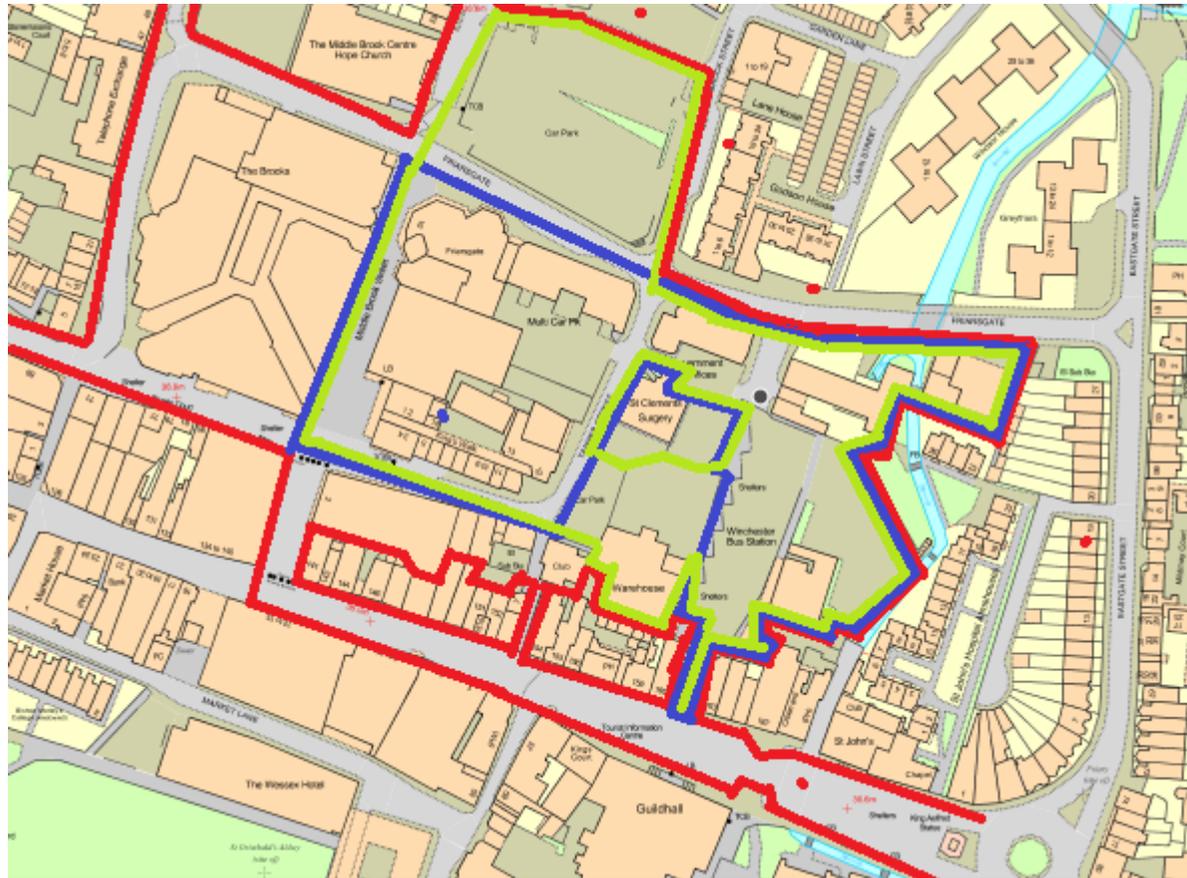
CWR SPD Red Line



CWR Development Proposals



DA Defined Site



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Title	Risk Causes	Consequences	Mitigation / Current Controls
1. Failure to implement an appropriate delivery strategy for the CWR area as set out in the SPD	Failure to develop appropriate delivery strategy, Political instability	Failure to deliver comprehensive redevelopment of CWR, Loss of trust in the Council abilities to deliver, Reputational/political damage to the administration, Damage to the local economy	Maintain cross party political and community support to move the project forward, Continue to engage with key landowners, partners and stakeholders, Ensure aspirations of the SPD are met when developing proposals and considering planning applications, Ensure rationale for preferred delivery option is set out clearly, Continue to monitor and adapt the project plan Developing the delivery strategy through development through the Strategic Outline Case (SOC)
1.2. Failure to progress from the SOC to the OBC	Political indecision due to public views	Delivery route explored in the Strategic Outline Case (SOC) is not implemented	Fully consider through development of Strategic Outline Case (SOC) all aspects including public comment and will ensure a robust narrative to explain the decision
1.3. Failure to secure external funding	Lack of confidence in Winchester City Council in the market / with developers, National economic conditions, Proposals not considered viable	Failure to deliver comprehensive redevelopment of CWR, Loss of trust in the Council abilities to deliver, Reputational/political damage to the administration, Damage to the local economy	Continue to engage with key partners and stakeholders, Develop Winchester marketing approach targeted at inward investment, Ensure development proposals realistically assessed for viability
1.4. To engage key stakeholder support	WCC cannot secure key stakeholder support to deliver aspirations of the SPD	Failure to deliver cohesive redevelopment of CWR	Continue to engage with key stakeholders and occupiers

1.5. Insufficient internal resources to manage work streams	Insufficient resourcing in WCC project team, Insufficient capacity and skills in other Council departments	Delay in project programme, Errors occurring where there are gaps in knowledge / expertise	Continue to closely monitor capacity within the project team, Seek external expertise where required, Continue to monitor and adapt the project plan, including resources component, Have clear milestones and priorities for the project team
1.6. Conflict of interest between Council as landowner and local planning authority	Challenge on the basis of bias and predetermination	Reputational damage, Potential challenge	Engage external planning consultants to act for the city council in the capacity of landowner. When making decisions be clear on the capacity in which the Council is acting, Continue to act in an open and transparent manner where legally permitted, Adhere to approach laid out in the SPD distinguishing relationship between WCC and the LPA
1.7. Development proposals arising from the SPD are not financially viable	Market changes, Unrealistic expectations for the scheme	Justified compromises have to be met on the SPD aspirations unless external funding can be found	Undertaking high level testing of viability, engaging specialist consultants where required, Continuing engagement with WCC members and other key stakeholders, Develop ambitious, high quality and realistic development proposals with viability and funding considered at an early stage together with design Full interrogated through production of the Strategic Outline Case (SOC)
2. Failure to implement plans to improve the Lower High Street Repaving and Broadway	Plans for the wider development of the CWR site and movement of the bus station result in a decision not implement concept design, Failure to secure funding	Expectations raised by the work commissioned up to end of RIBA stage 2 could result in reputational damage	Liaise with Highways Authority, JLL and Transport Planners

3. Data collected from archaeology investigations is insufficient / unreliable and therefore of little value to potential developers	Unexpected environmental influences or failure of equipment	Potential financial loss to WCC and delay to the programme	Seek specialist expertise to help form appropriate recommendations for investigations, Continue to work with JLL as SPC, with regards to land value
4. Lack of interest from potential developers / investors	Unrealistic expectations for the scheme Lack of market demand Lack of confidence in Winchester City Council in the market, National economic conditions, Proposals not considered viable / attractive	Failure to deliver comprehensive redevelopment of CWR, Loss of trust in the Council abilities to deliver, Reputational/political damage to the administration, Damage to the local economy	Develop Winchester marketing approach targeted at inward investment, Develop ambitious, high quality and realistic development proposals with viability and funding considered at an early stage together with design Explored through development of the Strategic Outline Case (SOC).
5. Lack of consensus around interim bus solution	SPD aspiration to have bus station on Middle Brook Street car park, Recent publication of the Bus Back Better Strategy and its support for retention of bus stations Perception that an on-street solution could mean poorer facilities for drivers and passengers	Vacant possession of the bus station is delayed resulted in delayed development on the site	Continue working with key stakeholders to build confidence in the proposals
6. Planning permission to demolish Friarsgate Medical Centre is refused	Lack of clarity around long term planning detail across the site	Loss of trust in the Council abilities to deliver, Reputational/political damage to the administration Ongoing maintenance and repair costs	Continue working with planning authority

7. Conflict between the outputs of the Winchester Movement Strategy and the proposals for CWR	The outputs of the Winchester Movement Strategy and the proposals for CWR are not aligned	Failure to deliver comprehensive redevelopment of CWR, Potential issues in bringing forward short to medium term improvements to Kings Walk and demolition of Friarsgate Medical Centre Reputational/political damage to the administration Ongoing maintenance and repair costs	Continue working with WMS officer team both at WCC and HCC as proposals for CWR and outputs of the Movement Strategy are progressed to ensure close monitoring and alignment Working closely with HCC on a joint narrative for the proposed CWR bus solution and WMS
8. Cost escalation	Costs given at a very early stage in the project lifecycle (e.g. KW proposals, FGMC demolition and Interim Open space) may be subject to escalation as designs develop	Sub-projects exceed budget causing delays for further authorisation or cancellation	Close monitoring and quick action as designs develop, limit scope of works to meet budget
9. Lengthy procurement processes for chosen delivery model	Multiple stakeholders involved in developing the brief, marketing materials and reviewing proposals.	Loss of appetite / interest from potential developers / investors Failure to launch into market at appropriate time	Set clear expectations around process for preparing for procurement and where stakeholders can be involved - ensure they are aware of any potential risks surrounding lengthy procurement and review processes Continue working closely with stakeholders such as Cabinet members to ensure any requirements are fully understood and included in specification
10. Failure to secure budget to implement meanwhile use strategy at Kings Walk	The costs to deliver the required works and implement the strategy are too high.	Unable to implement the meanwhile use strategy leading to lack of activation of the space. Loss of trust in the Council abilities to deliver, No signs of progress leading to reputational/political damage to the administration,	Complete current survey work on Kings Walk to fully understand condition of the building and works required. And fully interrogate the figures. Survey reports shared with potential operators.

11. Legal challenge	Procedural requirement(s) not complied with	Diversion of financials resources and personnel to resolve Legal issues leading to potential reputational/political damage to the Council. Possibility of financial loss and/or penalties	Close working with the Council's Legal department and outside Legal advice and assistance throughout the process. Mitigation measures in place should a Legal challenge arise and auditing procedures adhered to throughout process.
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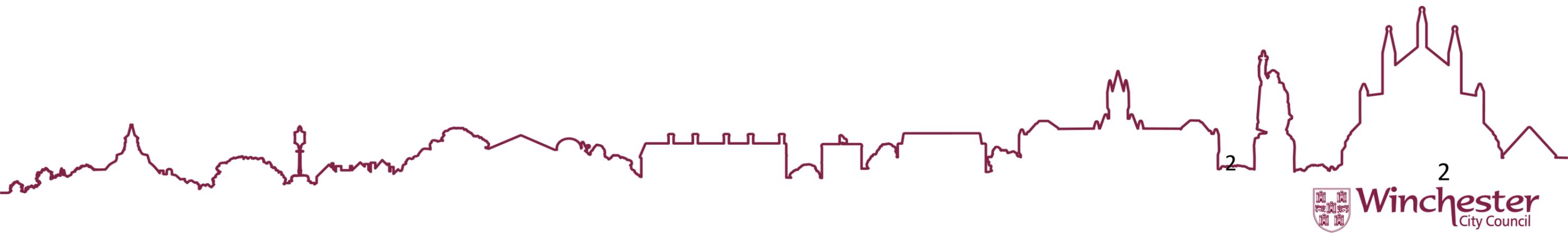
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Central Winchester Regeneration

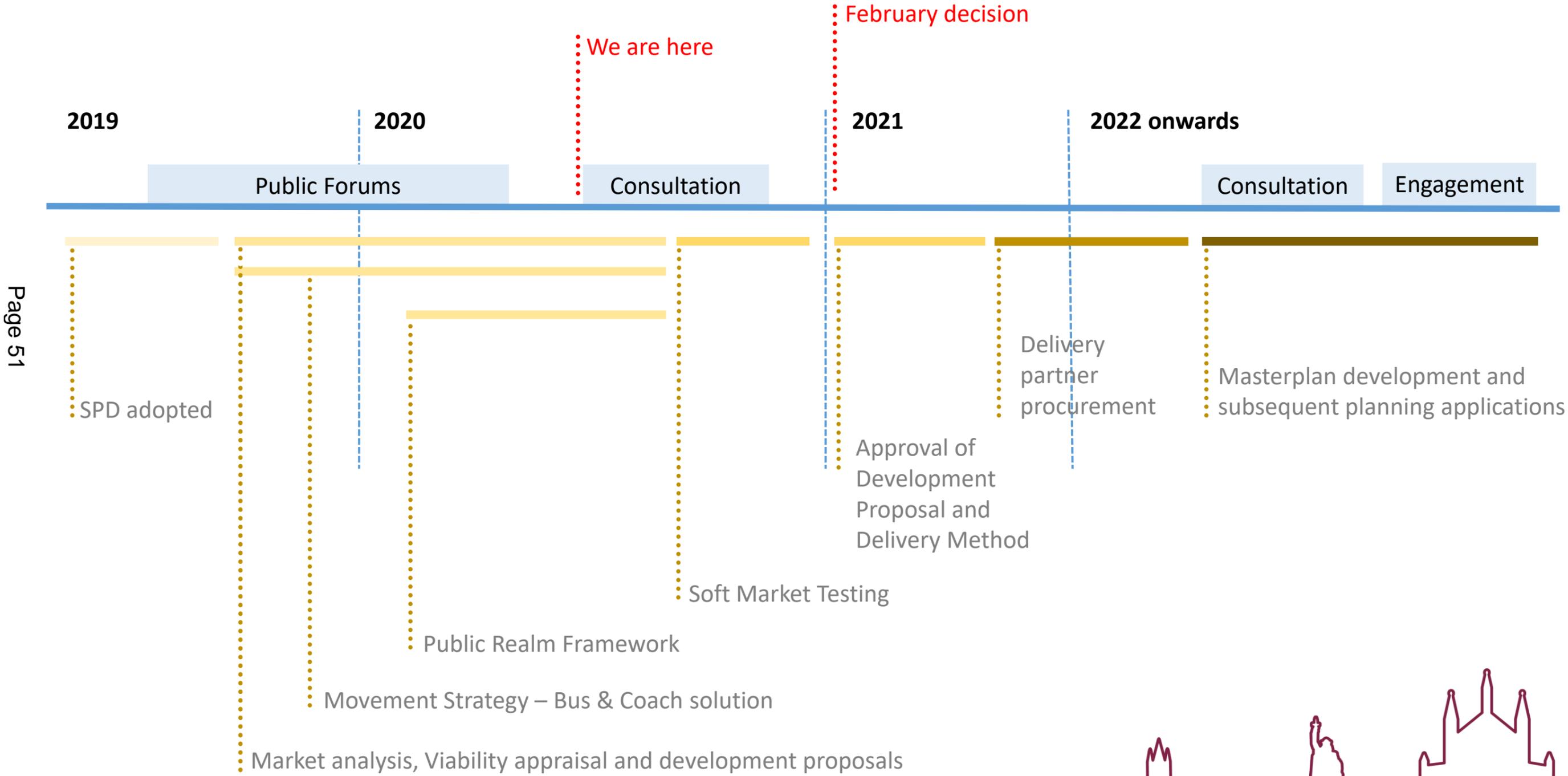
Development Proposal
November 2020

Content

-  Timescales
-  Gap analysis and market need
-  SPD alignment
-  Challenges
-  Vision
-  Land use mix
-  Illustrative phasing
-  Precedent images
-  Delivery



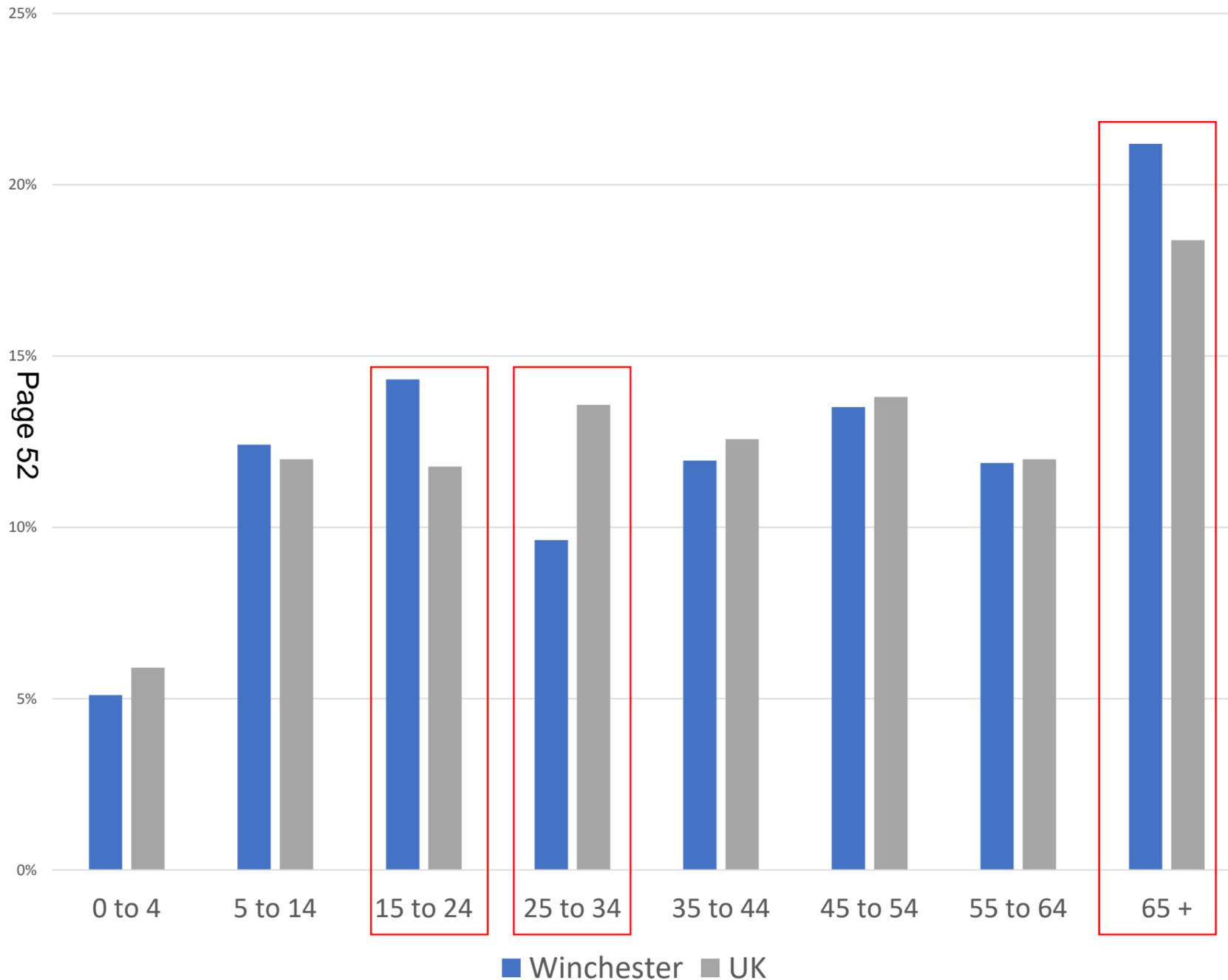
Timescales for Delivery



Gap Analysis- Winchester Age Structure and Population Projection



2018



Source: © 2018 CACI Limited

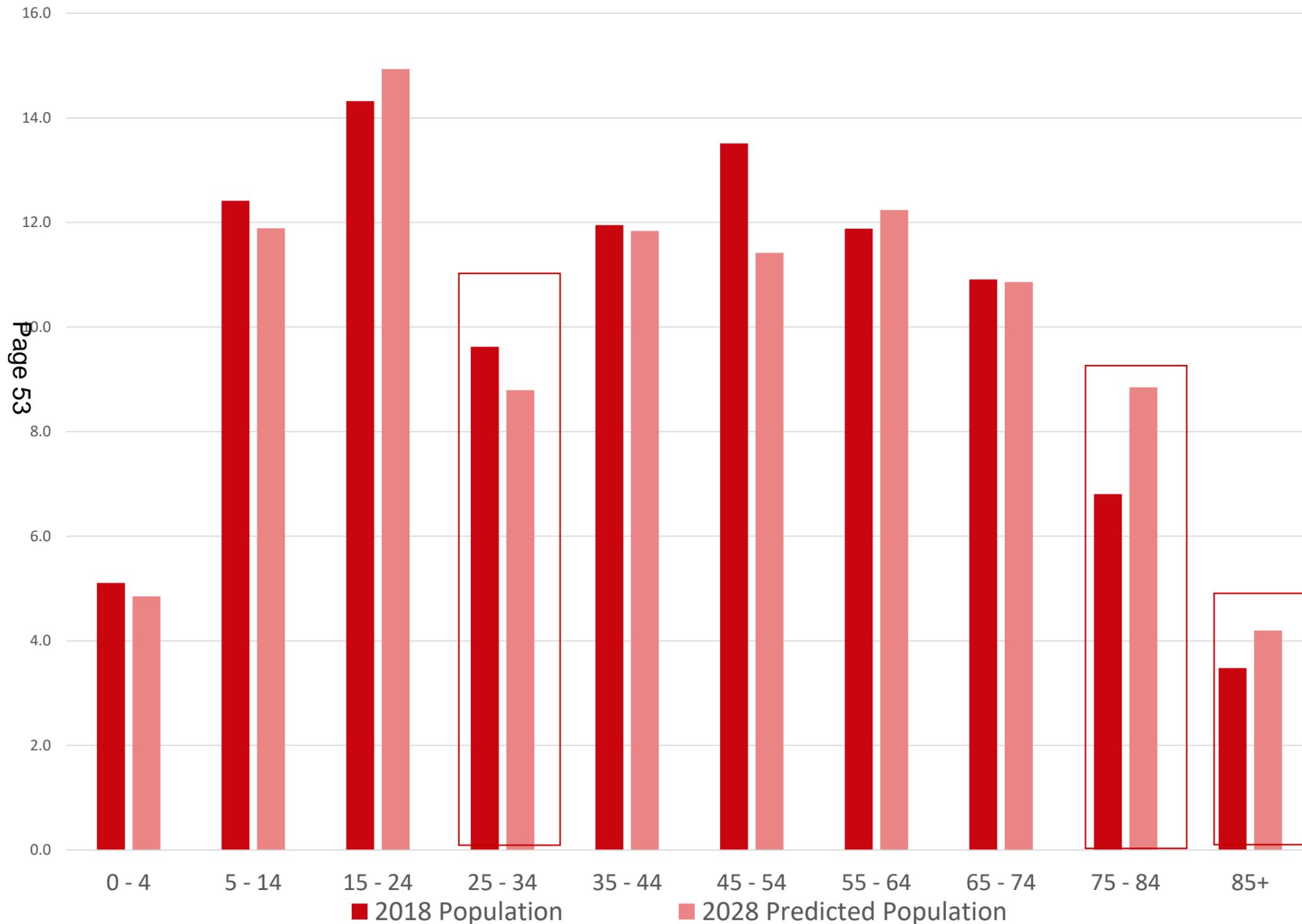
- ❖ At present, over 20% of Winchester’s population are 65+, this is above the UK average of 18%.
- ❖ 14% of Winchester’s population are between the age of 15-24, this is above the UK average of 12%.
- ❖ c.10% of Winchester’s population are between the age of 25-34, this is below the UK average of 14%.
- ❖ The population of Winchester is projected to increase from 95,025 in 2018 to 101,279 in 2028.
- ❖ The rate of population growth in Winchester is projected to be greater than the rate of growth in the UK.

Resident Population Projections	Data for area	Data for UK
Population 2018	95,025	64,587,260
Population 2023 Projected Growth 2018 to 2023	98,230 3.4%	66,368,971 2.8%
Population 2028 Projected Growth 2018 to 2023	101,279 6.6%	67,867,549 5.1%

Gap Analysis- Population Projection



Projected 2028 – 10 km radius



Key messages:

Of the anticipated population growth in Winchester up to 2028, there are two key themes:

- ❖ Continued under-representation for 25-34 year olds.
- ❖ Continued growth of Winchester's aging population.

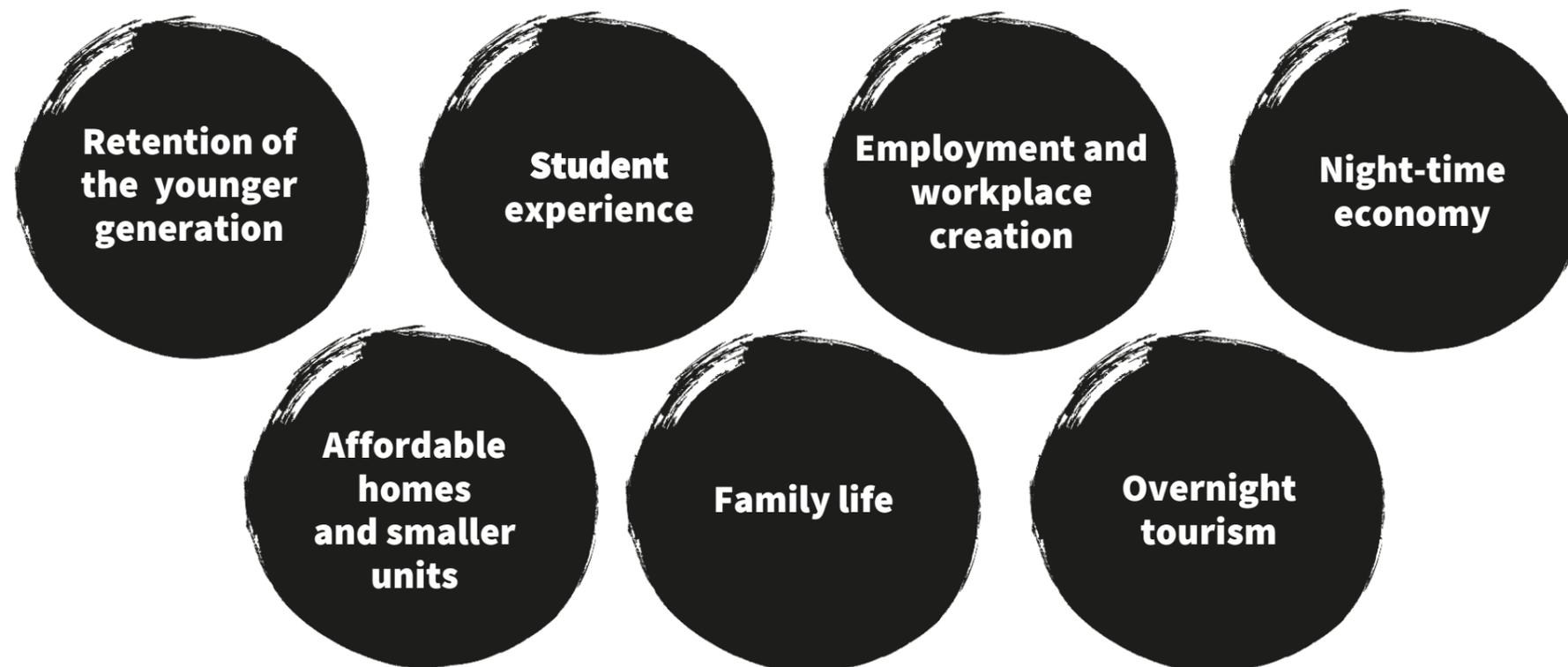
City Gaps and Central Winchester Regeneration

An analysis of the characteristics and suitability of WCC owned sites across the district has been carried out to identify the suitability of each site to fill the gaps identified in the JLL Competitive Position workstream.

An assessment of the CWR SPD guidance, the key characteristics, location of the CWR site and surrounding land uses in comparison to alternative sites has shown that the CWR site offers an opportunity to focus on retaining a younger population demographic in Winchester and is therefore the most suitable location in the district, within WCC ownership, to help fill this gap.

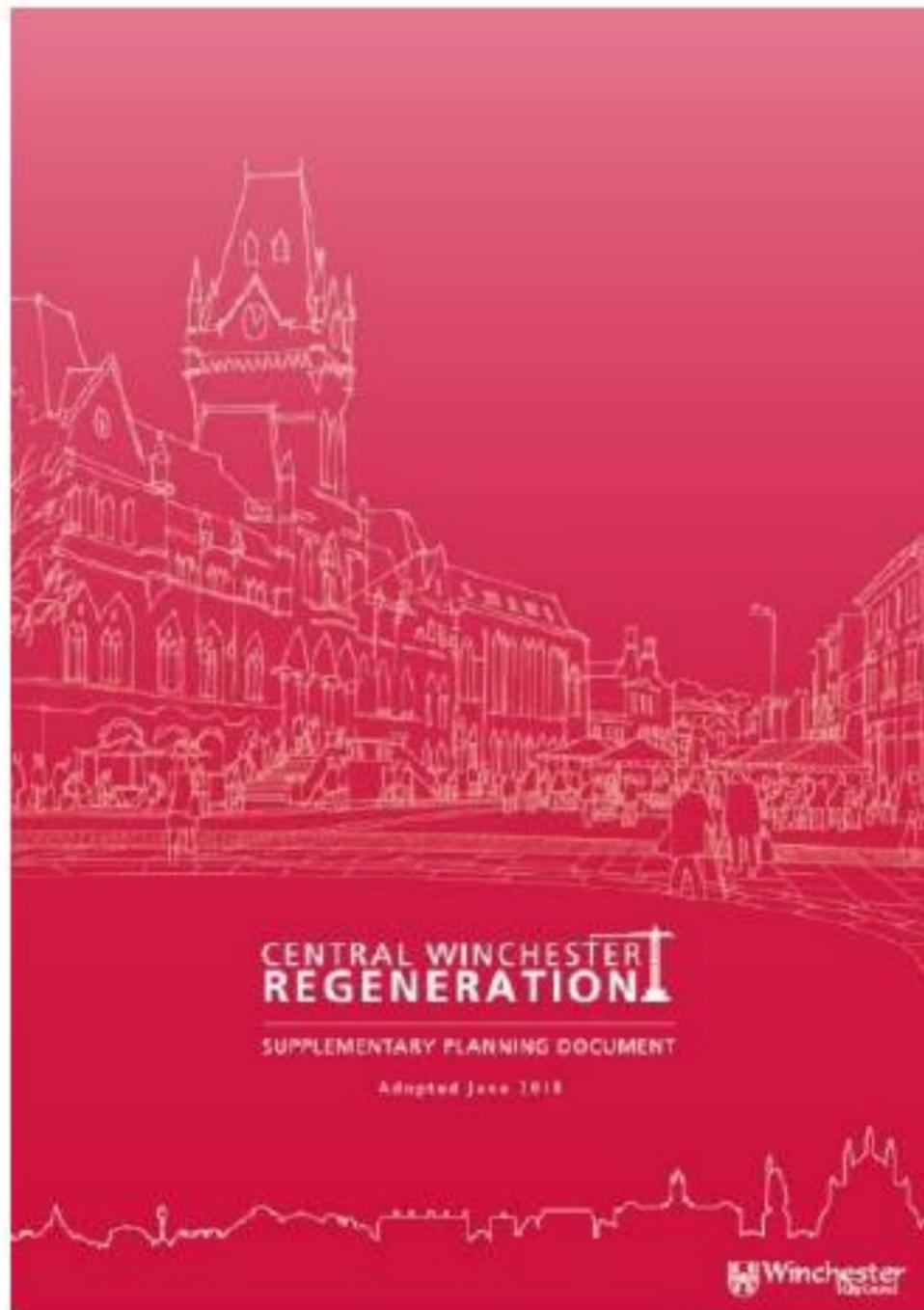
As demonstrated by the previous slide, population projections for Winchester show that the issue of retention in relation to the younger age groups is likely to be exacerbated over the next 10 years. It is therefore important to address this as soon as possible.

We have distilled these issues down to seven distinct areas which we perceive the CWR site has the ability to address:



CWR SPD- Adopted June 2018

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The vision for the Central Winchester Regeneration Area is for the delivery of a mixed use, pedestrian friendly quarter that is distinctly Winchester and supports and vibrant retail and cultural / heritage offer which is set within an exceptional public realm and incorporates the imaginative re-use of existing buildings

*The SPD guidance underpins all work being done on the CWR project and will continue to do so

Design Aspirations

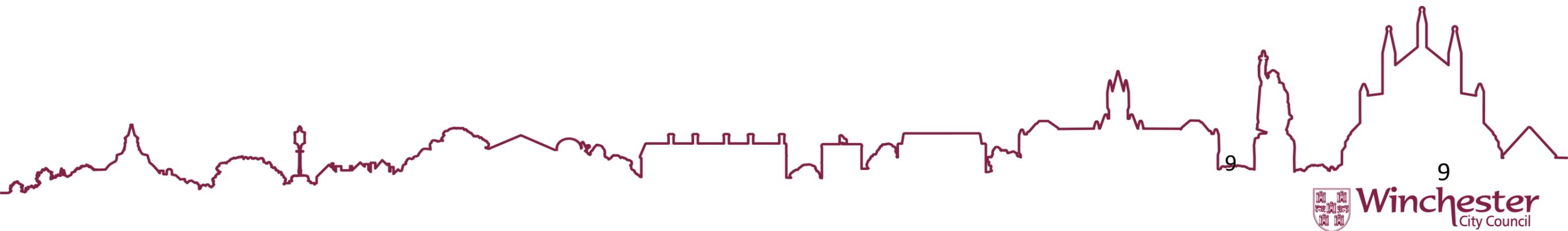
How the development proposals align with the nine objectives of the SPD:

<p>OBJECTIVE 1</p> <p>Vibrant Mixed-Use Quarter</p> <p>Attract a younger demographic to live, work and play</p> <p>Support and enhance the creative sector, including The Nutshell Theatre</p> <p>Incorporate a vibrant flexible, creative hub</p>	<p>OBJECTIVE 2</p> <p>Winchesterness</p> <p>Enhance sense of place</p> <p>Design that is compatible with historic and natural character</p>	<p>OBJECTIVE 3</p> <p>Exceptional Public Realm</p> <p>Public spaces which are flexible in terms of use and climate resilience (they do more than one thing), such as markets, hat fest and weather events.</p>	<p>OBJECTIVE 4</p> <p>City Experience</p> <p>To invigorate the wider city centre</p> <p>Include a night-time economy offer</p>	<p>OBJECTIVE 5</p> <p>Sustainable Transport</p> <p>Re-balance priority of people against infrastructure & vehicles</p> <p>Allow for 45 / hour bus movements and 10 bus stops</p>
<p>OBJECTIVE 6</p> <p>Incremental Delivery</p> <p>Allow for phased development and incorporation of meanwhile uses</p>	<p>OBJECTIVE 7</p> <p>Housing for All</p> <p>Incorporate amenities for a diverse range of residential and community use</p>	<p>OBJECTIVE 8</p> <p>Community</p> <p>Increase green space and park-like amenity</p>	<p>OBJECTIVE 9</p> <p>Climate Change and Sustainability</p> <p>Enhance biodiversity & habitat connectivity</p> <p>To manage stormwater on-site</p> <p>To achieve zero carbon</p>	

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Challenges Addressed by Proposals

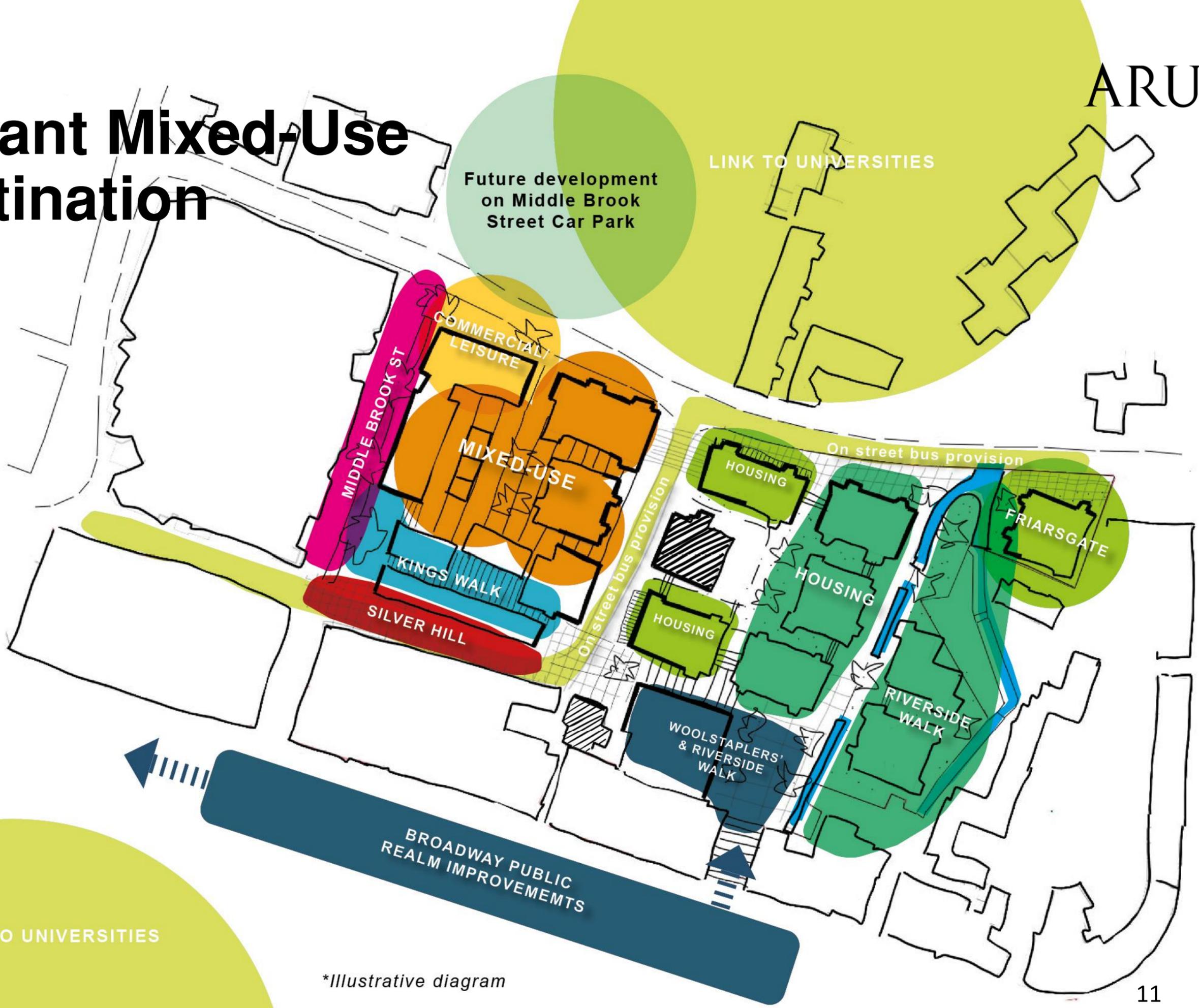
- Balance heritage with vibrant and fresh experience to attract a younger and creative demographic.
- Balance the need for number of units against need for amenity space.
- Balancing bus movements against pedestrian and residential experience.
- Manage stormwater on a site with a high water table.
- Manage meanwhile uses in the context of a parallel demolition and construction process.
- Create active public realm and safeguard tranquillity for residents.
- Integrate a new development around existing structures and uses.



Evolution of the Vision



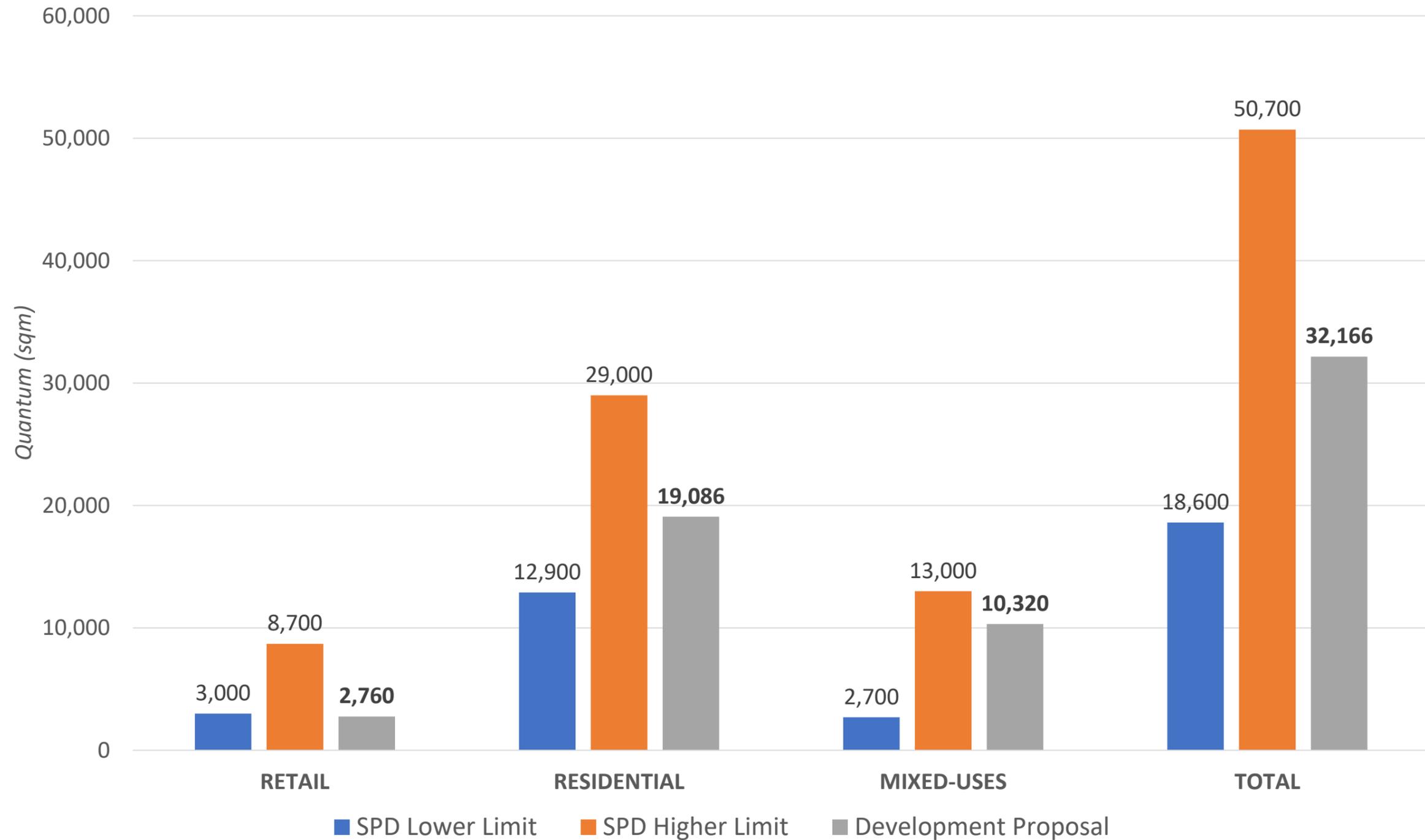
Vibrant Mixed-Use Destination



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**Illustrative diagram*

Land Use Mix Alignment



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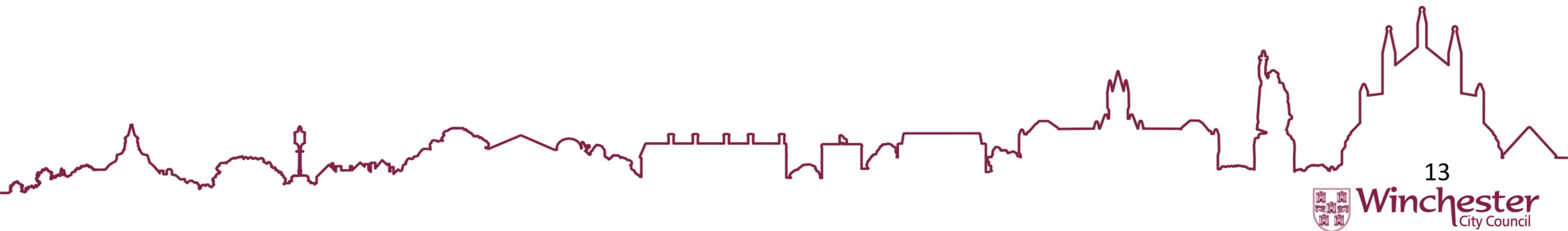
**Mixed-use consists of leisure, culture, hotel AND commercial/ office use*

**The SPD quantum covers the entire SPD area whereas the Development Proposal quantum only covers the Central Winchester site*

Viability testing has been carried out which demonstrates that the proposed mix of uses results in a viable scheme.

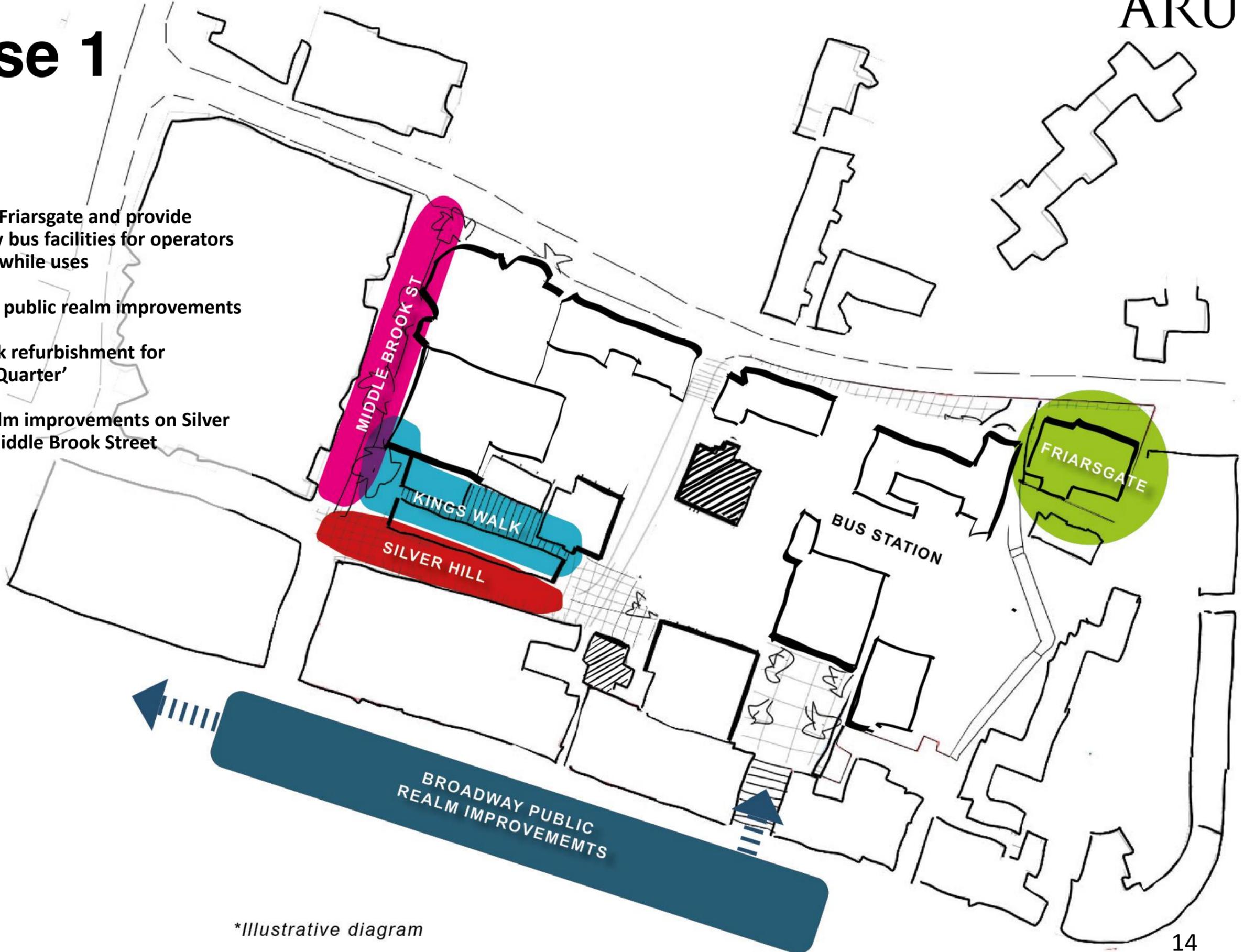
Illustrative Phasing

 The following slides illustrate one way that development could be brought forward, subject to a planning strategy, construction and technical due diligence, further stakeholder engagement and consultation and market feedback.



Phase 1

- Demolish Friarsgate and provide temporary bus facilities for operators and meanwhile uses
- Broadway public realm improvements
- Kings Walk refurbishment for 'Creative Quarter'
- Public realm improvements on Silver Hill and Middle Brook Street



**Illustrative diagram*

Phase 2

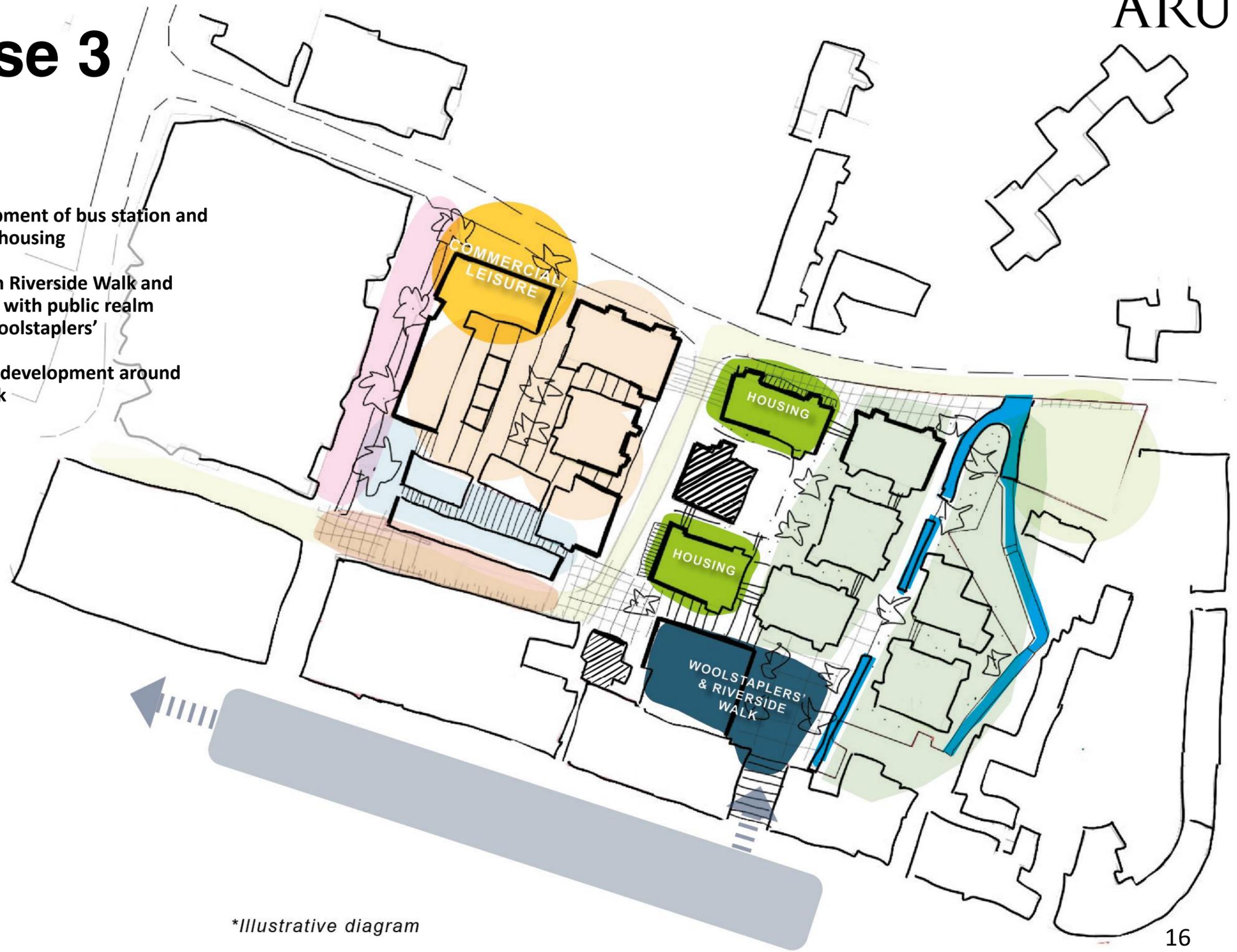
- Complete Bus Street improvements
- Deliver 1st phase of housing and Riverside Walk
- Continue development around Kings Walk



**Illustrative diagram*

Phase 3

- Redevelopment of bus station and complete housing
- Connect in Riverside Walk and Broadway with public realm around Woolstaplers'
- Complete development around Kings Walk



**Illustrative diagram*

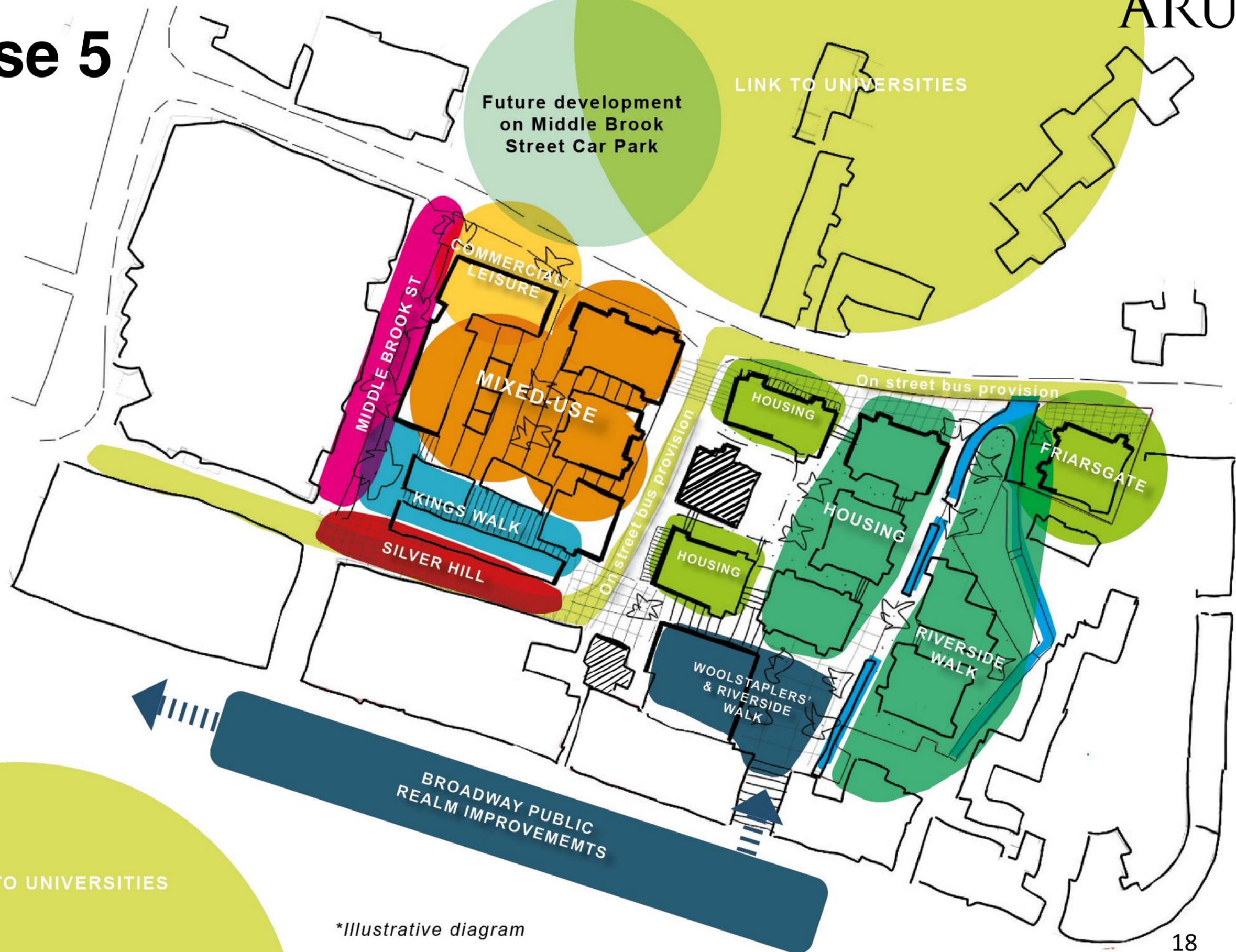
Phase 4



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**Illustrative diagram*

Phase 5



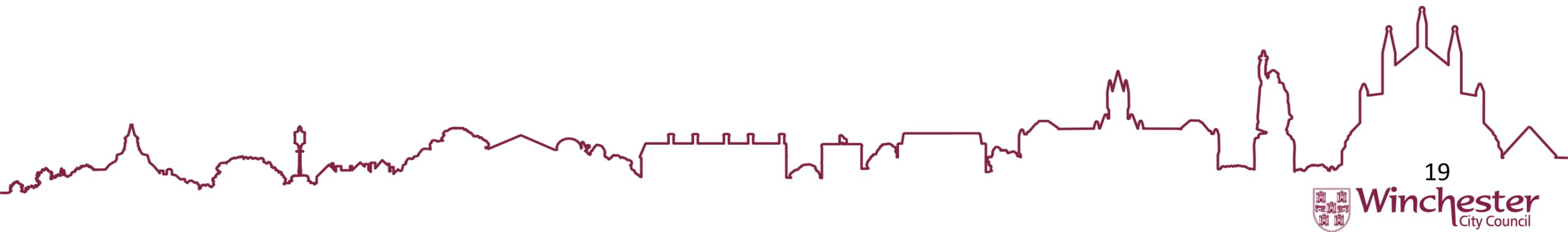
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LINK TO UNIVERSITIES

**Illustrative diagram*

Precedent images

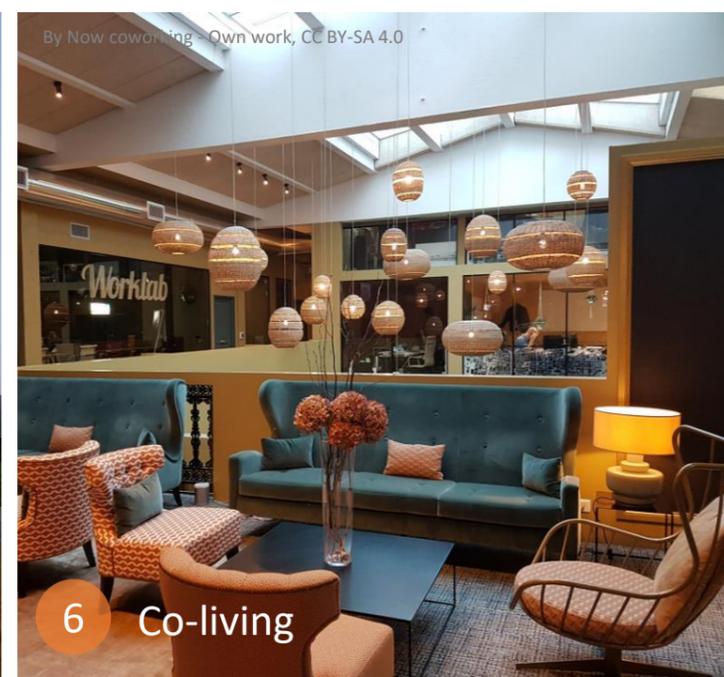
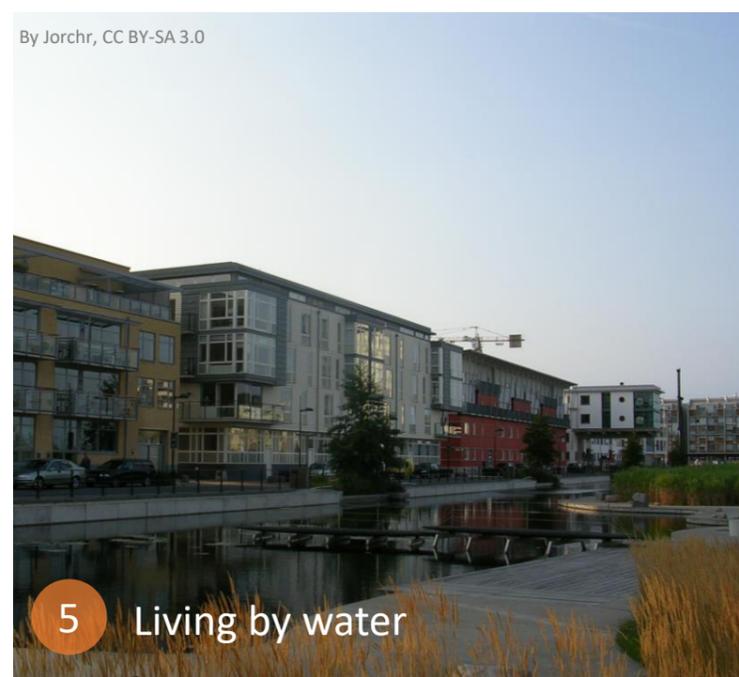
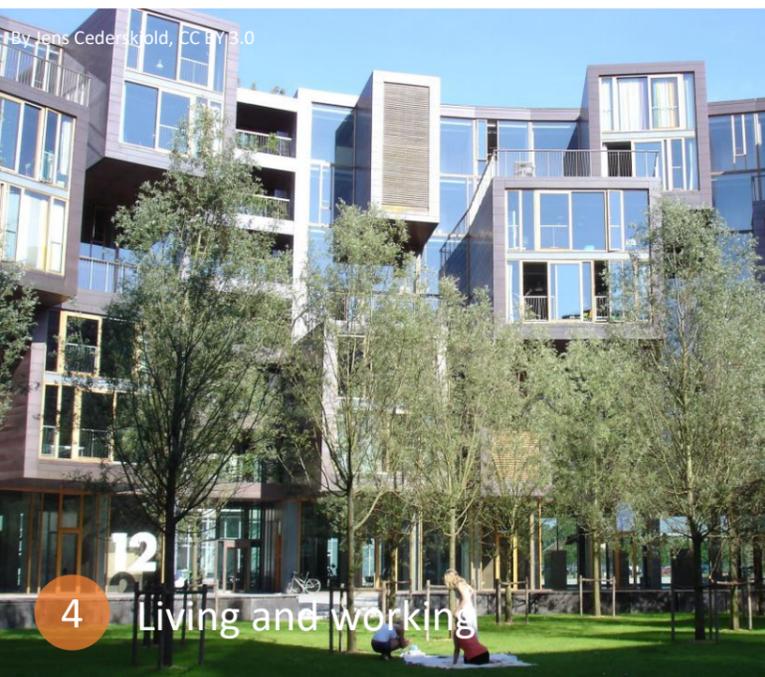
 The following slides show precedent images that illustrate the types of places and spaces that the scheme could deliver.



Live



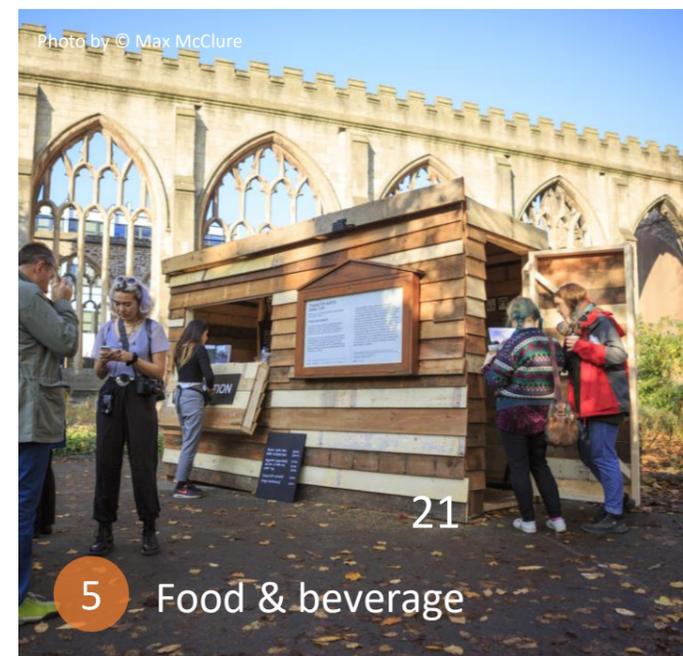
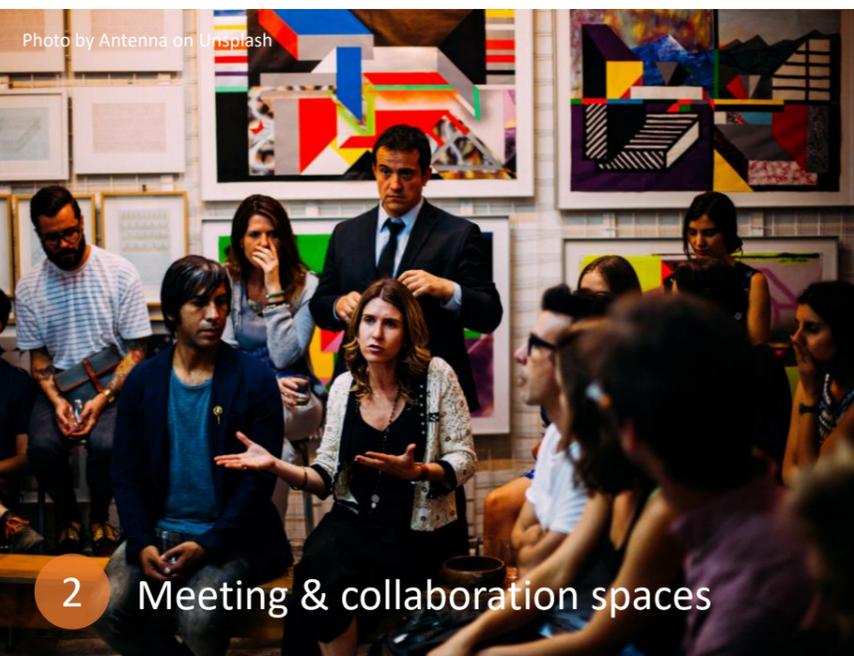
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Work



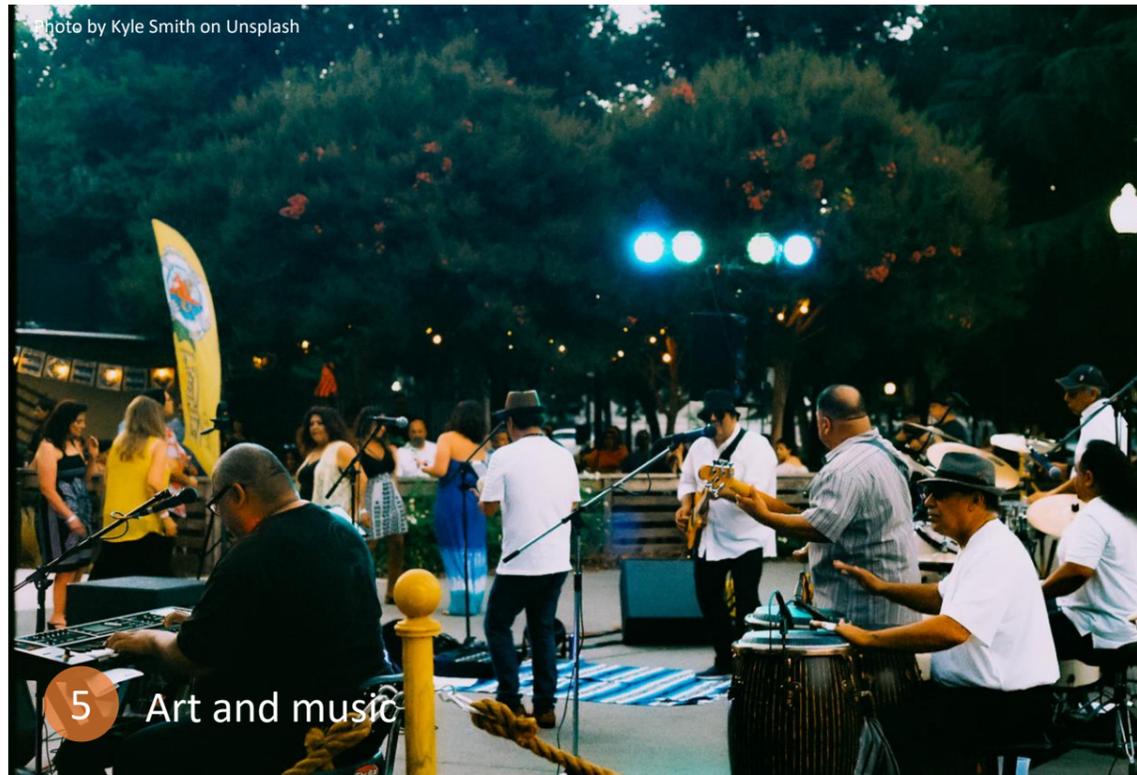
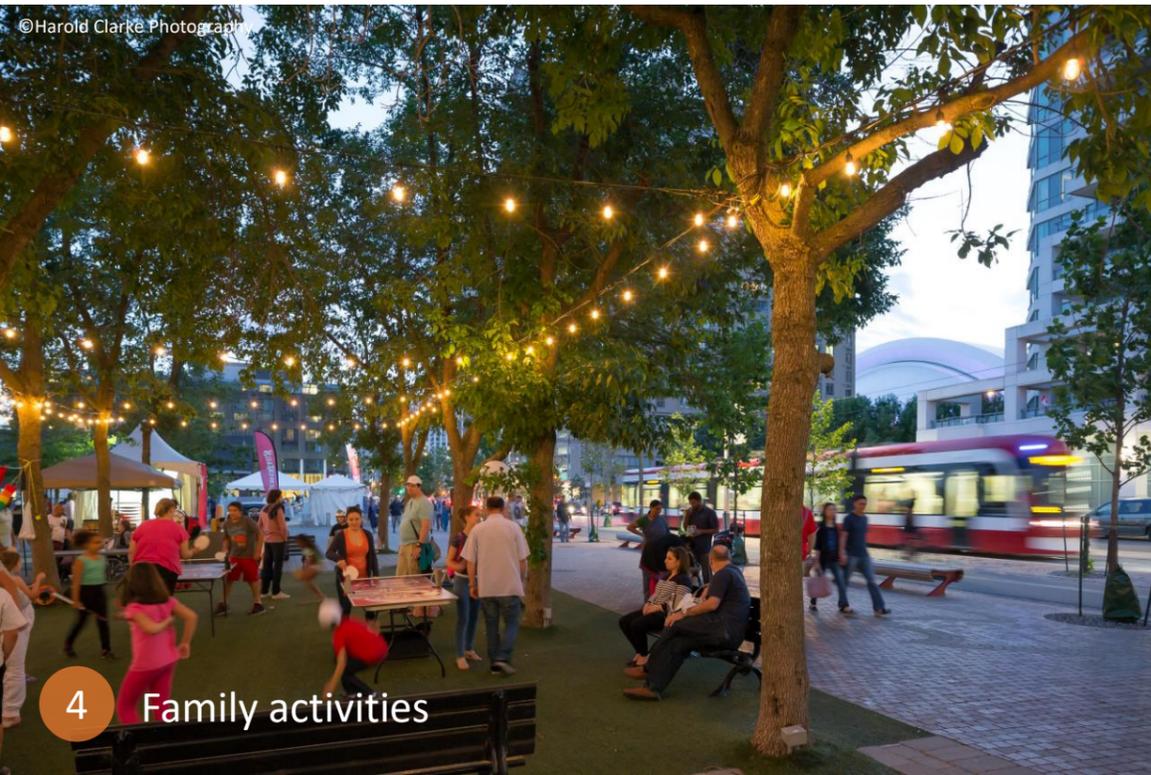
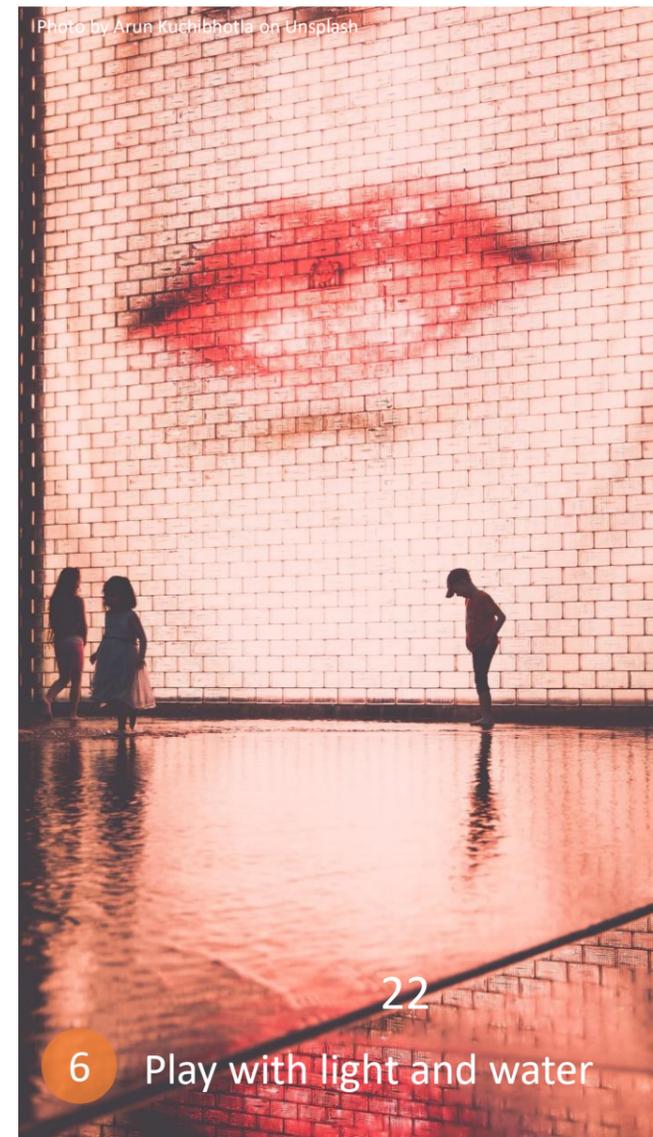
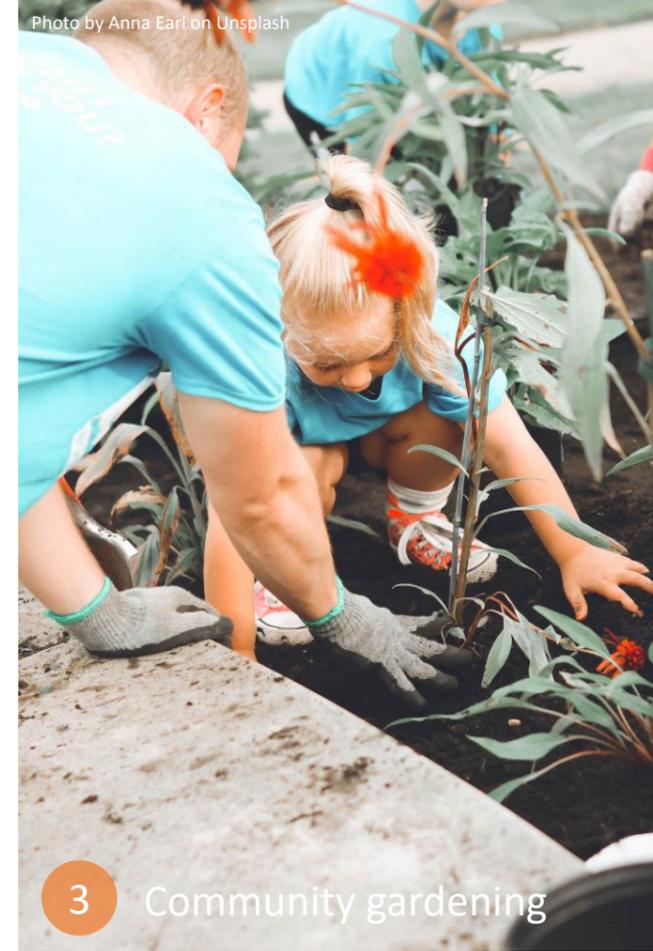
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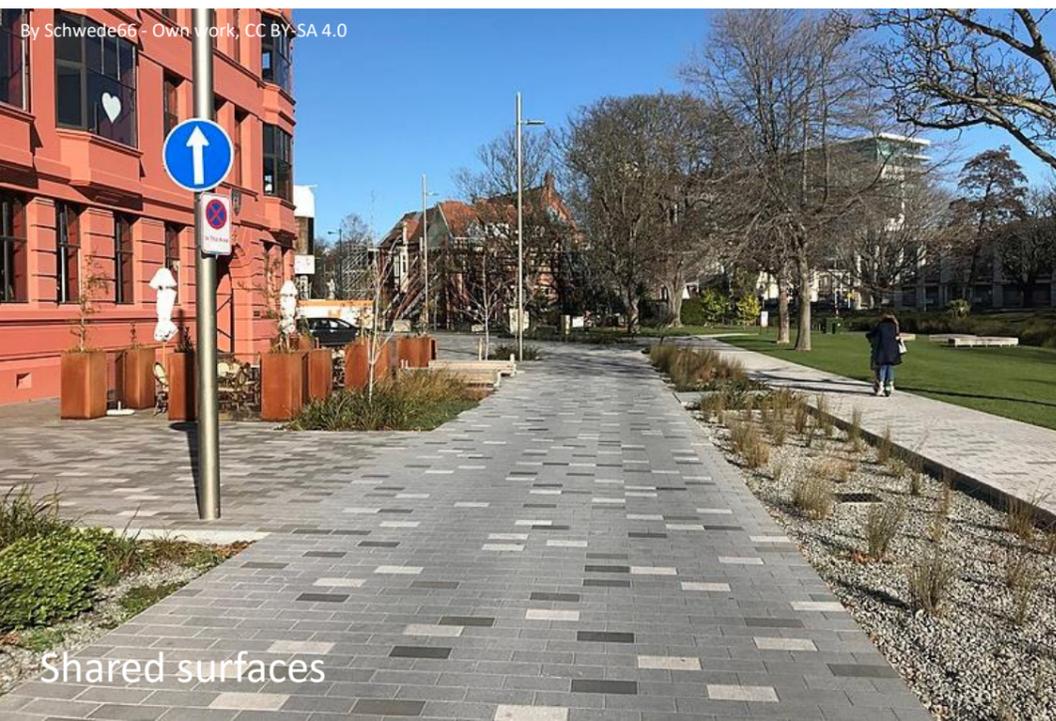
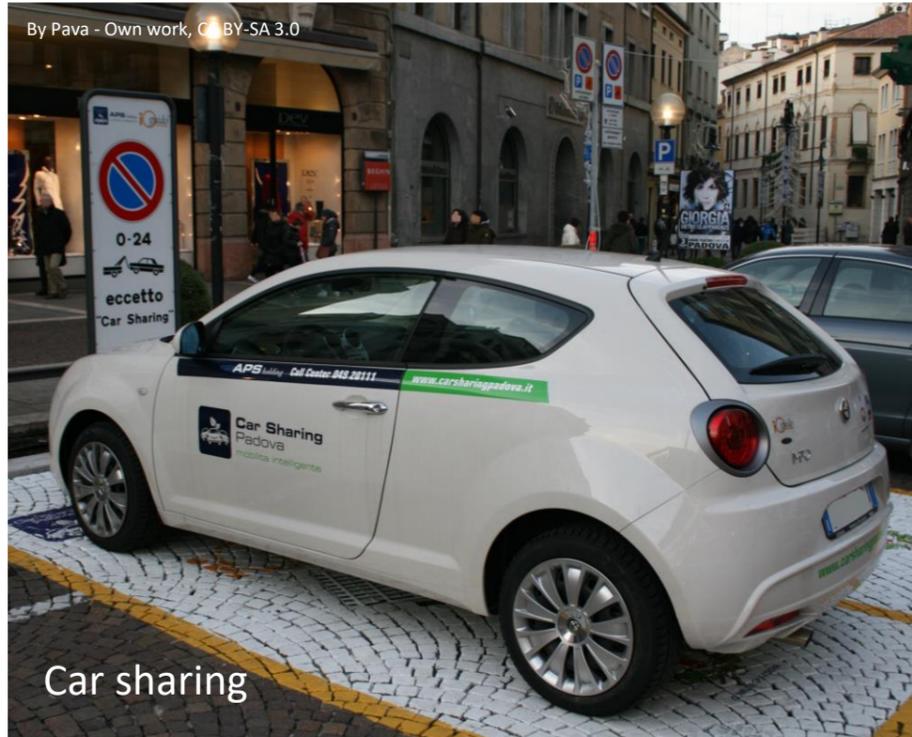
Play



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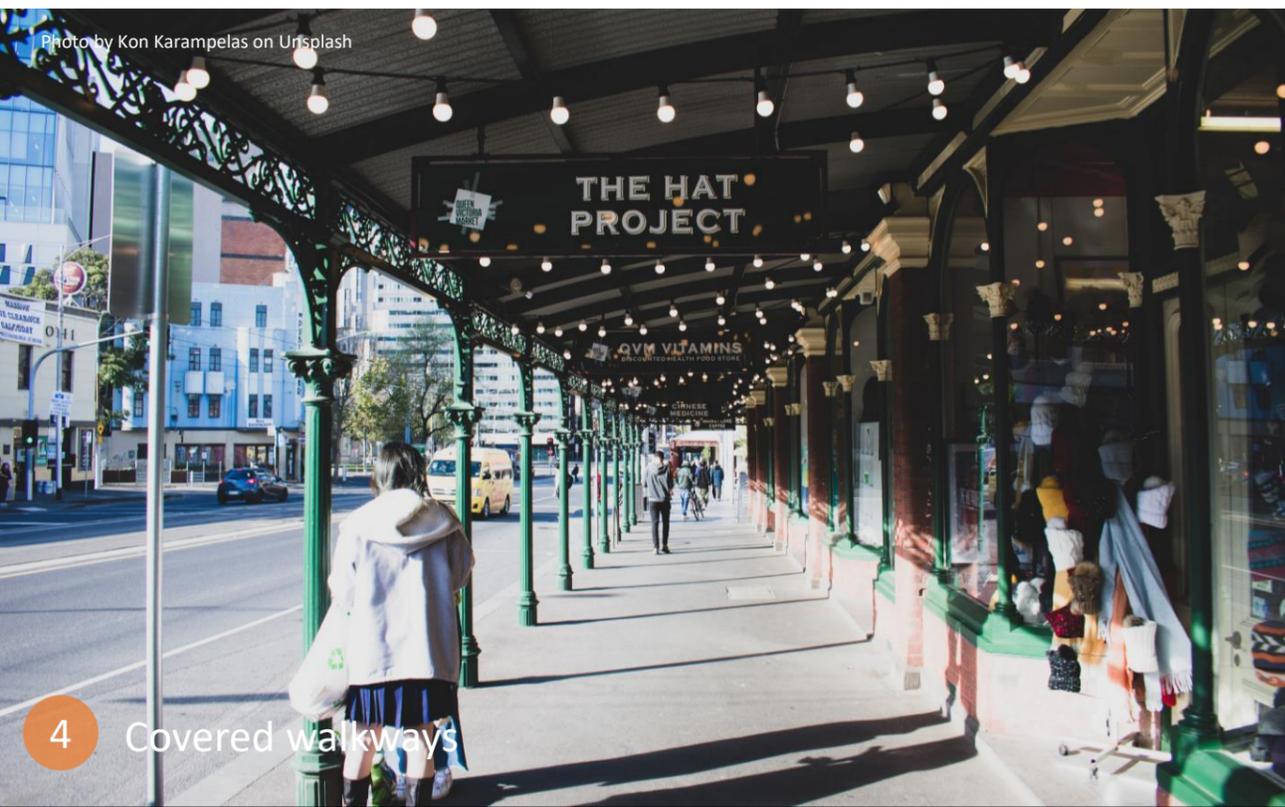
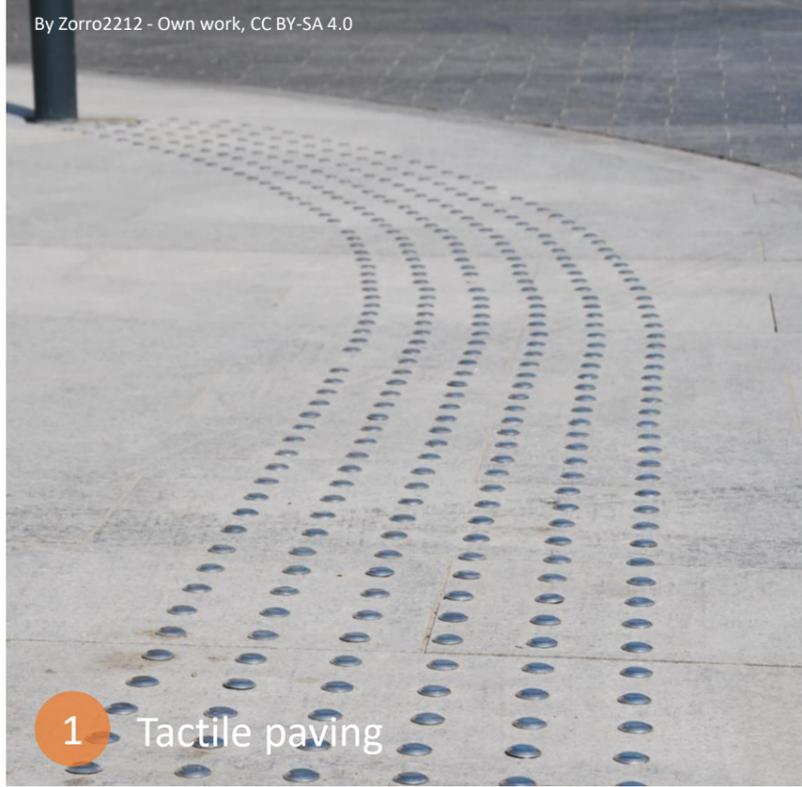
Movement



Buses



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Public Realm



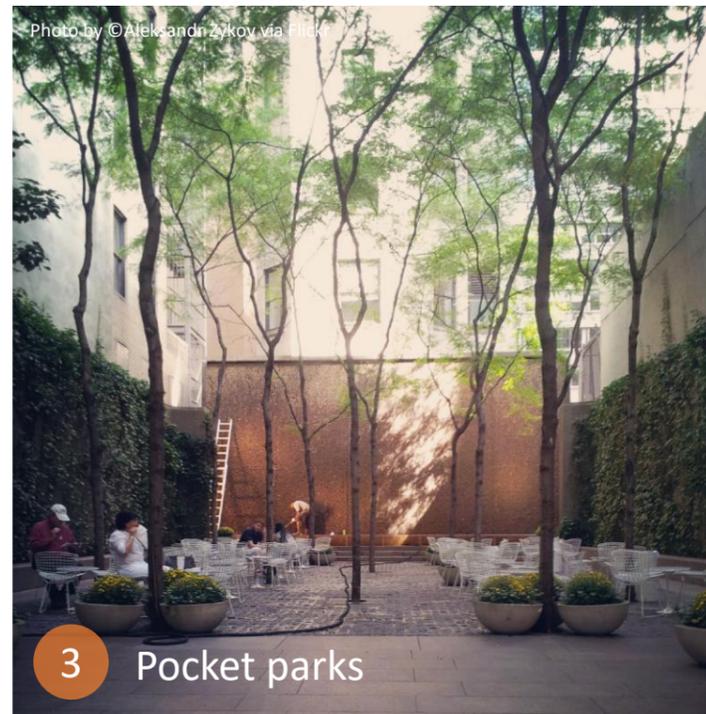
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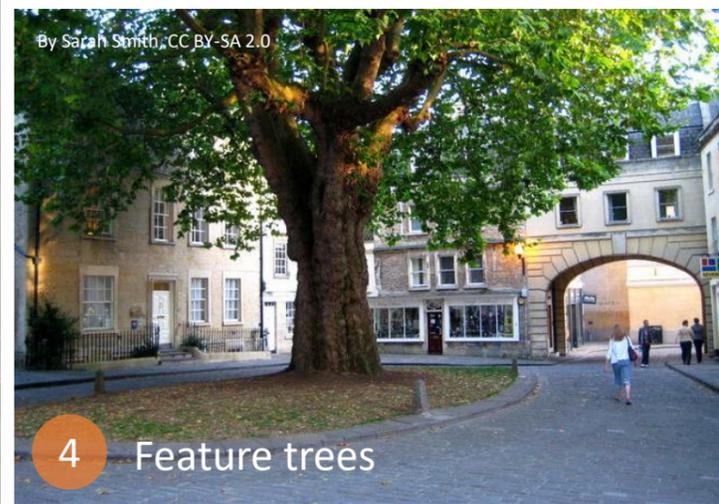
1 Green frames



2 Smaller passages



3 Pocket parks



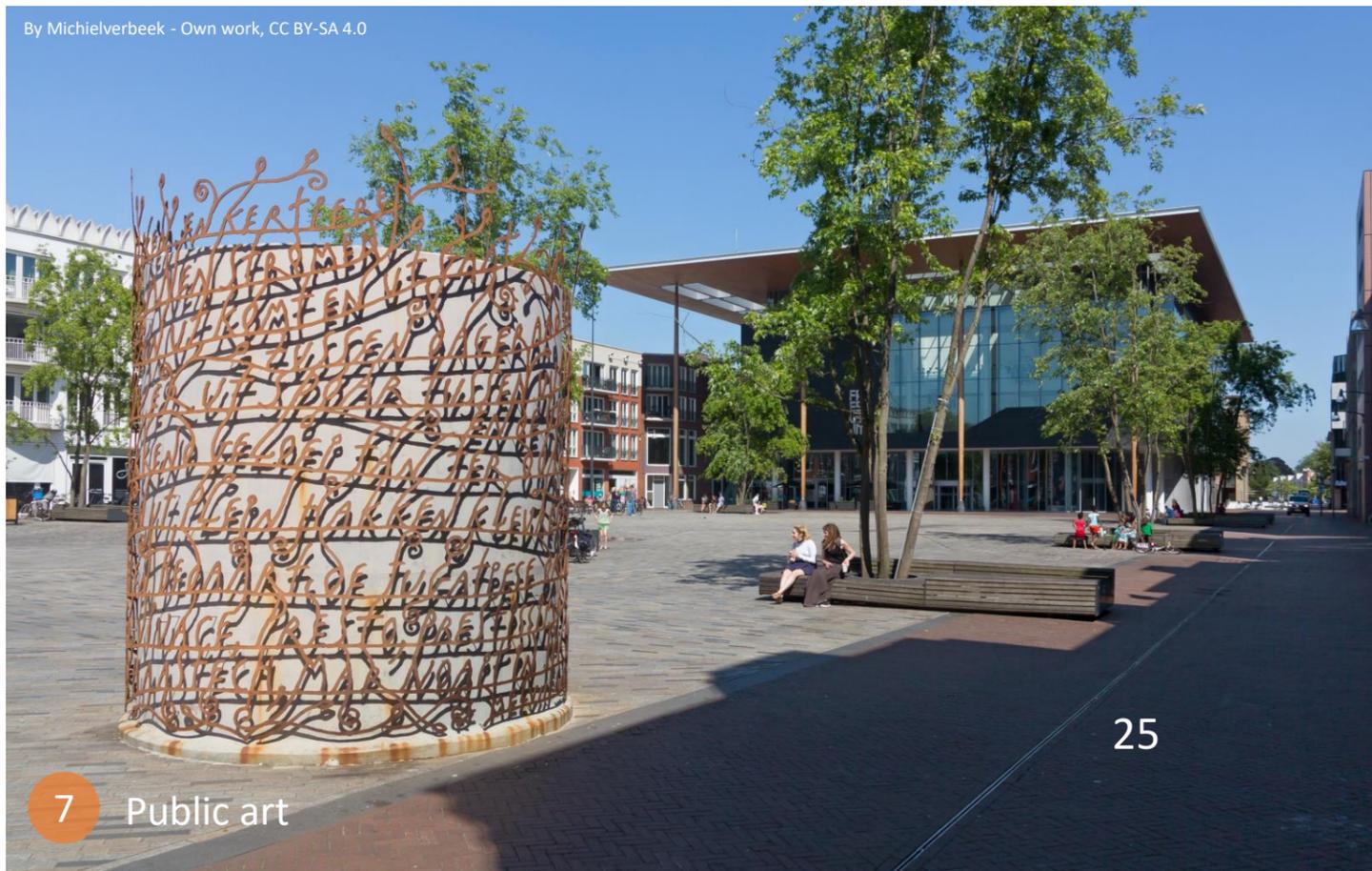
4 Feature trees



5 Lighting



6 Vibrant squares

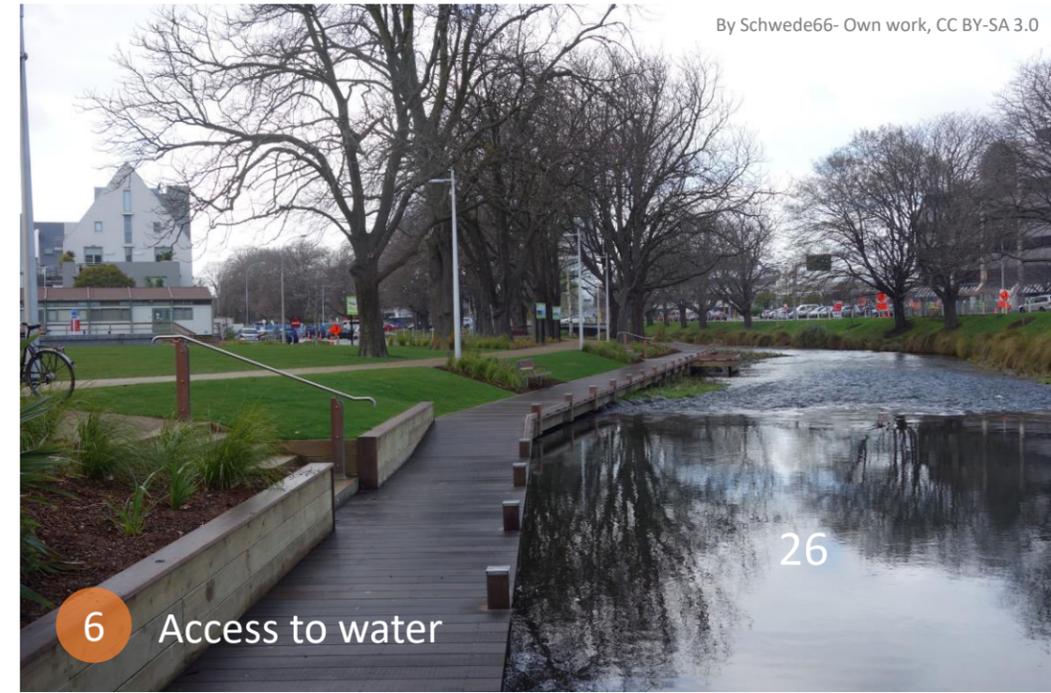
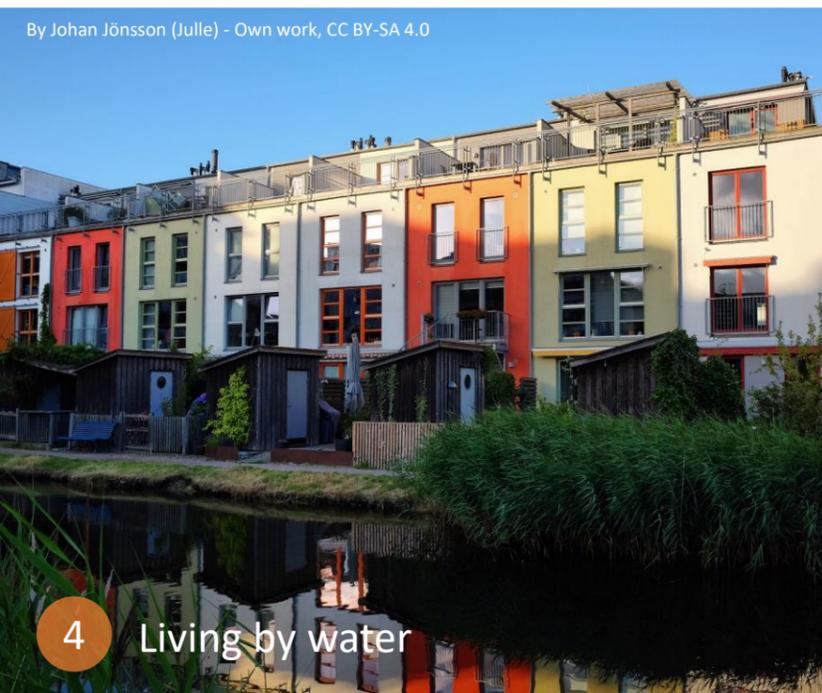


7 Public art

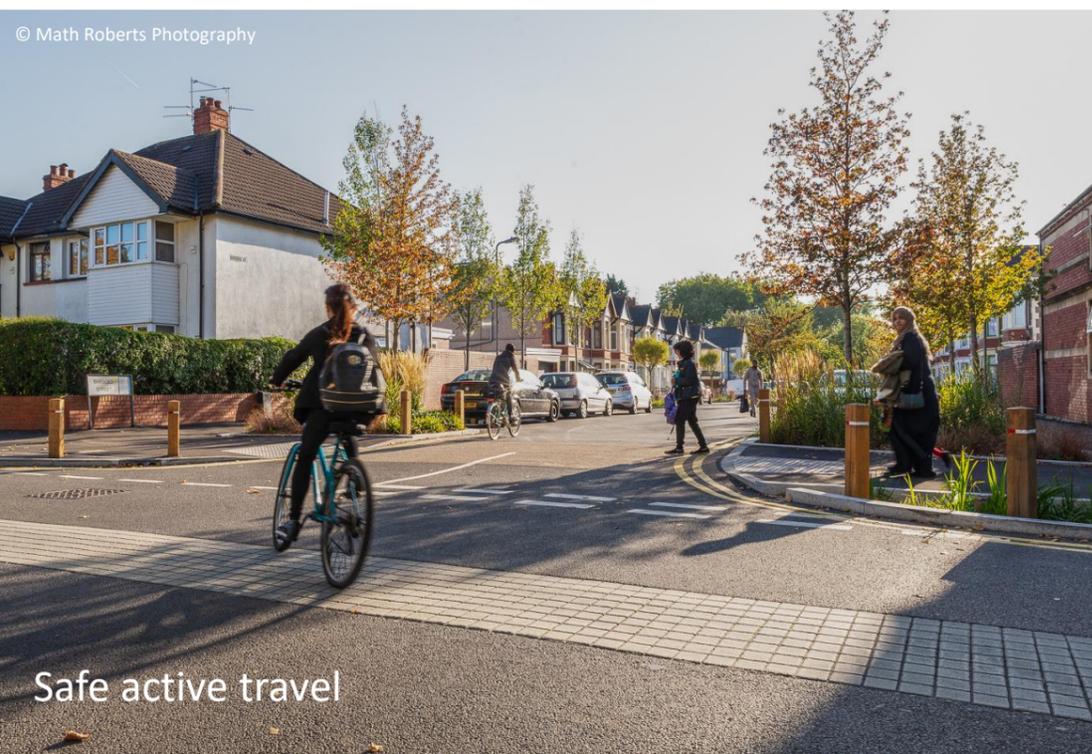
Waterways



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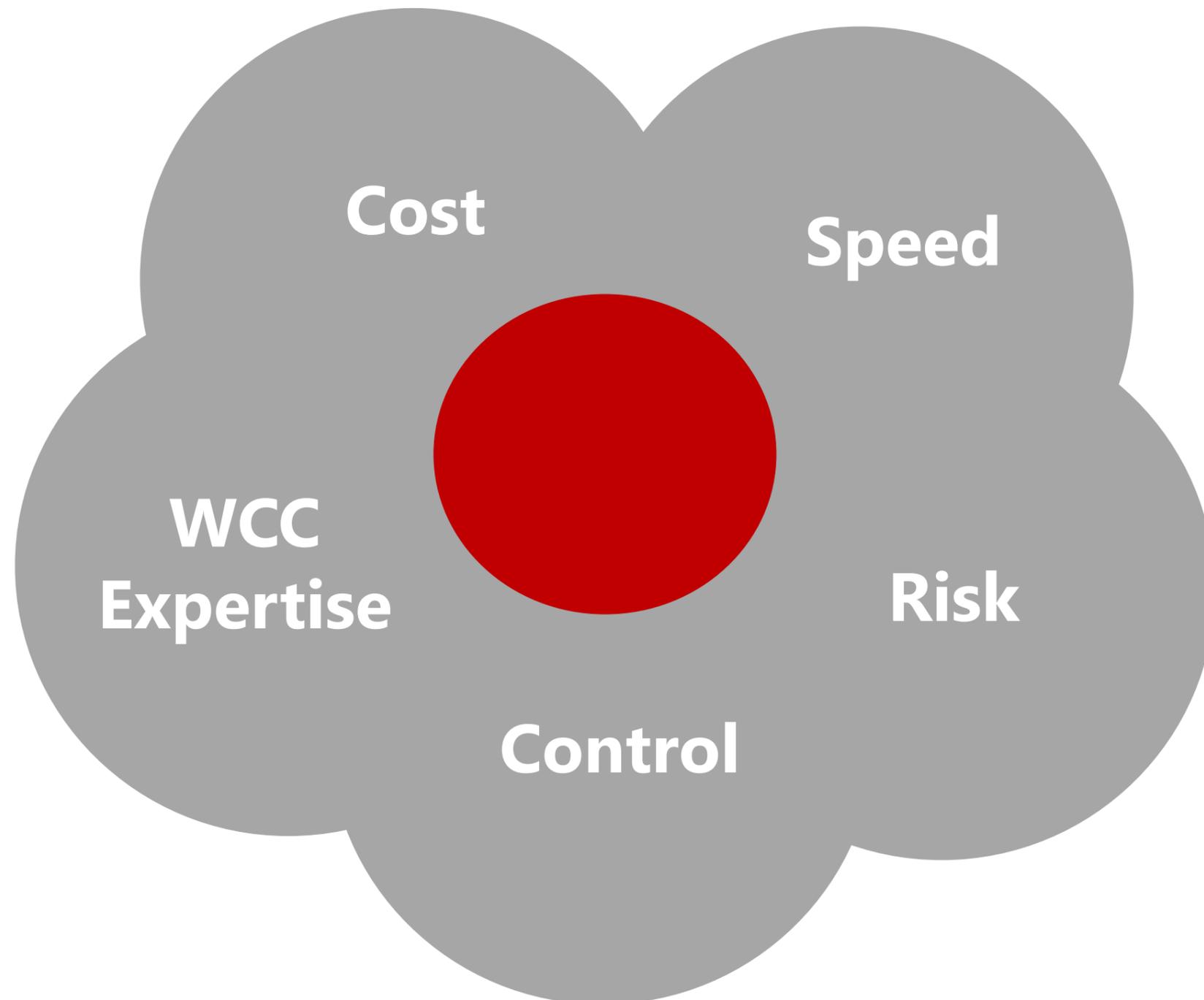
Sustainability



Delivery Models-Key Considerations



Five key considerations for WCC when selecting a suitable delivery model for the Central Winchester Regeneration scheme:



Delivery Options-Central Winchester Regeneration



These five key considerations for WCC have been RAG (Red / Amber / Green) rated against potential delivery options.

	Contractual Joint Venture	WCC acting as Master Developer	Corporate JV Portfolio Level
Cost	Green	Red	Yellow
Speed	Yellow	Yellow	Red
Risk	Green	Red	Yellow
Control	Yellow	Green (diagonal lines)	Green (diagonal lines)
WCC Expertise	Green	Red	Yellow

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The preferred delivery route is a contractual joint venture whereby the CWR site will come forward by way of a development agreement on a phased basis.

Contractual Joint Venture - Master Developer across whole site



(Development Agreement)

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	Contractual Joint Venture
Cost	Green
Speed	Yellow
Risk	Green
Control	Yellow
WCC Expertise	Green

Key positives:

- Developer expertise
- Cost transfer to developer
- Planning and development risk transfer
- Lower WCC resourcing/expertise requirement
- Developer 'draws down' land and pays WCC land receipt at point of transfer
- A well-recognised tool by the market for more complex sites

Key negatives:

- Some loss of control however influence over key aspects
- Relying on contract if performance falters/market conditions change
- Likely marginally longer to spade in ground
- Up-front governance requirement

WCC acting as a Master Developer



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	WCC acting as Master Developer
Cost	Red
Speed	Yellow
Risk	Red
Control	Green diagonal lines
WCC Expertise	Red

Key positives:

- Timing of Kings Walk – potential first phase
- Level of control over site (noting master developer not the same as direct delivery)
- Appeal to local and regional developers

Key negatives:

- WCC cost (e.g. planning, Kings Walk, bus solution, public realm and infrastructure)
- Planning and development risk
- Very significant WCC resource/expertise requirement
- High degree of complexity given multiple parties/phases
- Reduced national developer appetite given reduced scale of individual opportunities
- Intensive/ continuous governance requirement

Corporate Joint Venture for Large/Multi-Site Initiatives - Portfolio level



(NewCo. Between Developer and WCC)

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	Corporate JV Portfolio Level
Cost	Yellow
Speed	Red
Risk	Yellow
Control	Green diagonal lines
WCC Expertise	Yellow

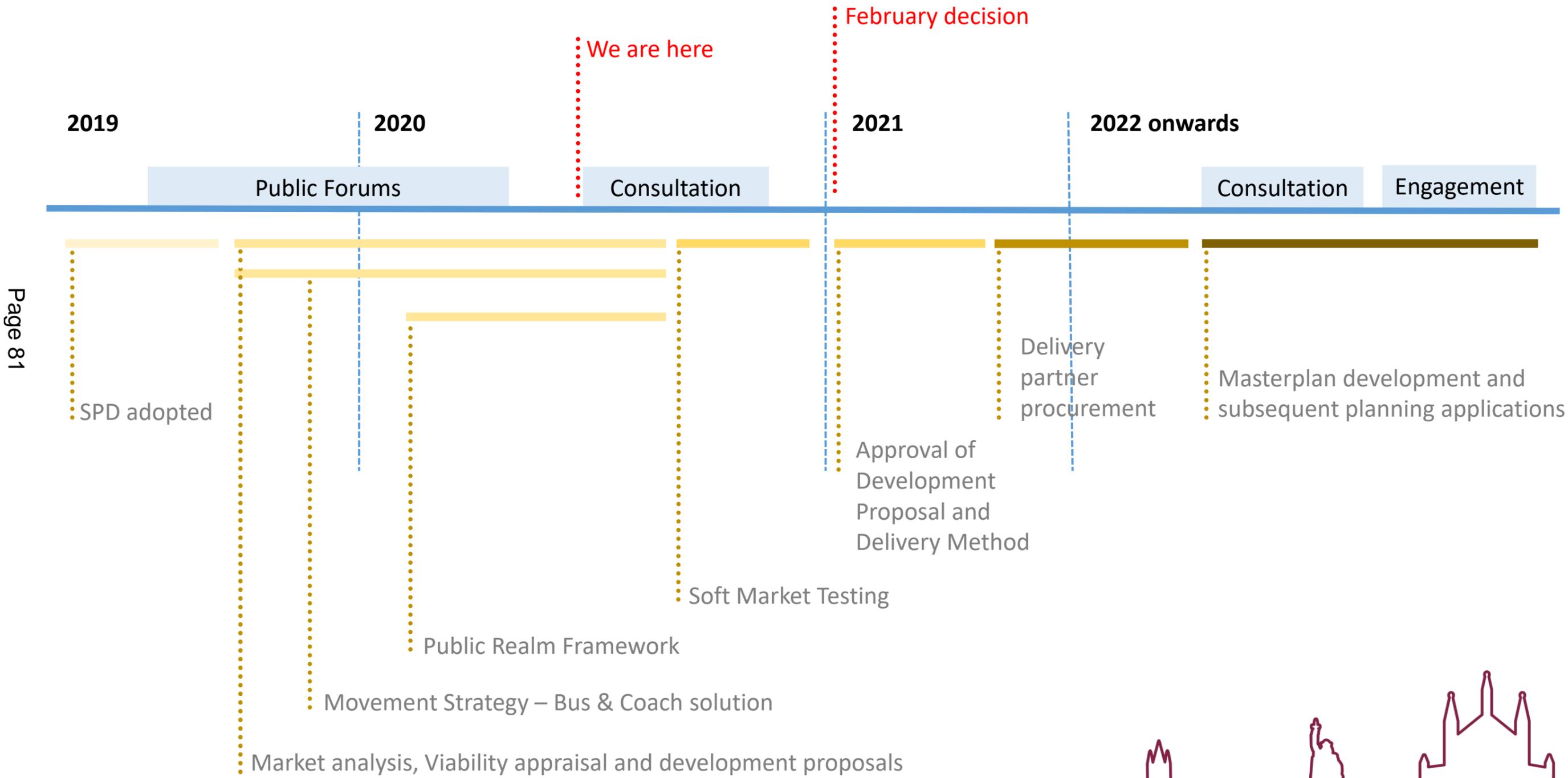
Key positives:

- Ability to share in profit associated with development
- Financial return is realised upon the completion of the development but may be enhanced in response to greater exposure to risk
- Joint control over all aspects of the scheme – timing, design and phasing etc.
- Typically used for very large development sites or multi-site initiatives

Key negatives:

- WCC shares planning risk
- WCC shares development risk
- High WCC resource and ongoing governance requirements
- Specialist role impacting on scale of market appetite
- Speed - more time required to procure a partner across a portfolio and set up a new JV company

Timescales for Delivery



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Strategic Outline *Case*

Winchester City Council

Central Winchester Regeneration Project

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1 Executive summary

1.1 Introduction

A Strategic Outline Case (SOC) is required for a Gateway review 1 by the Winchester City Council (WCC) for the Central Winchester Regeneration (CWR) programme. This programme is following the recommended Green Book approach to developing business cases to support programme and project decisions as outlined in the below table.

Business case development process

Stage	Stage 0	Stage 1	Stage 2	Stage 3
Stage outcome	<ul style="list-style-type: none"> Strategic Assessment 	<ul style="list-style-type: none"> Strategic Outline Case 	<ul style="list-style-type: none"> Outline Business Case 	<ul style="list-style-type: none"> Full Business Case
Stage activities	<ul style="list-style-type: none"> Determine the strategic context 	<ul style="list-style-type: none"> Scoping the scheme Making the case for change Explore the preferred way forward 	<ul style="list-style-type: none"> Planning the scheme Determine potential value for money (VfM) Preparing for the potential deal Ascertaining affordability and funding requirement Planning for successful delivery 	<ul style="list-style-type: none"> Procuring the solution Contracting for the deal Ensuring successful delivery
5 Case Model completeness expectation	<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> Strategic 50% Economic 40% Commercial 20% Financial 30% Management 10% 	<ul style="list-style-type: none"> Strategic 80% Economic 70% Commercial 60% Financial 60% Management 50% 	<ul style="list-style-type: none"> Strategic 100% Economic 100% Commercial 100% Financial 100% Management 100%
Gateway review	0: Strategic assessment	1: Business justification	2: Delivery strategy	3: Investment decision

Guide to developing the project business case

To date, there has been significant work done on developing the development proposals and a wide range of stakeholder engagement, including public consultation. This has enabled the CWR project team to provide an SOC report that has progressed elements of the 5 Case Model beyond the required level of completeness, including the level of detailed assessment of the scope and solution delivery short-listed options and the progress made on the financial appraisal.

Approval of this report will therefore enable the CWR project team to progress through Stage 2 more expediently and onto the Full Business Case in Stage 3, following which the development can be implemented.

1.2 Strategic case

1.2.1 The strategic context

WCC seek to fulfil the strategic intent and investment objectives of the Supplementary Planning Document through the development and regeneration of the Central Winchester site.

1.2.2 The case for change

The case for change has been outlined in two primary sources, the Central Winchester Regeneration Supplementary Planning Document (SPD) and the Winchester City Council Plan 2020- 25. These documents aligned in outlining the key areas that need to be addressed and have been consolidated into the project’s investment objectives:

#	Investment Objective	Description
1	Work	Provide creative, flexible workspaces to help grow start-up businesses and allow like-minded professionals to support each other by sharing skills, ideas and resources.
2	Live	Provide housing suitable for a range of people, including young people and families. A mix of private and affordable housing is needed with new homes for key workers and homes for rent.
3	Play	Create high quality exceptional public places where people want to spend time, to enjoy outside spaces, to experience new things, to celebrate heritage and culture and to get involved in something that interests them.
4	Student and young person experience	Create a mix of uses which is attractive to students and young people. Which encourages them to visit the centre of Winchester instead of going elsewhere and gives them reason to want to stay in the city beyond their time at university.
5	Overnight tourism	Create an attractive night-time offering to complement the existing city quarters and encourage residents and tourists to visit the area in the evening.
6	Sustainable development	Work towards the city carbon neutrality target through choice of building materials, measures to minimise energy use, re-use of buildings where appropriate and encouraging suitable modes of transport.

1.3 Economic case

The purpose of the economic dimension of the business case is to identify the proposal that delivers best public value to society, including wider social and environmental effects.

The economic case outlines the options considered in 4 primary assessment categories:

- Solution options – choices in terms of specifications and coverage of the development (the “what”)
- Implementation options – choices in terms of the delivery timescale (the “when”)
- Solution delivery options – choices in terms of method of delivery (the “how”)
- Funding options – choices in terms of financing and funding (the “who”)

These have all been categorised on a continuum from “business as usual” through to “do maximum” approach with each option assessed against the following key critical success factors:

1. Alignment to city needs
2. Alignment to the Supplementary Planning Document
3. Alignment to the Investment Objectives
4. Achieving the benefits optimisation
5. Affordability
6. Obtaining planning permission

1.3.1 The long list

The long list across all assessment categories is included in the table below, along with the summary finding:

Option	Descriptor	Finding
Assessment 1: Solution		
1.1	Do nothing	Excluded. Will result in the city centre continuing to degenerate
1.2	Do minimum	Excluded. Will not result in the required vibrant mixed-use quarter
1.3	Do more than minimum	Excluded. Will not result in the required vibrant mixed-use quarter
1.4	Do maximum	Included. Option most closely aligned with the investment objectives
Assessment 2: Implementation		
2.1	Single Phase	Excluded. Not aligned to SPD phased development approach
2.2	Incremental	Included
Assessment 3: Solution delivery		
3.1	Disposal- Freehold or Long Leasehold	Excluded. Insufficient control of the development and alignment to SPD
3.2	WCC to bring forward Kings Walk Creative Quarter and deliver the on-street bus solution. Remaining land parcels disposed of on a Freehold basis and brought forward by multiple developers	Excluded. Insufficient control over the development of the sold land parcels.
3.3	WCC to bring forward Kings Walk Creative Quarter and deliver the on-street bus solution. Followed by a development agreement with one development partner to bring forward the remaining land parcels in the defined site	Excluded. High WCC expenditure and resource requirement. Lack of market appetite for reduced developable area
3.4	WCC to bring forward Kings Walk Creative Quarter. Development Agreement with one development partner for the remainder of the defined site	Included as shortlisted option
3.5	Contractual agreement (i.e. development agreement) across the defined site with one development partner	Included as preferred option
3.6	WCC acting as master developer	Excluded. Significant cost, risk and resource requirements.
Assessment 4: Funding		
4.1	Private funding	Included as a blend of both private and public funding is preferred
4.2	Public funding	Included as a blend of both private and public funding is preferred

1.3.2 The short list

The outcome of the detailed analysis where the advantages and disadvantages of each option were weighed up resulted in the following short-listed options. Option 3.5 is the preferred option which will be taken through to the OBC and FBC stages.

Assessment category		Included options	
Solution		Option 1.4 Do maximum	
Implementation		Option 2.1 Incremental implementation	
Delivery	Option 3.4- Shortlisted WCC to bring forward Kings Walk Creative Quarter. Development Agreement with one development partner for the remainder of the site	Option 3.5- Preferred Contractual agreement (i.e. development agreement) across the defined site with one development partner	
Funding		Blend of private & public funding	

1.4 Commercial case

The purpose of this section of the SOC is to assess the required resources and the principles of the procurement strategy against the shortlisted and preferred options.

1.4.1 Procurement strategy

The Commercial Case section of the SOC outlines the proposed deal structure in relation to the shortlisted and preferred options outlined in the Economic Case. The detailed consideration of the Commercial Case only takes place at OBC stage. However, this SOC contains an initial, less detailed overview of the proposed procurement route.

Subject to approval of the preferred delivery route option 3.5, WCC will require the procurement of the following **primary contract**:

- A development partner, for the defined site, on the basis of a development agreement

1.4.2 Required services

In addition to the above primary contracts, WCC are likely to require additional specialist services as follows:

- Internally (support required for the following WCC teams):
 - Legal
 - Estates
 - Finance
 - Procurement
- Externally, the following support is required:

- Continued strategic advisor support is required at a programme level
- Specialist resource to prepare the Outline Business Case (“OBC”) and Full Business Case (“FBC”)
- External legal advice
- Communications support

1.5 Financial case

To assess the financial impact of both shortlisted options, an affordability model has been developed to illustrate both the overall capital cost of each option (showing the peak Council funding requirement) and the impact on the Council’s annual revenue budget.

In summary, the shortlisted options (3.4 and 3.5) will require a Gap Funding position (assuming no borrowing). Option 3.4 would require a gap funding (external grant, developer contributions or additional council contribution) of £7.9m and option 3.5 £4.8m. Although these gap funding amounts would not require any Council borrowing, they would still generate a negative revenue position across the life of the scheme. Neither options can generate a positive revenue position (Discounted NPV) with any amount of gap-funding.

Sensitivity analysis has also been completed which show that there is a 71% chance Option 3.4 produces a positive net capital position, 99% for Option 3.5. The percentage chance of achieving a net positive revenue position for both options is less than 1%.

1.6 Management case

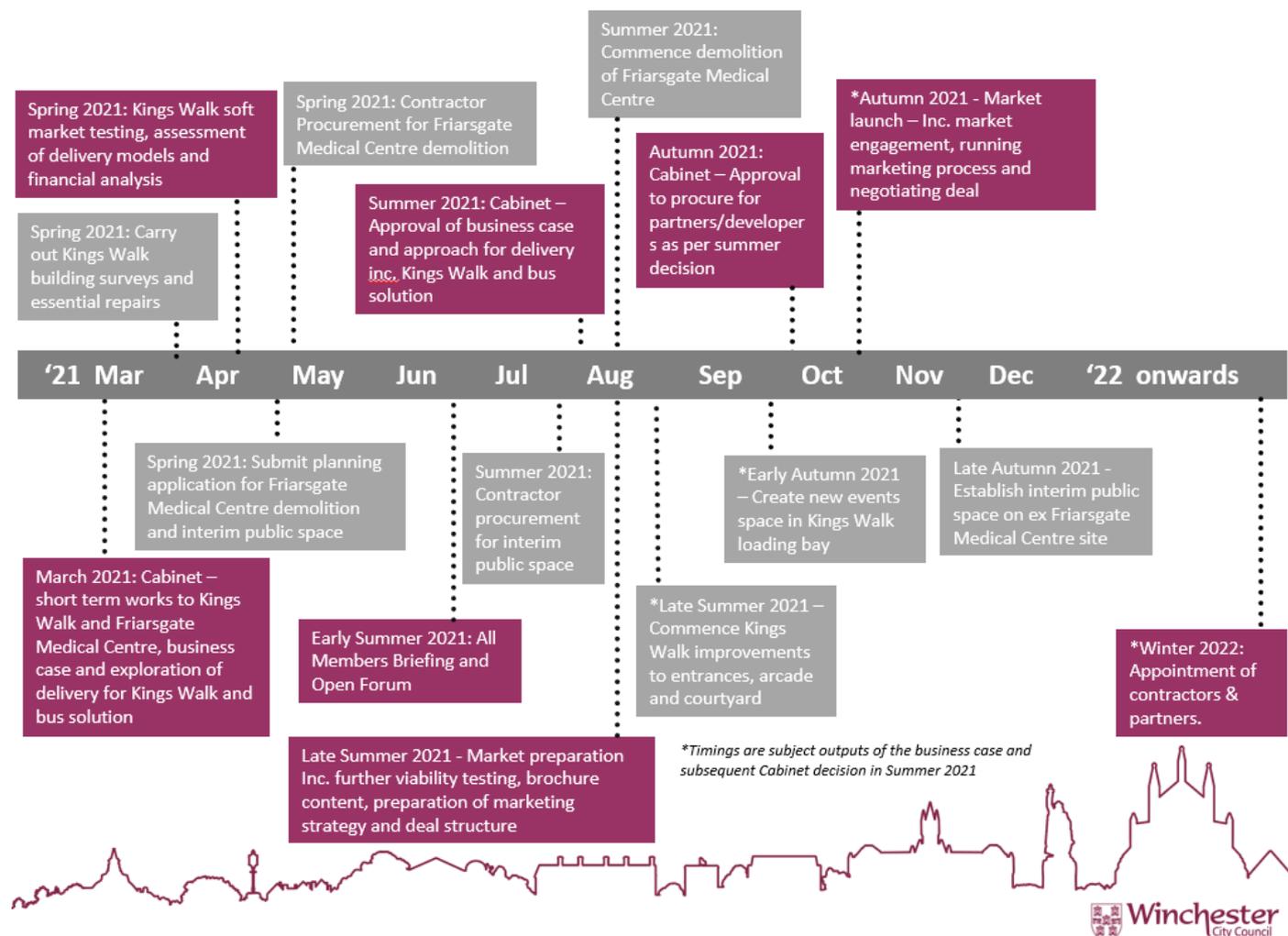
This section of the SOC addresses the ‘achievability’ of the scheme. Its purpose is to set out the actions that will be required to ensure the successful delivery of the scheme in accordance with best practice.

1.7 Project management arrangements

The project will be managed in accordance with the council’s major projects and programme management requirements PRINCE 2 methodology. A decision approval body (WCC cabinet) and a project team incorporating a core team supplemented with specialist service leads.

1.7.1 Outline project plan

The below project plan outlines the key tasks and their expected dates:



Winchester public participation presentation

1.8 Gateway review arrangements

The WCC cabinet will sign-off all Gateway reviews. Cabinet have confirmed that the CWR project team can request cabinet meetings to undertake these reviews on an ad hoc basis and that they do not need to align with the current scheduled cabinet meetings. The key gateway review points are as follows:

Gateway Reviews

Gateway	Descriptor	Review report	Expected review date
Gateway 0	'Strategic Assessments' on an ongoing assurance of programmes at the start, delivery and closing stages	Included in Strategic Outline Case	21 July 2021
Gateway 1	'Business Justification' prior the detailed planning phase.	Strategic Outline Case	21 July 2021
Gateway 2	'Delivery Strategy' prior to the procurement phase.	Outline Business Case	Autumn 2021
Gateway 3	'Investment Decision' prior to contract signature.	Full Business Case	Spring/Summer 2022
Gateway 4	'Readiness for Service' prior to 'going live' and implementation of the If scheme.		

Gateway	Descriptor	Review report	Expected review date
Gateway 5	'Operational Review and Benefits Realisation' following delivery of the project, establishment and/or decommissioning of the service		

Guide to developing the project business case

1.9 Conclusion

This Strategic Outline Case touches on elements within all 5 of the Cases: Strategic, Economic, Commercial, Financial and Management. Significant work has been done to analyse and evaluate the solution, and solution delivery options. The conclusion of this work is that the preferred option 3.5, a contractual agreement with a single development partner across the defined site, be presented to the WCC cabinet for a recommendation on the way forward, which may include the development of the Outline Business Case and Full Business Case for the preferred option only.

Signed:

Date:

Senior Responsible Owner

Project team

2 The Strategic Case

2.1 Strategic context

WCC seeks to fulfil the strategic intent and objectives through the development and regeneration of the Central Winchester site (referred to throughout this document as CWR).

The vision includes plans for attractive buildings, streets and places designed and laid out with Winchester character and scale to preserve what makes our city special and what we've begun to call 'Winchesterness'. By bringing a balance of restful and active spaces in the heart of the city and opening up the culvert to the east of the site, we will create public realm that is a positive legacy for the city.

Creating a new bus solution and, in the longer term, routing buses away from The Broadway and High Street to allow for environmental improvements to accommodate markets and other street-based activities, the regeneration of the area will aim to serve the whole community in a balanced approach.

2.1.1 Development Site Boundaries

The map below shows the boundaries of the site.



- The area outlined in red illustrates the area defined in the Central Winchester Regeneration Supplementary Planning Document (SPD) (see section 2.3.2 in this document). This includes areas such as Middle Brook Street Car Park, the Brooks Shopping Centre and The Broadway.
- The area outlined in green illustrates the area within the Central Winchester Regeneration development proposals, which includes Middle Brook Street Car Park but excludes St Clements Surgery. This is shown in greater detail in Appendix A and B.

- The area outlined in blue represents the defined site that would be included within a development agreement. This includes only WCC-owned land and excludes the M&S leased land.

For the purpose of this Strategic Outline Case, all development options (long list and short list) refer to only the land within the blue line and is referred to as the 'defined site'.

2.2 Organisational overview

WCC is a local authority in Hampshire and manages a wide variety of services for its residents and visitors. WCC have responsibility for planning, housing, waste collection, Council Tax and Business Rates collection, leisure services, tourism, benefits administration and many more services.

2.3 Business strategies

2.3.1 WCC 2021 Refresh of the Council Plan 2020-25

The Council Plan 2020-25 was refreshed for 2021 and adopted by Council on 24 February 2021. It sets out the priority outcomes for the Council and identifies the important issues that will be addressed over the life of the Plan through the work of the Council and its partners.

The Council Plan is focused on five key outcomes that WCC want to achieve in the coming years in a way that is consistent across their aims. These priority outcomes are:

- Tackling the climate emergency and creating a greener district
- Homes for all
- Vibrant local economy
- Living well
- Your services, Your voice.

The outcome of WCC's combined aims will be a district where everyone enjoys the opportunities and quality of life that come from living in the Winchester District.

2.3.2 CWR Supplementary Planning Document objectives

The Central Winchester Regeneration Supplementary Planning Document (SPD) was developed to ensure that the special qualities found in the heart of Winchester are retained and enhanced and that any future development is of a high-quality design, coordinated and sustainable.

The SPD derives from relevant planning policies from the National Planning Policy Framework (NPPF), the Local Plan Part 1 (March 2013) and the Local Plan Part 2 (April 2017), particularly policies within the LPP2 which include WIN2 – Town Centre, WIN3 – Views & Roofscape, WIN4 – Silver Hill Mixed Use Site, DM15 – Local Distinctiveness, DM26 – Archaeology, and DM27 –

Development in Conservation Areas. The NPPF and Planning Practice Guidance prioritise sustainable development and set out core principles for the design of the built environment, requiring local authorities to seek opportunities to meet the development needs of the area through the planning process.

The NPPF promotes competitive town centre environments which provide customer choice and a diverse retail offer whilst reflecting the individuality of the place. A range of other uses are expected to support the viability and vitality of the town centre, including leisure, offices, markets and a wide choice of quality homes.

The nine objectives of the SPD are:

- Objective 1 – Vibrant Mixed-Use Quarter
- Objective 2 – “Winchesterness”
- Objective 3 – Exceptional Public Realm
- Objective 4 – City Experience
- Objective 5 – Sustainable Transport
- Objective 6 – Incremental Delivery
- Objective 7 – Housing for All
- Objective 8 – Community
- Objective 9 – Climate Change and Sustainability

Progress on CWR supports the council plan priorities by working to deliver a vibrant new mixed-use development that will be creative and innovative to help reach the net carbon zero targets for WCC by 2024 and for the wider Winchester District by 2030. The CWR Supplementary Planning Document (SPD) details aims and objectives for the scheme and a planning and urban design framework which are in alignment with the council plan priorities.

The scheme will deliver towards the homes for all priority through the residential element of the development. It will support a vibrant local economy by working to fill the gap of affordable and flexible commercial space, enhancing the evening economy offer and creating an area aimed at attracting and retaining the young and creative talent in the City.

The SPD covers the area within the red line site boundary shown in the map in Section 2.1, as well as in Appendix C.

2.3.3 The case for change and investment objectives

Whilst we aim to achieve cost neutrality, it is recognised that financial gain or aim to make a profit is not an objective for the CWR project. The SPD sets out a vision and objectives for the area. The SPD is derived from 18 months of research and analysis, working with residents and local organisations through extensive consultation to establish a vision that will revitalise this central area of city and provide a place that can be enjoyed by everyone.

Research which followed the adoption of the SPD has further broadened our understanding of gaps in the market and how the central Winchester area can help to address these.

JLL undertook a Competitive Positioning study in 2019 which assessed the strengths, weaknesses, opportunities and threats for the city. The analysis has shown that the structure of Winchester’s population is not balanced in terms of age demographics. There is an ageing population living within Winchester and the city struggles to retain young talent due to a lack of affordable living opportunities, workspace and employment.

This imbalance, plus the impact of the COVID19 pandemic on the national economy will pose significant threat to Winchester’s prosperity and resilience. It is vital we invest now to ensure the city continues to attract people to live, shop, visit and work.

The following objectives have been identified to help address the issues which are currently contributing to Winchester’s imbalanced age demographic whilst delivering to the SPD objectives and fulfilling the vision which so many helped to shape.

List of investment objectives

The list of investment objectives were determined by reviewing the SPD and applying these through a process of competitive position analysis and the ‘Three Scenarios’ work. These investment objectives formed part of a public consultation in November 2020 and were also reviewed by key WCC stakeholders in May 2021.

#	Investment Objective	Description
1	Work	Provide creative, flexible workspaces to help grow start-up businesses and allow like-minded professionals to support each other by sharing skills, ideas and resources.
2	Live	Provide housing suitable for a range of people, including young people and families. A mix of private and affordable housing is needed with new homes for key workers and homes for rent.
3	Play	Create high quality exceptional public places where people want to spend time, to enjoy outside spaces, to experience new things, to celebrate heritage and culture and to get involved in something that interests them.
4	Student experience	Create a mix of uses which is attractive to students and young people. Which encourages them to visit the centre of Winchester instead of going elsewhere and gives them reason to want to stay in the city beyond their time at university.
5	Overnight tourism	Create an attractive night-time offering to complement the existing city quarters and encourage residents and tourists to visit the area in the evening.
6	Sustainable development	Work towards the city carbon neutrality target through choice of building materials, measures to minimise energy use, re-use of buildings where appropriate and encouraging suitable modes of transport.

WCC stakeholder engagement

2.4 Existing arrangements

- Dated area

The CWR area is a dated area of the city centre. Many buildings are vacant, unsightly and have fallen into disrepair. Businesses are struggling due to lack of footfall / desire from others to move into / visit the area.

- Antisocial behaviour and squatting

Issues with antisocial behaviour and squatting are not uncommon, creating security issues and further costs for the council.

- Cost to council

The council currently pays out large sums of money towards business rates and maintenance fees for unoccupied buildings.

- Friarsgate Medical Centre – c. £65k per annum; and
- Kings Walk – c. £25k per annum non recoverable service charge plus significant ongoing maintenance costs
- Unbalanced age demographic

A Competitive Position Study to assess the strengths, weaknesses, opportunities and threats for the city has demonstrated that the structure of Winchester's population is not balanced in terms of age demographics. There is an ageing population living within Winchester and the city struggles to retain young talent due to a lack of affordable living opportunities, workspace and employment opportunities.

- COVID-19 impact on tourism and wider economy

The impact of COVID-19 on the national economy along with the reduction in tourism income poses a significant threat to Winchester's prosperity and resilience. In order to address this Winchester will need to consider ways to encourage and attract overnight tourism.

2.5 City needs

- Rejuvenation of the city centre

Without investment into the area, ongoing costs and issues referred to above will continue to escalate, the imbalance within Winchester's age demographic will continue to increase and recovery from the pandemic will be compromised.

It's therefore vital we invest now to ensure the city continues to attract people to live, shop, visit and work.

- COVID-19 Pandemic recovery

There is a need to work towards ensuring Winchester's recovery from the COVID-19 pandemic, whilst recognising the challenges this pandemic poses to resources and the financial situation across the local government sector.

- Mitigate council reputational risk

Residents and local organisations have been waiting a long time for the area to be improved. The council has promised to regenerate - there is a reputational risk to the council if it fails to do so now.

2.6 Potential business scope and key service requirements

The scope of the proposal is to redevelop the Central Winchester site in line with the strategic objectives outlined in the Council Plan and SPD. A “Do Nothing” option is presented as a baseline with three different options considered under the redevelopment proposals. The options considered are as follows:

List of potential project scope options

Do nothing	Do minimum	Do more than minimum	Do maximum
Continue managing and operating the area in the current way	Demolish Friarsgate Medical Centre and develop into interim public space	Demolish Friarsgate Medical Centre and develop into interim public space and refurbish Kings Walk to provide a creative quarter	Redevelop the defined site into a mixed-use node

WCC and JLL

2.7 Main benefits criteria

This section describes the main outcomes and benefits associated with the implementation of the potential scope in relation to the city needs.

- Improve employment opportunities
- Create flexible workspaces to help grow start-up and small businesses
- Enhance the local economy / assist in recovery from COVID19 impact
- Reduce issues with antisocial behaviour
- Provide housing for all
- Improve the night-time offering
- Encourage sustainable movement
- Minimise energy use
- Resilience to impacts of climate change such as flooding

Satisfying the potential scope for this investment will deliver the above high-level strategic and operational benefits.

These benefits will help to address the gaps identified in the Competitive Positioning analysis whilst fulfilling the aspirations of the SPD.

2.8 Main risks

The main risks to the project are:

Main risks and mitigating actions

Risk	Mitigating action
Lack of timely decision on the preferred option for delivery to realise benefits	Ensure sufficient stakeholder engagement prior to presentation of the SOC to council for decision in July 21
The development does not deliver on the SPD and Investment Objectives	WCC to ensure that a delivery model is selected that ensures alignment to the SPD
Pushback from the neighbouring landlords and residents excluded from the current proposal, could delay or impede the project	Stakeholder engagement with the neighbouring landlords and residents
General economic risk of there being lower than expected take-up of the developed facilities	Detailed market research and advanced marketing to secure the right mix of tenants
Political risk of failing to deliver the project	Deliver meanwhile uses to show short-term progress and activation of the site

WCC and JLL

2.9 Constraints

The project is subject to the following constraints:

- Affordability

It is important to consider the affordability in the context of the council's overall financial position and one of the key principles of the CWR project is that overall it is cost neutral to the council.

- Viability

It is important to consider the viability of the site. The mix of uses which meet the investment objectives for the project will likely not return the highest land value to WCC.

- COVID-19

The current pandemic may have an impact on how quickly we can move forward with the development. In the short term this may involve issues related to funding and resource. The impacts of the pandemic longer term are currently unknown but this is likely to involve further decline in the already struggling retail market as well as presenting challenges for housing and changes to working patterns / operations. The development proposals have been created to enable flexibility across the different mix of uses and the phasing.

- Funding

The council will be looking to apply for relevant funding grants at appropriate points as the development moves forward. The funding available and the success of any applications submitted will have an impact on how quickly we can move forward with certain elements of the scheme.

2.10 Dependencies

The project is subject to the following dependencies that will be carefully monitored and managed throughout the lifespan of the scheme.

- Winchester Movement Strategy

The development proposals for the site include a solution for bus traffic which will work within the existing road network and current one – way system in the city. This solution is proposed for the short to medium term. As the outputs from the Movement Strategy come forward and the development progresses there is an opportunity to revisit the solution for the bus operations and potentially re-route the buses away from the centre of the site. The council continues to work closely with Hampshire County Council to ensure proposals for CWR and the outputs of the Movement Strategy are aligned.

- Landownership and tenancies

Within WCC's ownership, some parts of the site will be available for redevelopment sooner than others, and further careful thought will need to be given to how the development might come forward in a series of phases which takes this into consideration, for example the provision of an alternative solution for buses to gain vacant possession of the existing bus station. The council will work closely where relevant with the tenants and other landowners as the proposals are progressed.

- Climate change

The council's Carbon Neutrality Action Plan commits the council to review its own activities to reach carbon neutrality by 2024 and sets the same ambitious goal for the wider district by 2030. Consideration of the carbon emission impact of development, transport implications and the sustainability of the scheme is therefore critical to the development process.

3 The Economic Case

3.1 Introduction

In accordance with the Capital Investment Manual and requirements of HM Treasury's Green Book (A Guide to Investment Appraisal in the Public Sector), this section of the SOC documents the wide range of options that have been considered in response to the potential scope identified within the strategic case.

3.2 Critical success factors (CSF)

The key CSFs for the project were developed iteratively over time through a mix of key stakeholder engagement and public participation. The final set of CSFs were presented to WCC Cabinet on 15 June 2021 and were endorsed by them at this meeting.

These CSFs have been used alongside the investment objectives for the project to evaluate the long list of possible options.

Critical Success Factors

CSF	Descriptor	Descriptor
1	Alignment to City Needs	How well the option satisfies the existing and future needs of the city as identified in the Competitive Positioning Study as well as the council's 5 key outcomes as outlined in the Council Plan 2020-25, namely: <ul style="list-style-type: none"> • Tackling the climate emergency and creating a greener district • Homes for all • Vibrant local economy • Living well • Your services. Your voice.
2	Alignment to the SPD	How well the option aligns to the 9 key objectives in the CPD, namely: <ul style="list-style-type: none"> • Vibrant Mixed-Use Quarter • "Winchesterness" • Exceptional Public Realm • City Experience • Sustainable Transport • Incremental Delivery • Housing for All • Community • Climate Change and Sustainability
3	Alignment to the Investment Objectives	How well the option is aligned to the 6 Investment Objectives, namely: <ul style="list-style-type: none"> • Work • Live • Play • Student and young person experience • Overnight tourism • Sustainable development
4	Achieving the benefits optimisation	How well the option assists in improving the local economy in areas such as: <ul style="list-style-type: none"> • Job creation and employment opportunities • Increase in rates and taxes • Tourism economy benefits • Delivery of affordable housing

CSF	Descriptor
5	Affordability Assessment on the council's ability to fund the required level of expenditure – namely, the capital and revenue consequences associated with the proposed investment.
6	Obtaining planning permission Ability of the proposed solution to meet planning requirements and obtaining the necessary planning permission promptly
7	Mitigating Political Risk Political risk of not delivering on public declarations in a timely manner

WCC and JLL

3.3 The long-listed options

The long list of options was generated from a number of key stakeholder workshops and events including with WCC cabinet members and a public participation forum.

The evaluation was undertaken in accordance with how well each option met the investment objectives (as listed in the Strategic Case) and the CSFs.

The long list of options for this development was generated using the Green Book options framework. This generated options within the following four key categories of choice, which have been assessed in a linear process:

1. Solution options – choices in terms of specifications and coverage of the development (the “what”)
2. Implementation options – choices in terms of the delivery timescale (the “when”)
3. Solution delivery options – choices in terms of method of delivery (the “how”)
4. Funding options – choices in terms of financing and funding (the “who”)

3.4 Assessment 1: Solution options

3.4.1 Introduction

In accordance with the HM Treasury Green Book and Capital Investment Manual, the “do nothing” option has been considered as a benchmark for potential value for money (“VFM”).

An infinite number of options and permutations are possible; however, within the broad scope outlined in the strategic case, the following main options have been considered:

- Option 1.1 – Do nothing: Continue operating the area in the same way
- Option 1.2 – Do minimum: Demolish Friarsgate Medical Centre and prepare temporary public realm
- Option 1.3 – Do more than minimum: Per option 1.2 plus redevelop Kings Walk into a “Cultural Quarter”
- Option 1.4 – Do maximum: Redevelop the defined site in line with the WCC SPD

3.4.2 Option 1.1 - Do nothing

The option of 'do nothing' would be to continue managing and operating the defined site in the current way.

Advantages

The main advantages are:

- Investment from the council is minimised (although this includes continuing to incur costs associated with anti-social behaviour and unused buildings – see below)
- Continue to benefit from existing income streams
- There will be less disruption than for any of the other options as there will be no demolition or development work

Disadvantages

The main disadvantages are that:

- Does not achieve any of the Investment Objectives, City Needs objectives or Critical Success Factors
- There is a reputational risk to the council if a decision is made to do nothing, the city has been waiting for the area to be regenerated for many years and the council has made a commitment to seeing it through
- The area will continue to decline, and buildings will continue to deteriorate / fall into disrepair
- The council will continue to incur costs associated with the maintenance of dated buildings which are no longer fit for purpose and / or in use
- The council will continue to incur costs for business rates associated with buildings which are not in use
- Issues and associated costs to the council related to antisocial behaviour will continue and, in all likelihood, become worse
- The imbalance identified in Winchester's age demographic will continue if no action is taken to encourage younger generations to stay
- Little to attract people to the area will not help Winchester recover from the COVID-19 pandemic

3.4.3 Option 1.2 – Do minimum

Demolish Friarsgate Medical Centre and convert it into a temporary public realm.

Advantages

The main advantages are:

- WCC will be seen to be doing something to change/develop the area

- Reduction in the ongoing maintenance costs for the Friarsgate Medical Centre (approximately £65k per annum)

Disadvantages

The main disadvantages are:

- Does not achieve or meaningfully contribute towards the achievement of the SPD or investment objectives
- Demolishing a single building is unlikely to redress the general decay in the area
- Improving the public realm is unlikely to be sufficient to attract people back into the city centre
- This option does not contribute to providing housing or enabling a vibrant mixed-use quarter
- WCC could face reputational damage for doing too little and under-delivering on their stated strategic objectives

3.4.4 Option 1.3 – Do more than minimum

Demolish Friarsgate Medical Centre and convert it into a temporary public realm. Refurbish Kings Walk into a “Creative Quarter”.

The Kings Walk refurbishment will create a range of artistic/ makerspace, studios and workspaces aimed at the creative industries and provide areas that support SMEs. This is an internal refurbishment to bring it in line with current occupational needs and demands, as opposed to a comprehensive redevelopment.

Advantages

The main advantages are:

- Reduction in the ongoing maintenance costs for the Friarsgate Medical Centre (approximately £65k per annum)
- WCC will be seen as positively contributing to creating enabling work opportunities
- The mix of artistic/ makerspace, office and studio space will assist with developing the vibrant mixed-use site envisioned in the SPD
- The type of space being developed is likely to create employment opportunities and a work environment for the younger demographic
- Refurbishing Kings Walk is likely to increase footfall in the area possibly resulting in a decrease in anti-social behaviour and squatters

Disadvantages

The main advantages are:

- A large portion of the CWR area will remain undeveloped, so will not meet the SPD requirements

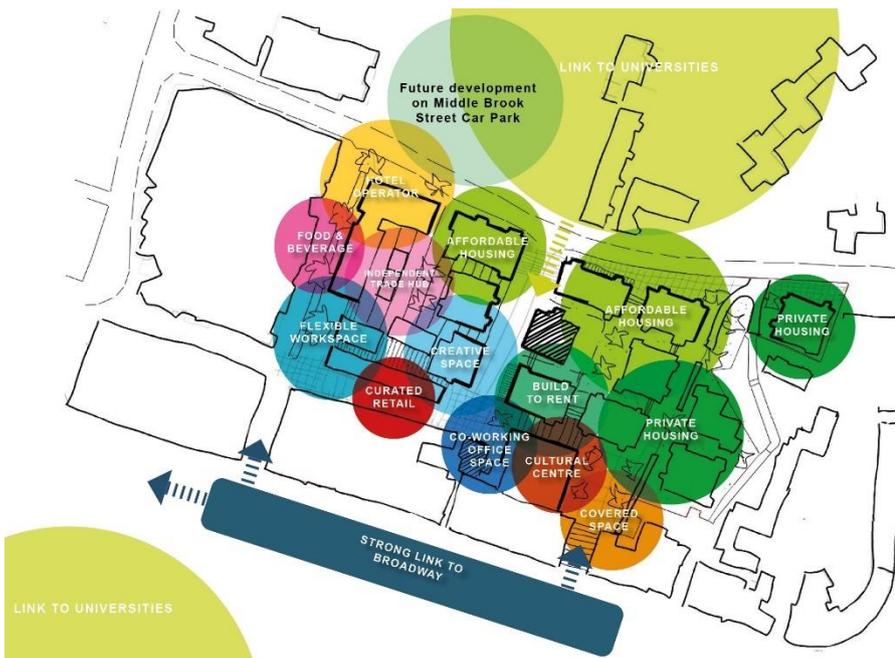
- Whilst developing Kings Walk contributes towards creating a mixed-use precinct through providing office and creative/maker space, it does not address the housing or cultural requirements
- Creating workspace targeted at the younger demographic without creating appropriate housing and cultural elements is likely to result in the desired outcomes not being achieved

3.4.5 Option 1.4 – Maximum option

Develop the defined site in line with SPD. This will include a range of workspaces, retail, housing, entertainment, cultural and public realm spaces.

WCC has undertaken work to arrive at a development proposal for the site. The development proposals have aligned to the Competitive Position work undertaken by JLL and have been produced in line with the guidance of the SPD. The development proposals were subject to public consultation in December 2020- January 2021 and received a significant level of support from the public.

The development proposals present a vibrant mixed-use destination as demonstrated by the illustration below:



This is also shown in greater detail in Appendix A and B.

Advantages

The main advantages are:

- Implementing this option at the defined site will meet the strategic objectives of the SPD
- This development will result in a vibrant mixed-use destination

- The provision of a range of housing options and co-working spaces will encourage the younger demographic to remain in Winchester
- The inclusion of a hotel and entertainment facilities is likely to result in increased overnight tourism for Winchester
- Development of the defined site will result in increased employment opportunities, a reduction in vacancy rates and antisocial behaviour and squatting which will all positively impact the WCC finances
- Delivery of a high-quality public realm
- Pedestrianisation of the area will also provide sustainability and reduced carbon footprint advantages

Disadvantages

The main advantages are:

- A redevelopment of this scale may result in some disruption
- A larger upfront capital investment is required

3.4.6 Overall conclusion: Solution options

The table below summarises the assessment of each option against the investment objectives and CSFs.

Summary assessment of Solution options

Criteria	Option 1.1 Do nothing	Option 1.2 Do minimum	Option 1.3 Do more than minimum	Option 1.4 Do maximum
CSF1: Alignment to city needs				
Tackling the climate emergency and creating a greener district	0	1	1	3
Homes for all	0	0	0	3
Vibrant local economy	0	1	1	4
Living well	0	1	2	4
Your services. Your voice	0	1	2	3
CSF2: Alignment to SPD				
Vibrant Mixed-Use Quarter	0	1	2	4
Winchesterness	0	1	1	3
Exceptional Public Realm	0	1	1	3
City Experience	0	1	2	4
Sustainable Transport	0	0	0	3
Incremental Delivery	0	1	2	4

Criteria	Option 1.1 Do nothing	Option 1.2 Do minimum	Option 1.3 Do more than minimum	Option 1.4 Do maximum
Housing for All	0	0	0	3
Community	0	1	2	4
Climate Change and Sustainability	0	1	1	3
CSF3: Alignment to investment objectives				
Work	0	0	2	3
Live	0	1	1	3
Play	0	1	1	3
Student experience	0	1	1	3
Overnight tourism	0	0	1	3
CSF4: Achieving the benefits optimisation				
Employment	0	0	3	4
Rates and taxes	0	0	1	4
Tourism economy	0	0	1	4
CSF5: Affordability				
>= breakeven	0	0	1	3
CSF6: Obtaining planning permission				
Appropriate planning permission for full site	0	1	2	3
CSF7: Mitigating Political risk				
Risk of not delivering a solution for Winchester	0	1	2	4
SUMMARY	0	1	2	3

JLL analysis

Key: 0 = No impact; 1 = Little impact; 2 = Some impact; 3 = High impact; 4 = Maximum impact

Of the four options considered, only the “do maximum” option meaningfully contributes to achieving the strategic objectives of SPD and the CWR investment objectives.

The “do maximum” proposal includes a range of office/ commercial space, housing, retail, entertainment and cultural elements as set out in the Development Proposal. This proposal is the one that will be taken forward as the preferred option for future analysis in the Outline Business Case (OBC).

3.5 Assessment 2: Implementation options

3.5.1 Introduction

Following the selection of the preferred project scope, this range of options considers the choices for implementation timing. Two options were considered:

- Option 2.1 Single phase
- Option 2.2: Incremental

3.5.2 Option 2.1: Single phase

This option assumes assumed that the whole scheme is delivered as one single phase. All the required services could be delivered within the initial phase(s) of the project.

Advantages

The main advantages are that:

- Timing advantage as speed of delivery to end state will most likely be quickest under this option

Disadvantages

The main disadvantages are that:

- Potential lack of developer market demand due to obligation to deliver as a single phase
- The previous Silverhill scheme proposed a single developer approach which would have seen the redevelopment brought forward in one single phase, this was amongst a number of reasons this previous scheme was discounted
- The aspiration set out in the CWR SPD is to deliver the scheme incrementally – the council faces strong criticism if this approach is not pursued
- Some parts of the site won't be available for redevelopment at the same time as others

Conclusion

This option goes against the guidance set out in the CWR SPD to deliver in an incremental manner.

3.5.3 Option 2.2: Incremental

This option assumes that the implementation of the required services would be phased on an incremental basis. This means that land parcels would be developed on a phased basis.

Advantages

The main advantages are that:

- The SPD indicates a preference for the site to be brought forward in phases using multiple developers, architects etc. Using a single development partner for the defined site will achieve the same goal through:
 - Retaining the incremental approach of delivery in phases
 - Enabling better integration of multiple design inputs from multiple stakeholders and architects
 - Enabling better sharing of infrastructure and public realm related costs across land parcels

- Ensuring cross-subsidy across the site whereby higher value uses can enable the delivery of lower value uses
- Some parts of the area cannot be brought forward immediately due to existing tenancies, landownership and traffic and public transport arrangements – a phased approach will enable work to begin on the parts of the area that can be brought forward now, unlocking other parts of the area and enabling regeneration to come forward sooner
- A key element to this is the bus station, until buses are transferred to the proposed on-street solution much of the defined site cannot be developed

Disadvantages

The main disadvantages are that:

- There may be negative implications for existing tenants and businesses as surrounding parts of the area are brought forward for delivery – the council should ensure there is a strategy in place for these tenants and businesses to minimise disruption
- Some of the larger developers may be less interested if the site is carved up into smaller sections that will be brought forward in phases
- Some parts of the site may remain undeveloped for some time

Conclusion

This option, incremental development, is aligned to the CWR SPD and enables the development to progress in the parts of the area which can be brought forward sooner, unlocking other parts in the process.

3.5.4 Overall conclusion: implementation options

When deciding on the preferred implementation option, the overarching requirement was extracted from the SPD which required a phased approach to the regeneration of Central Winchester.

Option 2.1: Single phase

This option has been discounted because it goes against the guidance set out in the CWR SPD.

Option 2.2: Incremental

This option is preferred because it is aligned to the CWR SPD.

3.6 Assessment 3: Solution delivery options

This range of options considers the options for Solution Delivery in relation to the preferred scope and implementation timing.

A wide range of options were considered against the following key criteria:

Solution Delivery selection criteria

Criteria	Descriptor
Cost	What is the expected level of direct cost to WCC
Control	How much control does WCC have over the development

Criteria	Descriptor
Planning risk	How much of the planning risk lies with WCC
Development risk	How much of the development risk lies directly with WCC
Resourcing / expertise	Does WCC have the required internal resources/expertise
Speed	How well does the delivery option align to the required delivery timelines
Return (profit share)	What level of profit share return will WCC receive
Return (land receipt)	What level of land receipt returns will WCC receive
Market appetite	What is the likely market appetite for the Solution delivery option

JLL

It was recognised that six delivery options should be examined in further detail:

This range of options are included in the below table, using an illustrative continuum from lesser council control to greater council control:

Delivery options continuum

Lesser control Lesser risk					Greater control Greater risk
Option 3.1	Option 3.2	Option 3.3	Option 3.4	Option 3.5	Option 3.6
Disposal- Freehold or Long Leasehold	WCC to bring forward Kings Walk Creative Quarter and deliver the on-street bus solution. Remaining land parcels within the defined site disposed of on a Freehold basis and brought forward by multiple developers	WCC to bring forward Kings Walk Creative Quarter and deliver the on-street bus solution. Followed by a development agreement with one development partner to bring forward the remaining land parcels within the defined site	WCC to bring forward Kings Walk Creative Quarter. Development Agreement with one development partner for the remainder of the defined site	Development agreement across the defined site with one development partner	WCC acting as master developer

JLL

JLL carried out an exercise to further investigate the positives and negatives of each of these options in relation to criteria listed above. Details of which are set out below.

All options assessed below refer to the defined site (within the blue line site boundary), as outlined in Section 2.1.1 and Appendix C. This is land within WCC ownership.

3.6.1 Option 3.1 – Disposal- Freehold or Long Leasehold

This delivery route involves WCC selling the site on the open market. A redline would be put around the boundary of the defined site. Then marketing particulars would be produced alongside a dataroom information pack which would be available for potential purchasers.

WCC would offer the site to the market on a freehold basis (this would be preferred by the market) or leasehold (with a recommended minimum of 250 years +). A lease term less than 250 year would potentially negatively impact on the level of market interest and the land receipt received by WCC.

Potential purchasers would be invited to bid for the land on an unconditional basis.

It should be noted that the market would deliver a mix of uses that optimise value and not necessarily deliver the Development Proposals.

Advantages

The main advantages are:

- WCC receive a land receipt upon sale of the land
- Opportunity to drive competitive tension in the market which may result in an enhanced land receipt
- The purchaser will be required to extinguish the existing overage agreements. NOTE. This would likely be reflected in the land value reported.
- An element of control is retained through the WCC planning department
- No delivery risk borne by WCC
- No cost associated with development borne by WCC
- Potential ability to benefit from overage arrangement if such agreement forms part of the sale

Disadvantages

The main disadvantages are:

- Loss of control over the chosen delivery scheme as the delivered development will be driven by highest market returns and not necessarily aligned to the wider benefits required by the WCC's investment objectives
- Lack of certainty over timing of delivery
- Reputational risk - lack of participation in the delivery means it would be difficult for WCC to be associated with any positive reputational benefits (i.e. successful delivery of the mixed-use scheme). However, this works both ways and may also be a positive depending upon the outcome of the scheme.

Conclusion

This delivery route does not provide certainty over timing of delivery or control over the type of scheme that is delivered. There is no certainty that this route would meet investment objectives or critical success factors.

3.6.2 Option 3.2 - WCC to bring forward Kings Walk Creative Quarter and deliver the on-street bus solution with remaining land parcels disposed of on a freehold basis and brought forward by multiple developers

Overview of delivery route

Planning: To deliver the on-street bus solution and public realm upgrade works surrounding Kings Walk WCC's Planning Department have advised that this would require WCC to submit a hybrid planning application for the defined site with detailed first phase(s).

Kings Walk Delivery by WCC:

WCC is responsible for delivering Kings Walk through upgrading the building to a leasable standard and securing a partner to operate the building on a 15-year lease. The operator partner would be responsible for delivering the creative quarter vision. As with all options explored, this is an internal refurbishment to bring it in line with current occupational needs and demands, as opposed to a comprehensive redevelopment.

Bus Solution delivery by WCC:

WCC to be responsible for delivering the on-street bus solution. This would involve re-formatting the curb lines, re-formatting roads and traffic flows and installing the on-street bus stops associated signage, amenity and public realm upgrades. WCC would also work with Hampshire County Council and the bus operators to ensure integration with the wider movement strategy.

Freehold disposal of two sites:

This involves WCC selling the left hand and right hand sites on the open market. A redline would be put around the boundary of each site for sale, marketing particulars would be produced alongside a dataroom information pack which would be available for potential purchasers.

WCC would offer the sites to the market on a freehold basis with planning permission secured. Potential purchasers would be invited to bid for the land on an unconditional basis. Potential purchasers could bid for one site or both sites.

Advantages

The main advantages for each element are as follows:

Kings Walk:

- Certainty of delivery
- Certainty of timescales
- Potential to secure grant funding to support delivery

Bus Solution:

- Certainty of delivery
- Certainty of timescales
- Potential to secure grant funding to support delivery

Freehold disposal of two sites:

- WCC receive a land receipt upon sale of the land parcels
- An element of control is retained through the WCC planning department
- No delivery risk borne by WCC
- No cost associated with development borne by WCC
- Potential ability to benefit from overage arrangement if such agreement forms part of the sale

Disadvantages

Planning: This is an overall disadvantage to this route. To deliver the on-street bus solution and public realm upgrade works surrounding Kings Walk, we understand that this would require WCC to submit a hybrid planning application for the defined site with detailed first phase(s). This would

require significant cost, resources and expertise. Upon the grant of planning consent WCC would be required to extinguish existing overage arrangements.

The main disadvantages for each element are as follows:

Kings Walk:

- WCC responsible for securing an operator partner to deliver the Creative Quarter vision
- WCC would be required to bring the building up to a lettable standard. This would involve capital expenditure by WCC
- This route still assumes an internal refurbishment to bring Kings Walk in line with current occupational needs and demands, and does not comprise a comprehensive redevelopment
- 'Gateway' to the site would be left un-developed for 15 years.
- Some parties view the Kings Walk building as unattractive
- No comprehensive redevelopment of the KW site as part of CWR

Bus Solution:

- WCC would be required to plan and deliver this solution. This will require significant capital expenditure and expertise.
- WCC required to negotiate with neighbouring freehold/long leaseholders to secure a successful on-street solution. This has both a cost and an expertise implication.
- By delivering the bus solution in isolation of the wider development, cohesion across the site is limited and also accessibility for development on the remaining plots is potentially impacted.

Freehold disposal of two sites:

- Lack of certainty over timing of delivery
- The land receipt received would be reduced, due to the compromised nature of the sites and restricted access caused by the WCC delivery of the bus solution.
- Reputational risk - lack of participation in the delivery means it would be difficult for WCC to be associated with any positive reputational benefits (i.e. successful delivery of the mixed-use scheme). However, this works inversely and may be a positive depending upon the outcome of the scheme.
- Market attractiveness - due to the reduced size of the plots, we perceive there would be a lack of national developer interest.
- Planning - due to WCC being required to secure a hybrid consent for the defined site in order to deliver Kings Walk and the bus solution, there is a risk that the developer market would not want to deliver the Council secured planning consent.
- Potential loss of control over the delivered scheme as a purchaser can ultimately submit a revised planning application
- Lack of cohesion across the public realm

Conclusion

This delivery route requires a high level of WCC capital expenditure, resource and expertise and does not provide certainty over timing of delivery or assurance of a comprehensive and cohesive development is delivered. There is no certainty that this route would meet investment objectives or critical success factors.

3.6.3 Option 3.3 - WCC to bring forward Kings Walk Creative Quarter and deliver the on-street bus solution. Followed by a development agreement with one development partner to bring forward the remaining land parcels within the defined site.

Overview of delivery route

Planning: To deliver the on-street bus solution and public realm upgrade works surrounding Kings Walk we understand that this would require WCC to submit a hybrid planning application for the defined site with detailed first phase(s).

Kings Walk Delivered by WCC:

WCC self- deliver Kings Walk through upgrading the building to a leasable standard and then securing a partner to operate the building on a 15-year lease. The operator partner would be responsible for delivering the creative quarter vision. This is an internal refurbishment to bring it in line with current occupational needs and demands, as opposed to a comprehensive redevelopment.

Bus Solution delivered by WCC:

WCC would be responsible for delivering the on-street bus solution. This would involve re-formatting the curb lines, re-formatting roads and traffic flows and installing the on-street bus stops associated signage, amenity and public realm upgrades. WCC would also work with HCC and the bus operators to ensure integration with the wider movement strategy.

Wider Site Delivery:

This route involves WCC procuring a developer partner through a competitive tendering process for the WCC ownership, excluding Kings Walk and the on-street bus solution (and associated public realm). This would involve a likely 9-12 month partner selection process to secure a development partner to bring forward the right and left hand side parcels of land by way of a contractual agreement with WCC.

The contract between WCC and the development partner would set out the role and responsibilities of both parties. All development agreements have slightly different approaches; however, in principle this involves the selected development partner 'drawing down' phases of land for development. Upon the drawdown of land WCC would receive a land receipt. This land receipt would benefit from the enhanced value created through the successful planning consent that WCC secured. The development partner would be responsible for providing/sourcing development funding and delivering each phase of the scheme. WCC maintains an element of control as outlined in the contract between the parties. Development costs and risks are transferred to the development partner.

Advantages

The main advantages for each element are as follows:

Kings Walk:

- Certainty of delivery
- Certainty of timescales
- Potential to secure grant funding to support delivery

Bus Solution:

- Certainty of delivery
- Certainty of timescales
- Potential to secure grant funding to support delivery

Wider Site Delivery:

- WCC may benefit from a high land receipt due to planning already having been secured; however, this assumes that WCC secure a planning consent that the developer market wants to deliver.
- WCC retain an element of control through the development agreement.
- WCC transfer development risk to the development partner.
- WCC transfer cost of development to the development partner.

Disadvantages

Planning: The following are the overall disadvantages of this route. To deliver the on-street bus solution and public realm upgrade works surrounding Kings Walk, we understand that this would require WCC to submit a hybrid planning application for the defined site with detailed first phase(s). This would require significant cost, resources and expertise. Upon the grant of planning consent, WCC would be required to extinguish existing overage arrangements.

The main disadvantages for each element are as follows:

Kings Walk:

- WCC responsible for securing an operator partner to deliver the Creative Quarter vision
- WCC would be required to bring the building up to a lettable standard. This would involve capital expenditure by WCC.
- This route still assumes an internal refurbishment to bring Kings Walk in line with current occupational needs and demands, and does not comprise a comprehensive redevelopment.
- 'Gateway' to the site would be left un-developed for 15 years.
- Some parties view the Kings Walk building as unattractive
- No comprehensive redevelopment of the Kings Walk site as part of CWR

Bus Solution:

- WCC would be required to plan and deliver this solution. This will require significant capital expenditure and expertise.
- WCC required to negotiate with neighbouring freehold/long leaseholders to secure a successful on-street solution, which requires both capital expenditure and resource/expertise.

- By delivering the bus solution in isolation of the wider development, cohesion across the site is limited and also accessibility for development on the remaining plots is potentially impacted.

Wider Site Delivery:

- Potential loss of market appetite due to reduced size of developable land (as it would be a challenge to deliver comprehensive development without control of the bus solution and Kings Walk site).
- Accessibility for the development of the remaining plots may be impacted.
- Risk that WCC do not secure a market facing planning consent that the private sector is motivated to deliver.
- A development partner would not have full control over the site which we anticipate would limit market appetite. This would likely be reflected negatively in land receipts received.
- There would be some loss of control; however, there is the ability to influence key aspects of the development through the contract.
- Lack of cohesion across the public realm.

Conclusion

This delivery route requires WCC to secure planning for the site and fund the delivery of the Kings Walk and the bus solution. It is likely that there will be a lack of developer market appetite to develop the remaining land parcels, due to the reduced size of the developable land, accessibility challenges and reduced ability to deliver comprehensive and cohesive development. There is also no certainty that this route would meet investment objectives or critical success factors.

3.6.4 Option 3.4 – WCC to bring forward Kings Walk Creative Quarter with a Development Agreement with one development partner for the remainder of the defined site

Overview of delivery route

Kings Walk Delivered by WCC:

WCC self- deliver Kings Walk through upgrading the building to a leasable standard and securing a partner to operate the building on a 15-year lease. The operator partner would be responsible for delivering the creative quarter vision. As with all options, this is an internal refurbishment to bring it in line with current occupational needs and demands, and does not comprise a comprehensive redevelopment of Kings Walk.

Wider Site Delivery:

This route involves WCC procuring a development partner through a competitive tendering process for the WCC ownership excluding Kings Walk. This would involve a likely 9-12 month partner selection process to secure a development partner to bring forward the site, excluding Kings Walk, but including the interim bus solution, by way of a contractual development agreement with WCC.

The development agreement between WCC and the development partner would set out the role and responsibilities of both parties. All development agreements have slightly different

approaches; however, in principle this involves the selected development partner securing a planning consent for the site and then 'drawing down' phases of land for development. Upon the draw-down of land, WCC would receive a land receipt. This land receipt would benefit from the enhanced value created through the successful planning consent. The development partner is responsible for providing/sourcing development funding and delivering each phase of the scheme. Therefore, development cost and risks are transferred to the development partner.

WCC maintains an element of control as outlined in the contract between the parties. Additional control can be secured for the Council as part of the development partner bidding process where WCC can set out the "redlines" and deal structure and ensure that alignment to the Council's objectives is central to the evaluation process. This will then form the basis of the development agreement and so expectations of both parties are clear from the outset.

Advantages

The main advantages for each element are as follows:

Kings Walk:

- Certainty of delivery
- Certainty of timescales
- Potential to secure grant funding to support delivery

Wider Site Delivery:

- WCC transfer development risk to the development partner
- WCC transfer cost of development to the development partner
- Planning and development risk transfer
- Lower WCC resourcing/expertise requirement
- Development partner 'draws down' land in phases and pays WCC land receipt at point of transfer
- Ability to benefit from development partner's market and delivery expertise when both parties collectively draw up the masterplan
- WCC benefit from potentially receiving a higher land receipt once planning consent is granted
- A well-recognised tool by the market for more complex sites
- Development partner is responsible for delivering interim bus solution
- Development partner has control over the whole defined site and is therefore able to balance viability across uses efficiently
- WCC retain an element of control through the development agreement
- WCC has control over the development partner selection process and can choose a partner that shares the same aspirations for the site

Disadvantages

The main disadvantages for each element are as follows:

Kings Walk:

- WCC responsible for securing an operator partner to deliver the Creative Quarter vision
- WCC would be required to bring the building up to a lettable standard. This would involve capital expenditure by WCC.
- This route still assumes an internal refurbishment to bring Kings Walk in line with current occupational needs and demands, and does not comprise a comprehensive redevelopment.
- ‘Gateway’ to the site would be left un-developed for 15 years.
- Some parties view the Kings Walk building as unattractive
- No comprehensive redevelopment of the Kings Walk site as part of CWR

Wider Site Delivery:

- There would be some loss of control; however, influence over key aspects would be retained.
- Relying on contract if performance falters/market conditions change
- Up-front and on-going governance requirement

Conclusion

This route provides WCC with an acceptable level of control over delivery and timings. This route is able to meet the investment objectives and the critical success factors.

3.6.5 Option 3.5 – Development agreement across the defined site with one development partner

This route involves WCC procuring a development partner through a competitive tendering process. This would involve a likely 9-12 month partner selection process to secure a development partner to bring forward the site by way of a contractual agreement with WCC.

The development agreement between WCC and the development partner would set out the role and responsibilities of both parties. All development agreements have slightly different approaches; however, in principle this involves the selected development partner securing a planning consent for the site (hybrid with detailed first phase) and then ‘drawing down’ phases of land for development. Upon the drawdown of land WCC would receive a land receipt. This land receipt would benefit from the enhanced value created through the successful planning consent. The development partner is responsible for providing/sourcing development funding and delivering each phase of the scheme. Therefore, development cost and risks are transferred to the development partner.

WCC maintains an element of control as outlined in the contract between the parties. Additional control can be secured for the Council as part of the development partner bidding process where WCC can set out the “redlines” and deal structure and ensure that alignment to the Council’s objectives is central to the evaluation process. This will then form the basis of the development agreement and so expectations of both parties are clear from the outset.

This route is different to the previous ‘Henderson’ scheme for a number of reasons:

The previous failure was due to three main issues:	What is different this time:
The developer was a majority landowner	WCC is now the majority landowner and, through a DA, can regulate required steps and responsibilities
WCC had no choice and there was no procurement process to choose a best in class	WCC can choose a preferred development partner to deliver against their criteria and work with them to optimise the current proposals
There was ambiguity over planning	WCC has adopted the SPD and has also developed the CWR Development Proposals recently consulted on

Advantages

The main advantages are that:

- WCC transfer development risk to the development partner
- WCC transfer cost of development to the development partner
- Planning and development risk transfer
- Lower WCC resourcing/expertise requirement
- Development partner ‘draws down’ land in phases and pays WCC land receipt at point of transfer
- Ability to benefit from development partner’s market and delivery expertise when both parties collectively draw up the masterplan
- WCC benefit from potentially receiving a higher land receipt once planning consent is granted
- A well-recognised tool by the market for more complex sites
- The development partner is responsible for delivering interim bus solution
- The partnership has control over the whole of the defined site and is therefore able to balance viability across uses efficiently
- WCC retain an element of control through the development agreement mechanisms
- WCC has control over the development partner selection process and can choose a partner that shares the same aspirations for the site

Disadvantages

The main disadvantages are that:

- There would be some loss of control; however, influence over key aspects would be retained.
- Relying on contract if performance falters/market conditions change
- Up-front and on-going governance requirement
- No comprehensive redevelopment of the Kings Walk site as part of CWR

Conclusion

This route provides WCC with an acceptable level of control over delivery and timings. This route is able to meet the investment objectives and the critical success factors. Whilst delivered via one development partner, this route still enables incremental and phased delivery with multiple stakeholders and design teams (as desired in the SPD). This route retains the opportunity/ability for WCC and the chosen development partner to appoint specialist entities to deliver phases and/or blocks, whilst retaining overarching control as outlined in the development agreement. This route also enables better sharing of infrastructure and public realm related costs across land parcels and allows for cross-subsidy across the site enabling higher value uses to support the delivery of lower value uses (such as affordable housing and community spaces).

3.6.6 Option 3.6 - WCC acting as master developer

Overview of delivery route

This route involves WCC bringing forward the development by acting as master developer across the site. This route assumes that WCC is responsible for masterplanning the site prior to securing a hybrid planning consent with detailed first phase(s). WCC fund and deliver enabling infrastructure, including the on-street bus solution, prior to procuring multiple development partners to deliver single plots by way of development agreements.

This route requires WCC to fund the upfront and site-wide costs (i.e. planning, on-street bus solution, public realm and infrastructure to provide serviced plots). The individual serviced plots that would be taken to the market would be small in scale and, therefore, we perceive there to be very limited national developer interest and the nature of developer procurement processes may also serve to act as a deterrent to regional and local interest.

Advantages

The main advantages are:

- WCC retain control of the timing of Kings Walk delivery as the potential first phase.
- Level of control over site (noting master developer is not the same as direct delivery).
- WCC receive land receipts when phases of land are drawn down.
- WCC transfer development risk to the development partner(s).
- WCC transfer cost of development to the development partner(s).
- WCC retain an element of control through the development agreements.

Disadvantages

The main disadvantages are that:

- WCC responsible for all up-front costs
- No comprehensive regeneration of the Kings Walk site
- WCC hold planning risk
- Very significant WCC resource/expertise requirement
- High degree of complexity given multiple parties/phases

- Reduced national developer appetite given reduced scale of individual opportunities
- Potential loss of regional and local market appetite due to onerous procurement process and small plot sizes
- Intensive/ continuous governance requirement
- Relying on contract if performance falters/market conditions change
- Do not benefit from development partner's expertise when drawing up the masterplan and securing planning.

Conclusion

This route is highly complex and carries significant upfront costs and risk, as well as a requirement for a high level of resource and expertise. This route does provide WCC with an acceptable level of control over delivery and timings and has the potential to meet the investment objectives and the critical success factors. This route would likely not attract strong interest from the developer market.

3.6.7 Overall conclusion: Solution delivery options

Summary of Solution delivery options

	Option 3.1	Option 3.2	Option 3.3	Option 3.4	Option 3.5	Option 3.6
Descriptor	Disposal- Freehold or Long Leasehold	WCC to bring forward Kings Walk Creative Quarter and deliver the on-street bus solution. Remaining land parcels disposed of on a Freehold basis and brought forward by multiple developers	WCC to bring forward Kings Walk Creative Quarter and deliver the on-street bus solution. Followed by a development agreement with one development partner to bring forward the remaining land parcels in the defined site	WCC to bring forward Kings Walk Creative Quarter. Development Agreement with one development partner for the remainder of the defined site	Development agreement across the defined site with one development partner	WCC acting as master developer
Cost	4	1	1	3	4	0
Control	0	2	3	3	3	4
Planning risk	4	0	0	3	3	0
Development risk	4	2	2	4	4	2
Resourcing / expertise	4	1	1	3	4	0
Speed	1	1	1	2	3	2
Return (profit share)	0	1	1	1	0	0
Return (land receipt)	3	2	2	2	2	2
Market appetite	4	2	1	3	4	0
Total Score (out of 40)	24	12	12	24	27	10

JLL

Key: 0 = Least favourable/negative impact; 1 = Some impact; 2 = Positive impact; 3 = High positive impact; 4 = Maximum favourable impact

- Option 3.1 – Disposal- Freehold or Long Leasehold

This option has been **excluded** as WCC will have little control over what a developer(s) will deliver, other than through WCC Planning Department, and it is likely that the final product will not align with the Investment Objectives. This route will likely achieve a higher land receipt as we expect there to be strong market appetite and developers will bid for the site based on a mix of higher value generating uses than the mix set out in the development proposal. This route would not require WCC to take any planning or development risk and does not require a high level of resource or expenditure by WCC. Because this route is unable to provide certainty of delivery of the investment objectives and critical success factors it has been discounted, despite scoring highly on the above assessment.

- Option 3.2 - WCC to bring forward Kings Walk Creative Quarter and deliver the on-street bus solution. Remaining land parcels disposed of on a Freehold basis and brought forward by multiple developers

This option has been **excluded** as WCC would have little control over what the developer(s) will deliver on the sold land parcels, other than through WCC Planning Department, and it is likely that the final product will not align with the Investment Objectives. This route would require WCC to secure a hybrid planning consent for the whole defined site and invest capital and take delivery risk in relation to Kings Walk and the on-street bus solution. There is likely to be a reduced level of market appetite for the smaller plots and when developed there is a risk of a lack of cohesion across the site as a whole.

- Option 3.3 - WCC to bring forward Kings Walk Creative Quarter and deliver the on-street bus solution. Followed by a development agreement with one development partner to bring forward the remaining land parcels in the defined site.

This option has been **excluded** as WCC would retain some control over the development; however, there may be some complexity in WCC delivering portions of the development themselves and a lack of market appetite for remaining land. This route would require WCC to secure a hybrid planning consent for the whole defined site, invest capital, and take delivery risk in relation to Kings Walk and the on-street bus solution. The perceived lack of market appetite for the site, for a development agreement delivery route, is a significant limitation and is due to the reduced scale of developable land (as WCC would be delivering both Kings Walk and the bus solution land).

- Option 3.4 – WCC to bring forward Kings Walk Creative Quarter. Development Agreement with one development partner for the remainder of the defined site

This option has been **shortlisted** as WCC would retain some control over the development via the development partner procurement process and the deal structure outlined in the development agreement. However there is complexity and significant cost associated with WCC delivering the Kings Walk element of the development themselves. WCC transfer the planning and delivery risk to the development partner for the wider site. There may be a reduction in market appetite due to WCC delivering Kings Walk themselves.

- Option 3.5 – Development agreement across the defined site with one development partner

This option has been **shortlisted as the preferred option** as it enables development to be brought forward in a comprehensive manner by one party, whilst also allowing WCC to retain some control over the development through the development agreement. In addition, WCC has control over the development partner selection process and can therefore choose a partner that shares the same aspirations for the site. This route still enables the opportunity for phased delivery and bringing forward projects on individual sites by multiple design and contractual teams, as envisaged in the SPD. This route would ensure the optimal outcome for the site as it would ensure the cross-subsidy of high value uses to support the delivery of lower value uses and the comprehensive delivery of the associated public realm. We envisage this route to be acceptable to the market and capable of ensuring competitive tension through the procurement process.

- Option 3.6 - WCC acting as master developer

This option has been **excluded** because the full cost and planning risk will remain with WCC and this route would require a high degree of expertise. This route may deliver a comprehensive scheme, but the risks are significant and we envisage the smaller, consented, land parcels would not be desirable by the market on a development agreement delivery route due to lack of scale. This route performs poorly against the delivery route assessment criteria at 3.5.7.

3.7 Assessment 4: Funding options

The final options assessment is to determine the sources of funding for the development.

3.7.1 Introduction

This range of options considers the choices for funding and financing in relation to the preferred scope, solution, method of solution delivery and implementation.

The SPD outlines the vision and objectives for the site and gives guidance on quantum of uses, heights, massing and quality of design and public realm (section 3- Planning & Urban Design Framework). The preferred development proposal outlined under “options assessment 1: Scope” closely aligns with this requirement.

Finding investors both private and public that are aligned with this proposal will be a top priority. The aim would be to find funding providers that want to invest in Winchester for the long term and want to bring about the transformation not just for the CWR site but for the benefit of the wider local community and economy.

The options are as follows:

- Option 4.1: Private funding
- Option 4.2: Public funding

Note: where it is agreed that the scheme will be publicly funded as part of the capital expenditure programme, it will be unnecessary to consider the use of alternative methods of finance. However, where the funding mechanism has not been agreed this set of options may still have a use for appraisal purposes – for example, as in the case of central versus local funding. Furthermore, it should also be noted that the use of private finance does not simply consist of Public Private Partnerships (PPP) and the Private Finance Initiative (PFI). In this context, the use of financial leases and operating leases, and other forms of rental payment might also be considered, together with sponsorship arrangements.

This SOC provides an overview of the funding options available for consideration at a strategic level. The final funding option will largely be determined by the financial requirements and affordability as set out in the OBC.

3.7.2 Option 4.1: Private funding

Private sector funding would be secured through the selection of an appropriate development partner to enter into a development agreement. The assessment of the private sector partners ability to fund the development would form part of the selection process criteria.

3.7.3 Option 4.2: Public funding

In order to support delivery, the council will seek external funding where possible. Some funding considerations include:

- EM3 LEP

Liaising and preparing bids where appropriate to submit when funding streams/grants become available. This is mainly around commercial elements such as work/maker spaces and potentially transport infrastructure through Growth Funding. This may also include liaising and collaborating with colleagues at HCC with regard to access to funding streams around wider city regeneration projects and the WMS.

- Community Infrastructure Levy (CIL)

The council has funding available through the CIL funding mechanism and will therefore look at the general strategic approach to allocation of this fund across a range of projects. Elements of the CWR scheme that could benefit from CIL funding are:

- Long term public realm improvements across the whole area, including lower High Street and Broadway
- Funding of the on-street bus provision and associated public realm, including highway works and infrastructure provision
- Homes England; liaising and preparing bids where appropriate to submit when funding streams/grants become available around affordable housing in particular.

There may be other funding opportunities from other sources as the project moves forward and the council will continue work to identify these and utilise where possible.

3.7.4 Overall conclusion: funding

At a strategic level, the WCC's preference is for a blend of both private and public finance. Drawing on both sources of funding will likely be required in order to make the scheme financially viable.

The exact form of the funding model to be followed will be assessed in greater detail during the OBC and FBC process, but for the purpose of this SOC, a blended funding option is being put forward as the preferred option.

3.8 The long list: inclusions and exclusions

The long list has appraised a wide range of possible options (solution, implementation, solution delivery, and funding) detailed in the below table. The table below provides a summary of all inclusions and exclusions which have been outlined in detail in earlier chapters of this SOC.

Summary of inclusions and exclusions

Option	Descriptor	Finding
Assessment 1: Solution		
1.1	Do nothing	Excluded. Will result in the city centre continuing to degenerate
1.2	Do minimum	Excluded. Will not result in the required vibrant mixed-use quarter
1.3	Do more than minimum	Excluded. Will not result in the required vibrant mixed-use quarter
1.4	Do maximum	Included. Option most closely aligned with the investment objectives
Assessment 2: Implementation		
2.1	Single phase	Excluded. Not aligned to SPD phased development approach
2.2	Incremental	Included
Assessment 3: Solution delivery		
3.1	Disposal- Freehold or Long Leasehold	Excluded. Insufficient control of the development.
3.2	WCC to bring forward Kings Walk Creative Quarter and deliver the on-street bus solution. Remaining land parcels disposed of on a Freehold basis and brought forward by multiple developers	Excluded. Insufficient control over the development of the sold land parcels.
3.3	WCC to bring forward Kings Walk Creative Quarter and deliver the on-street bus solution. Followed by a development agreement with one development partner to bring forward the remaining land parcels in the defined site	Excluded. High WCC expenditure and resource requirement. Lack of market appetite.
3.4	WCC to bring forward Kings Walk Creative Quarter. Development Agreement with one development partner for the remainder of the defined site	Included as shortlisted option
3.5	Development agreement across the defined site with one development partner	Included as preferred shortlisted option
3.6	WCC acting as master developer	Excluded. Requires significant capital expenditure, resources, and expertise.
Assessment 4: Funding		
4.1	Private funding	Included as a blend of both private and public funding is preferred
4.2	Public funding	Included as a blend of both private and public funding is preferred

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3.9 Short-listed options

The below table provides a summary of the included elements to be considered for the short-list. An illustrative financial analysis of these options has been prepared and coupled with a final review against the project's critical success factors will determine the preferred shortlisted option to be taken forward to the OBC.

3.9.1 Shortlisted Options

As assessment categories 1 (scope), 2 (implementation) and 4 (funding) are identical across all included options, the assessment category 3 options have been used as the included options descriptors.

Included options for short-list consideration

Assessment category	Included options	
Solution	Option 1.4 Do maximum	
Implementation	Option 2.1 Incremental implementation	
Delivery	Option 3.4- shortlisted WCC to bring forward Kings Walk Creative Quarter. Development Agreement with one development partner for the remainder of the defined site	Option 3.5- preferred Development agreement (i.e. contractual Joint Venture) across the defined site with one development partner
Funding	Blend of private & public funding	

JLL

3.9.2 Financial analysis for included options – See exempt Appendix G of CAB3303

3.9.3 Assessing the included options against the critical success factors

Solution	Option 1.4 - Do maximum	
Implementation	Option 2.1 Incremental implementation	
Delivery	Option 3.4- shortlisted	Option 3.5- preferred
	WCC to bring forward Kings Walk Creative Quarter. Development Agreement with one development partner for the remainder of the defined site	Development agreement (i.e. contractual Joint Venture) across the defined site with one development partner
Funding	Blend of private & public	Blend of private & public
CSF1: Alignment to city needs	4	4
CSF2: Alignment to SPD	4	4
CSF3: Alignment to investment objectives	4	4
CSF4: Achieving the benefits optimisation	3	3
CSF5: Affordability	1	3
CSF6: Planning	2	3

Solution	Option 1.4 - Do maximum	
Implementation	Option 2.1 Incremental implementation	
Delivery	Option 3.4- shortlisted WCC to bring forward Kings Walk Creative Quarter. Development Agreement with one development partner for the remainder of the defined site	Option 3.5- preferred Development agreement (i.e. contractual Joint Venture) across the defined site with one development partner
Funding	Blend of private & public	Blend of private & public
permission		
CSF7: Political Risk	3	2
Total (out of 20)	21	23

Key: 0 = Least favourable/negative impact; 1 = Some impact; 2 = Positive impact; 3 = High positive impact; 4 = Maximum favourable impact

- Option 3.4

Included as a **shortlisted option**. This option delivers well against the CSF's however it does require significant capital expenditure by WCC to deliver Kings Walk and is therefore deemed as less affordable to the Council.

- Option 3.5

Included as the **preferred option** which will be assessed further at OBC stage. This option delivers very well against the CSF's.

3.10 Short-listed options

Option 3.5 has been identified at the preferred option and will be carried forward into OBC stage for further appraisal and evaluation. Shortlisted option 3.4 and excluded long listed options have now been discounted and excluded from further assessment.

4 The Commercial Case

4.1 Introduction

The Commercial Case section of the SOC outlines the proposed deal in relation to the delivery of the shortlisted options outlined in the Economic Case. The detailed consideration of the Commercial Case only takes place at OBC stage. However, this SOC contains an initial, less detailed overview of the proposed procurement route.

Subject to the approval of the preferred delivery route, WCC will require the procurement of the following **primary contract**:

- A development partner, for the defined site, on the basis of a development agreement

4.2 Required services

In addition to the primary contracts, WCC will also procure required support as follows:

- Internally (support required for the following WCC departments):
 - Legal
 - Estates
 - Finance
 - Procurement
- Externally, the following support is required:
 - Continued support from JLL/ Arup is required at a programme level
 - JLL specialist resource to prepare the Outline Business Case (“OBC”) and Full Business Case (“FBC”)
 - External legal advice
 - External financial advice
 - Communications support

More details of the requirements will be set out in the OBC.

4.3 Potential for risk transfer

We have addressed the potential risk transfer under the solution delivery assessment section of the Economic case. A more detailed analysis of risks takes place at OBC stage.

The general principle is to ensure that risks should be passed to ‘the party best able to manage them’, subject VFM.

4.4 Proposed contract lengths

The following contract lengths will be considered:

- Development partner - long term agreement.

4.5 Procurement strategy and implementation timescales

WCC adopts a fair and transparent approach in its procurement activities and will ensure all potential suppliers are treated equally when competing for business.

When procuring contracts WCC follows all current UK and European legislation and regulation relating to public procurement. The Council also has its own Contracts and Financial Procedure Rules. However, it must be noted that following the UK's exit from the EU and the end of the transition period on 31 December 2020, a Government review of legislation governing public procurement has begun and changes, which will come into effect during 2021 and beyond. The Council will adapt its processes accordingly.

WCC procurement follows four main principles:

- Value
- Compliance
- Fairness
- Social and Environmental

The aim is to seek a balance between obtaining best commercial value, operating within the law, acting transparently, reducing impacts on the environment and improving the community and services provided to our residents.

It is anticipated that the following primary contract may be procured:

- A development partner, for the defined site, on the basis of a development agreement

Any procurement exercise will follow the council's Contract Procedural Rules and PCR2015.

5 The Financial Case

5.1 Overview

The City Council controls significant assets within the Central Winchester Regeneration Area and in recent years has invested over £15m on site assembly, including:

Friarsgate Medical Centre	£5,267,675
Bus Station	£4,776,542
Kings Walk & Middle Brook St (JDS assets)	£5,000,000
	£15,044,217

These assets generate a net income of almost £550,000 annually. The financing costs of the above assets and the impact of losing the current income generated from the assets need to be taken into account when assessing the affordability of any development option.

To assess the financial impact of both shortlisted options, the affordability model set out in this section has been developed to illustrate both the overall capital cost of each option (showing the peak Council funding requirement) and the impact on the Council's annual revenue budget. The financial case takes account of:

- (i) Residual land values
- (ii) Income Stream Generation
- (iii) Existing WCC costs/income in relation to:
 - Car Parks:
 - a. Friarsgate Surface Car Park (Long Stay): Phase 2
 - Bus Station (includes Access / Offices / Café): Phase 2
- (iv) Other Non-Investment Property:
 - Middlebrook St Properties: Phase 2
 - Kings Walk and Antiques Market: Phase 1
 - Friarsgate Medical Centre: Phase 2
 - Coitbury House: Phase 3

5.2 Financing Assumptions/Key Inputs

- (i) PWLB Interest Rate: 2.1%
- (ii) MRP Period: 48 years
- (iii) MRP Rate: 2.1%
- (iv) MRP Profile: Annuity
- (v) Discount Rate: 6.09%
- (vi) Capitalised interest: Zero
- (vii) Income losses timeframe:
 - Car Park & Bus Station: For the life of the scheme
 - Kings Walk and Antiques Market: 10 years

- Middlebrook Street properties: 25 years

5.3 Impact of Kings Walk capital expenditure

Section 3.7.2 sets out the analysis of the residual land values of the shortlisted options as well as the financial structure of the operator agreement for Kings Walk under option 3.4. The table included in that section (see exempt appendix) highlights the impact of WCC capital expenditure requirement for the refurbishment of Kings Walk on the overall 'value' of the site to WCC. Given the significant costs borne by the Council in Option 3.4, it is evident that this route does not deliver the most financially advantageous option for WCC.

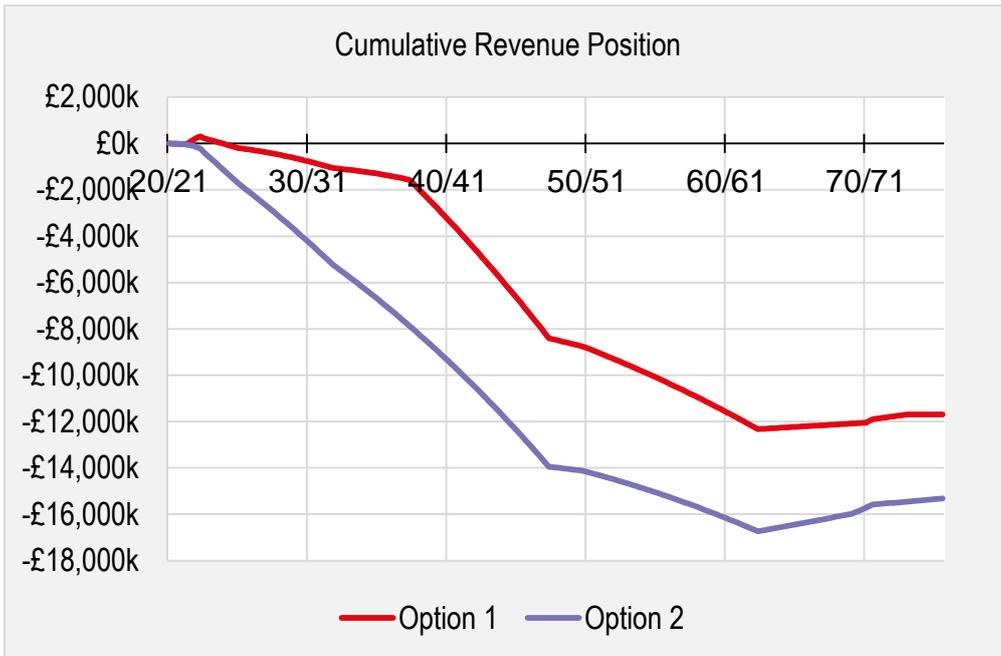
5.4 Assessment of Affordability

In summary, each option will require a Gap Funding position (assuming no borrowing). Option 3.4 would require a gap funding (external grant, developer contributions or additional council contribution) of £7.9m and option 3.5 £4.8m. Although these gap funding amounts would not require any Council borrowing, they would still generate a negative revenue position across the life of the scheme. Neither options can generate a positive revenue position (Discounted NPV) with any amount of gap-funding. The following dashboard highlights these findings.

Base case Dashboard included in Exempt Appendix G of CAB3303

It is possible to generate a moderately positive land value and capital receipt from both options, with option 3.5 achieving a far more positive value. However, the dashboard illustrates that both options, based on the retention of the Kings Walk building as a creative hub, have a significantly negative revenue impact and are not affordable. Whilst option 3.4 has a less negative impact, it should be noted that the market rents based on soft market testing are unproven for the Winchester market. There is a significant risk therefore that actual rents could be lower than projected.

The cumulative revenue position based on the projections set out in section 3 are illustrated below:



5.5 Sensitivity Analysis

Sensitivity analysis of both options has been undertaken by running a “Monte Carlo Simulation” which is used to estimate the possible outcomes given an uncertain event. The analysis demonstrates a risk adjusted position with 95% confidence based on the inputted parameters. This exercise outputs a ‘Downside’ position, which is effectively the 5th percentile result from the simulation analysis and is intended to reflect the outcome if market conditions considerably diverge from predicted base case assumptions.

Sensitivity (Monte Carlo Simulation) table included in exempt Appendix G of CAB3303

The results show that there is a 71% chance Option 3.4 produces a positive net capital position, 99% for Option 3.5. The percentage chance of achieving a net positive revenue position for both options is less than 1%.

5.6 Summary/Conclusion

The financial modelling of both options indicates that the proposal to refurbish the existing Kings Walk building in phase 1, which forms the basis of both option 3.4 and 3.5, is not affordable for the Council. With costs over £6m to refurbish the building to a suitable standard to operate as “creative space”, the proposals result in relatively low capital values and an insufficient income stream to achieve a positive “net present value” for the scheme.

6 The Management Case

6.1 Introduction

This section of the SOC addresses the 'achievability' of the scheme. Its purpose is to set out the actions that will be required to ensure the successful delivery of the scheme in accordance with best practice.

6.2 Project management arrangements

The project will be managed in accordance with the council's major projects and programme management requirements PRINCE 2 methodology.

6.2.1 Outline project reporting structure, project roles and responsibilities

The WCC internal project team will be as follows:

- Decision approval body

The WCC Cabinet will sign-off on all required project approvals

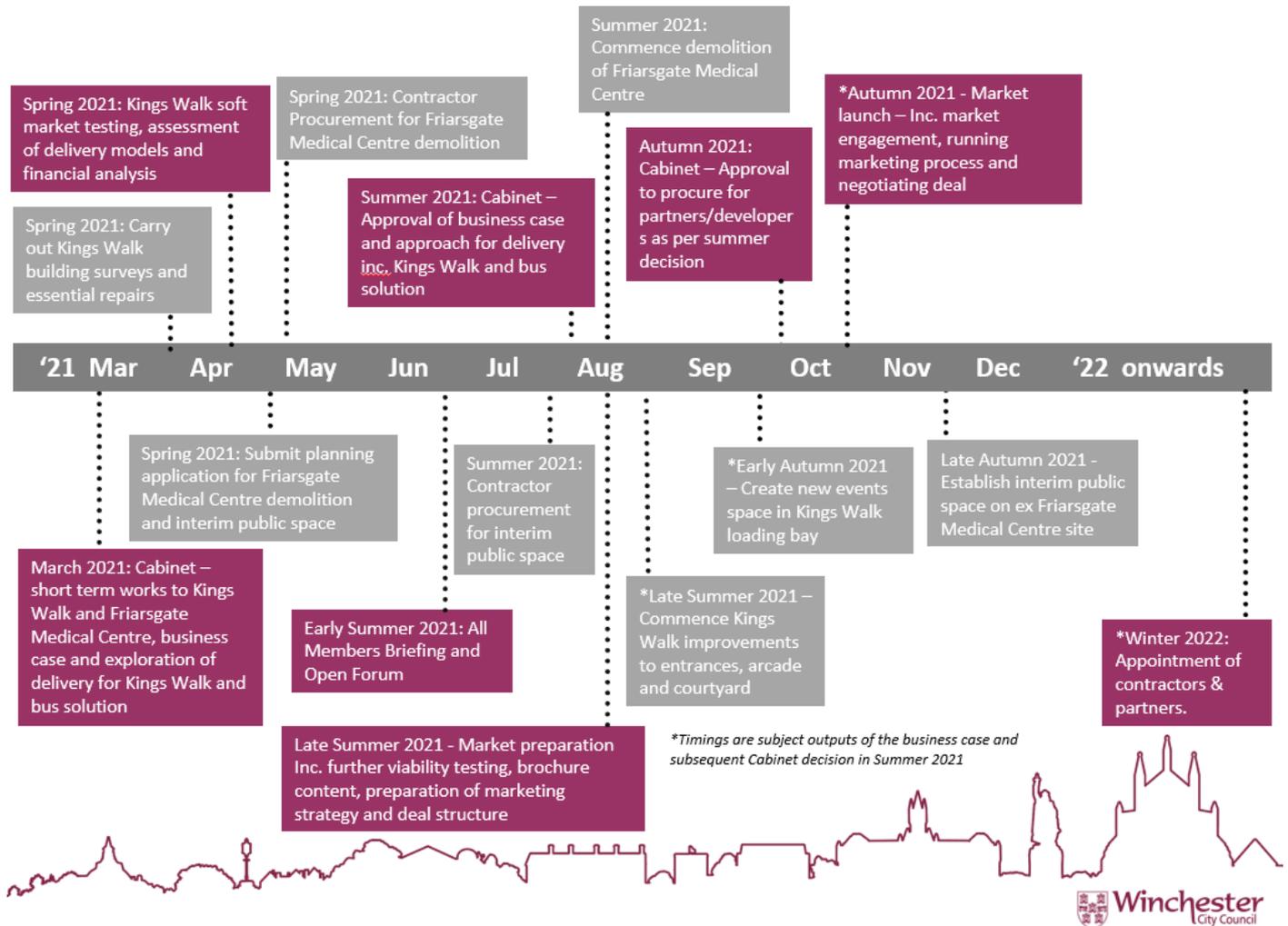
- Core team
 - Programme Sponsor: Cllr Kelsie Learney - Cabinet Member for Housing and Asset Management
 - Programme Director: John East – Interim Strategic Director – Place
 - Head of Programme: Veryan Lyons
 - Project Manager: Rachel Robinson
 - Project Manager: Dan Lowe
- Specialist service leads
 - Geoff Coe – Corporate Head of Asset Management
 - Richard Botham – s151 Officer
 - Liz Keys – Corporate Head of Finance
 - Catherine Knight – Service Lead-Legal

The final programme terms of reference, roles and responsibilities will be unpacked further as part of the OBC.

6.2.2 Outline project plan

The document below sets out the project stages and the tasks within each stage. An explanation as to what each task involves has been provided with estimated timescales:

Illustrative timeline for the project



Winchester public participation presentation

The timeline for the development deliverables will be confirmed at the Outline Business Case stage.

6.3 Use of special advisers

Special advisers have been used in a timely and cost-effective manner in accordance with the Treasury Guidance: Use of Special Advisers. Details are set out in the table below:

Specialist advisers

Specialist area	Adviser
Financial	JLL / 31Ten
Technical	JLL / Arup
Procurement and Legal	Browne Jacobson LLP

Business assurance	JLL / Arup
Business case	JLL
Communications	TBC

WCC

6.4 Gateway review arrangements

The WCC cabinet will sign-off all Gateway reviews. Cabinet have confirmed that the CWR project team can request cabinet meetings to undertake these reviews on an ad hoc basis and that they do not need to align with the current scheduled cabinet meetings. The key gateway review points are as follows:

Gateway Reviews

Gateway	Descriptor	Review report	Expected review date
Gateway 0	'Strategic Assessments' on an ongoing assurance of programmes at the start, delivery and closing stages	Included in Strategic Outline Case	21 July 2021
Gateway 1	'Business Justification' prior the detailed planning phase.	Strategic Outline Case	21 July 2021
Gateway 2	'Delivery Strategy and Business Justification' prior to the procurement phase.	Outline Business Case	Autumn 2021
Gateway 3	'Investment Decision' prior to contract signature.	Full Business Case	Spring/Summer 2022
Gateway 4	'Readiness for Service' prior to 'going live' and implementation of the scheme.		
Gateway 5	'Operational Review and Benefits Realisation' following delivery of the project, establishment and/or decommissioning of the service		

Guide to developing the project business case

Signed:

Date:

Senior Responsible Owner

Project Team

7 Sources

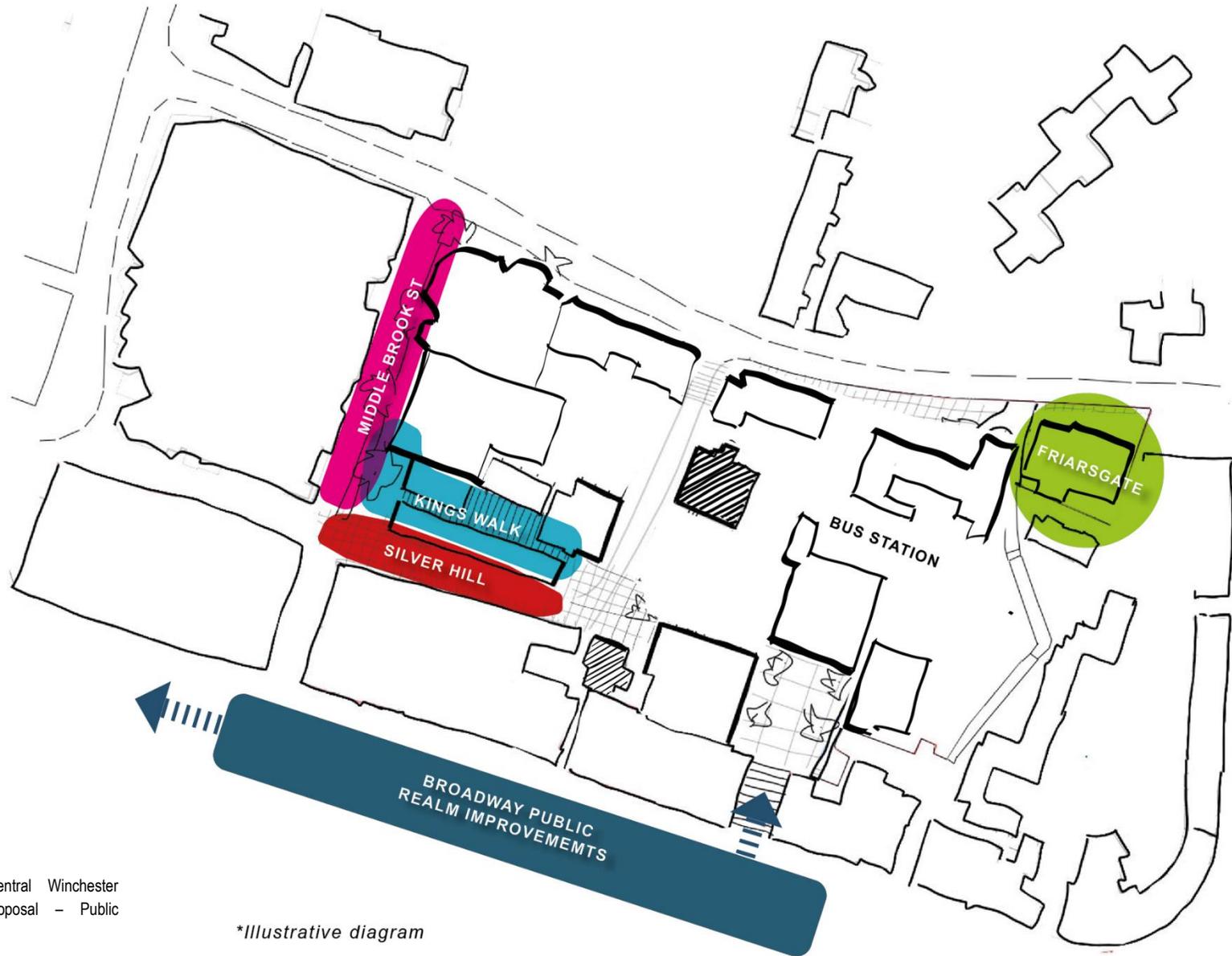
The following sources have been referenced in the development of this SOC:

- Winchester Strategic Planning Document
- Central Winchester Regeneration Supplementary Planning Document, Adopted June 2018
- Kings Walk Feasibility Study July 2020 – Turner.Works and Worthwhile Works
- Winchester Council Plan 2020 – 2025, 2021 Edition
- Central Winchester Regeneration Development Proposal – Public Participation presentation November 2020
- Winchester Procurement and Contract Management Strategy 2020 -2025, published April 2020
- Winchester Hotel Report – October 2020 – Melvin Gold Consulting
- WCC City Wide Competitive Position report Q4 2019- JLL

8 Appendices

8.1 Appendix A – Phasing Options

Phase 1



Source: JLL & Arup in Central Winchester Regeneration Development Proposal - Public Consultation, November 2020

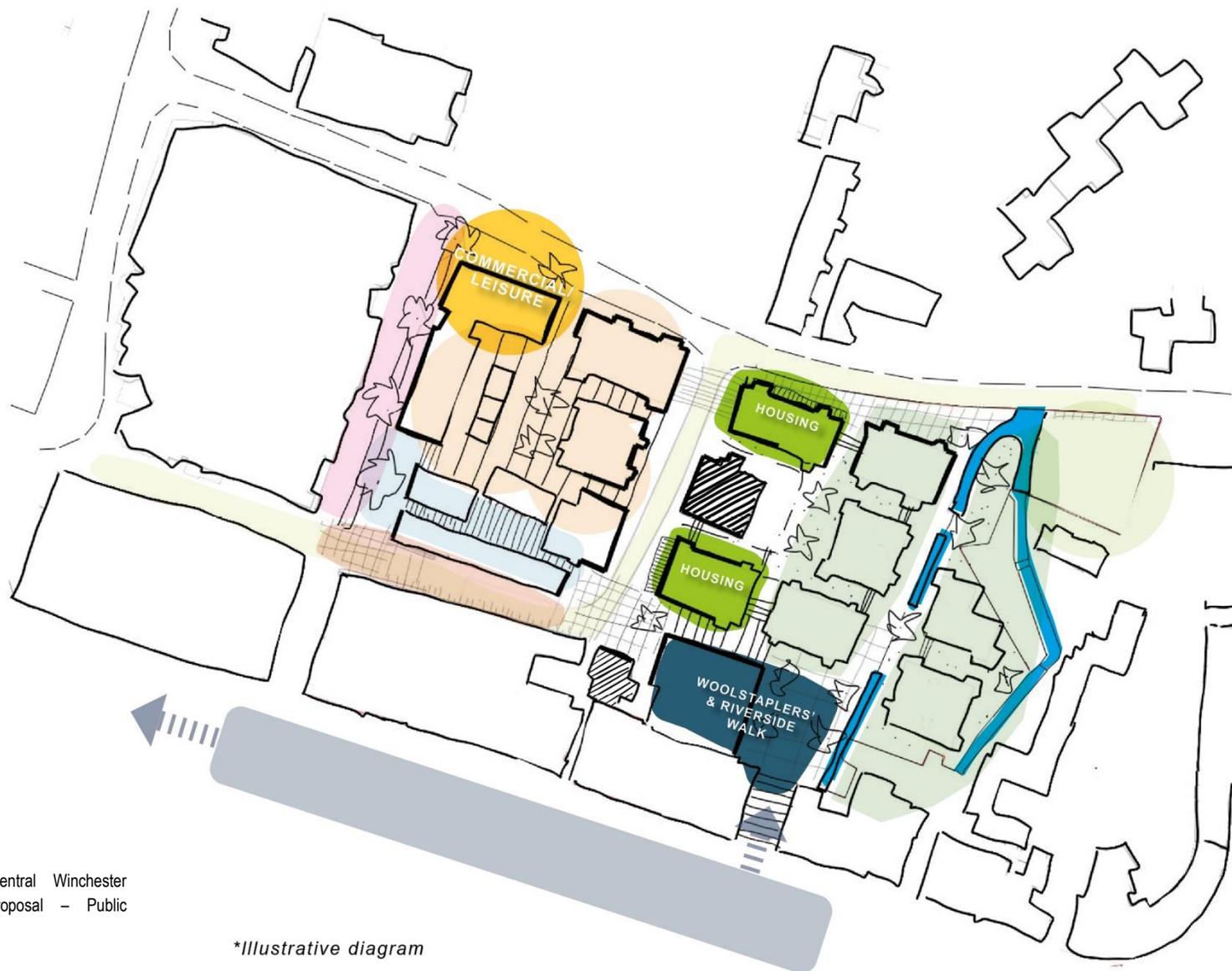
Phase 2



Source: JLL & Arup in Central Winchester
Regeneration Development Proposal - Public
Consultation, November 2020

**Illustrative diagram*

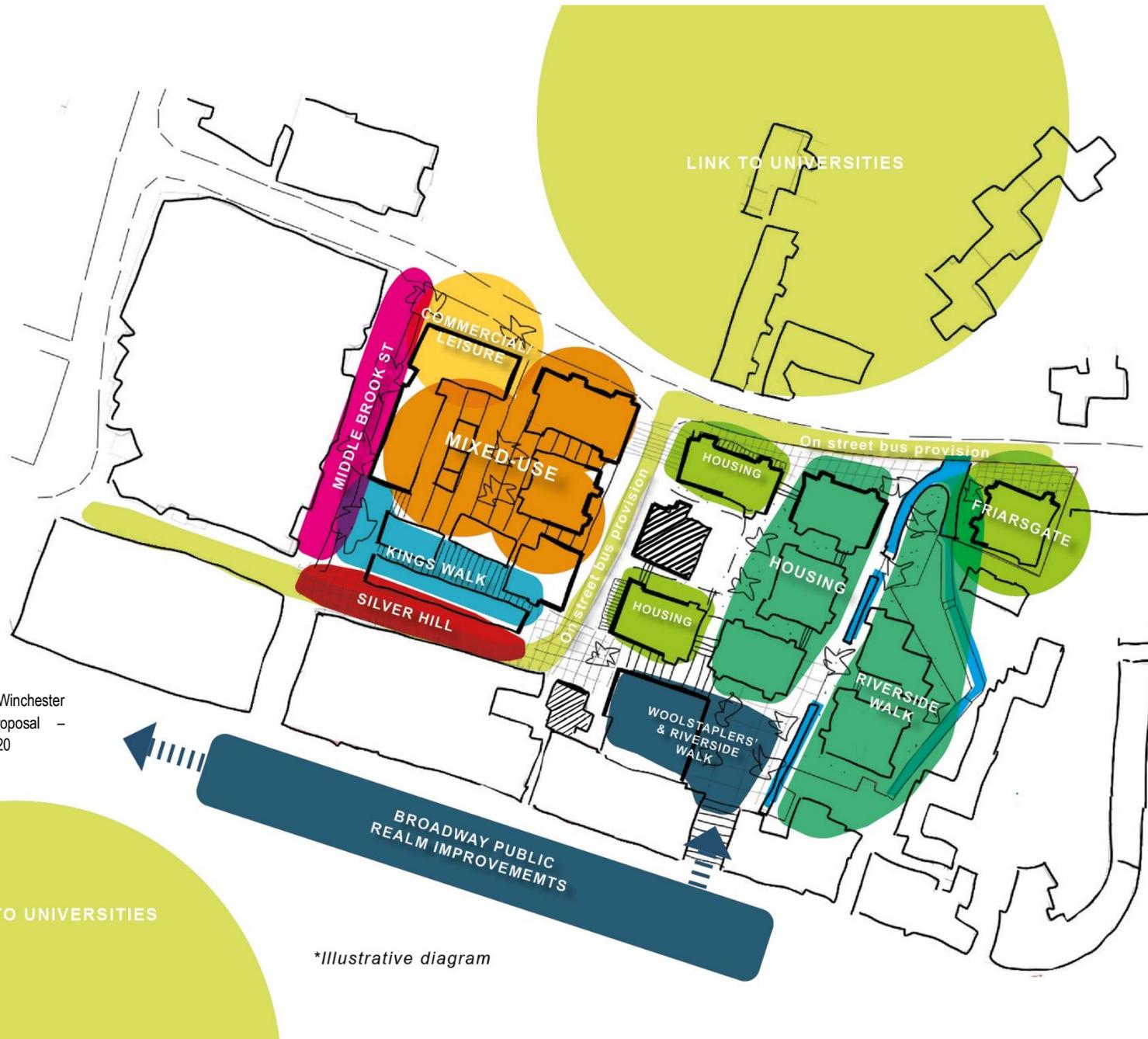
Phase 3



Source: JLL & Arup in Central Winchester
Regeneration Development Proposal - Public
Consultation, November 2020

**Illustrative diagram*

Phase 4



Source: JLL & Arup in Central Winchester Regeneration Development Proposal – Public Consultation, November 2020

*Illustrative diagram

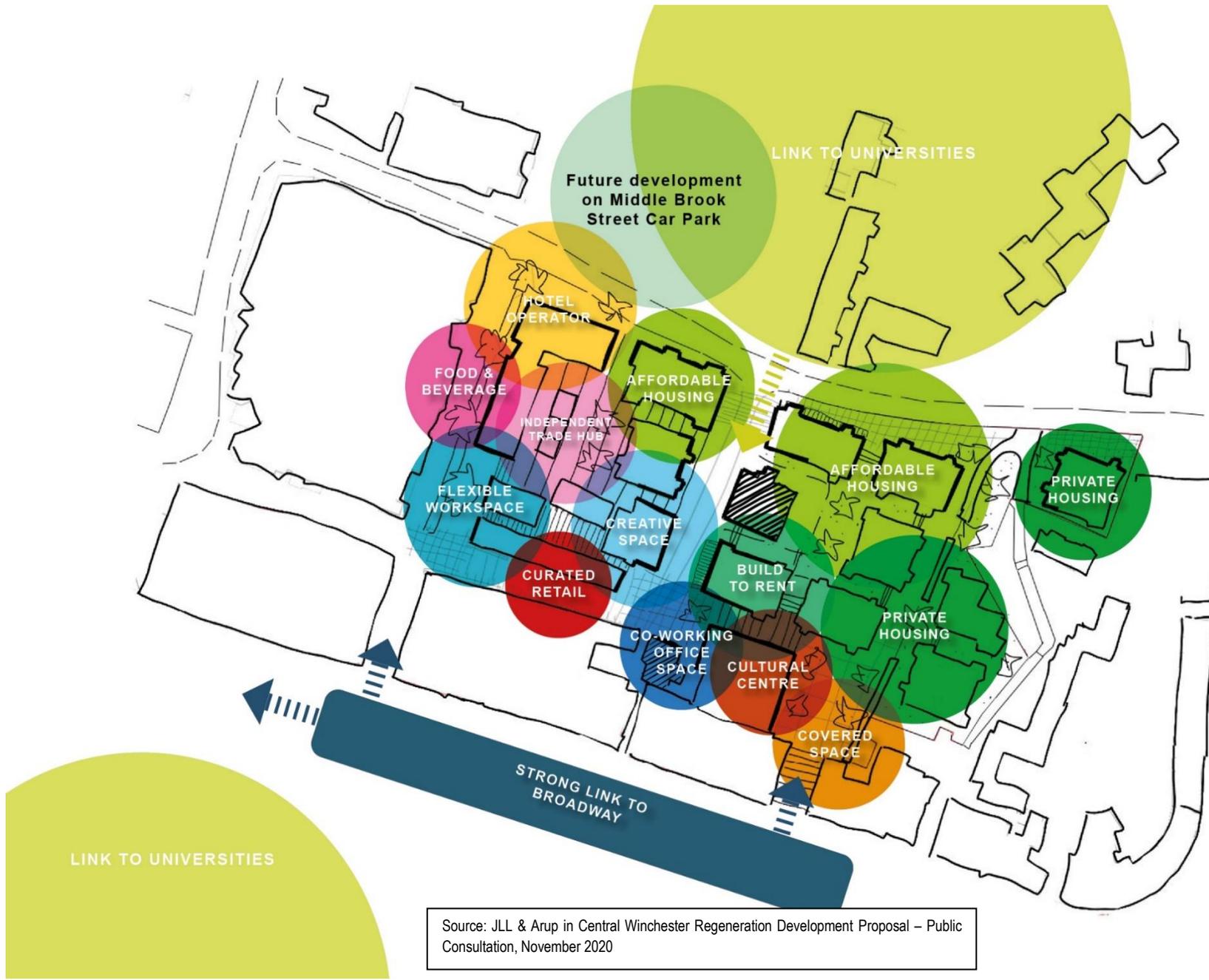
Phase 5

Source: JLL & Arup in Central Winchester Regeneration Development Proposal – Public Consultation, November 2020



**Illustrative diagram*

8.2 Appendix B - Development Proposal



8.3 Appendix C – Site Boundaries



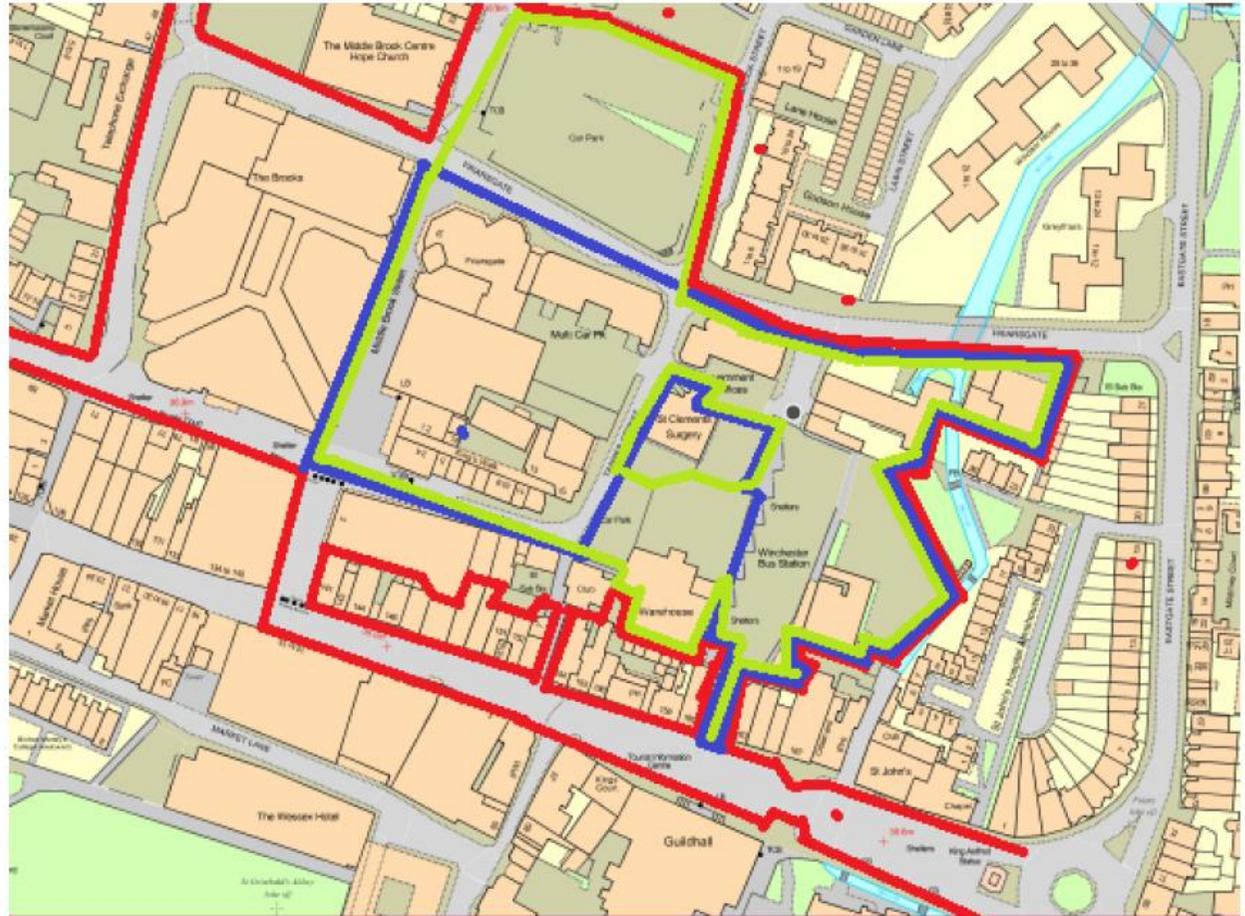
CWR SPD Red Line



CWR Development Proposals



DA Defined Site



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- | | | |
|---|--|--|
| ■ WCC | ■ M&S | ■ R.A.O.B |
| ■ King Edward VI School | ■ Aegon UK Property Fund | ■ M&S Leased |
| ■ Tanner Street Limited | ■ Southern Electric | |

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Financial Appraisal - King's Walk additional activation works

In CAB3281, works to Kings Walk were approved at an overall cost of £200,000 including: ground floor & public realm - external greening, lighting, internal alterations to create a refreshed image; loading bay activation - create external event space for letting and/or regeneration of the area; and to enhance connectivity and visibility between Kings Walk and the High Street.

An additional £185,000 is required due to the extended scope of works now to include activation of the roof top of the former middle brook street multi-storey car park and the inclusion of a secret garden in the Kings Walk Courtyard.

Capital Budget									
	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	Remaining life	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Additional works	185	0	0	0	0	0	0	0	185
Total	185	0	185						
Financed by:									
Prudential borrowing	185	0	0	0	0	0	0	0	185
Total	185	0	185						

Revenue Consequences									
	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	Remaining life	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Income	0	0	0	0	0	0	0	0	0
Expenditure (including savings)	(10)	(5)	(5)	(5)	0	0	0	0	(25)
Net surplus/(deficit)	(10)	(5)	(5)	(5)	0	0	0	0	(25)
Capital financing costs									
Interest payments	0	(2)	(1)	(1)	0	0	0	0	(4)
Minimum Revenue Provision (MRP)*	0	(61)	(62)	(62)	0	0	0	0	(185)
Net impact on the General Fund balance	(10)	(68)	(68)	(68)	0	0	0	0	(214)

*Borrowing need is reduced over the life of the asset by applying MRP annually from revenue

Net Present Value/(Cost) £000:

(210)

Discounted payback period:

n/a

Incremental Impact of Capital Investment Decisions*	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate
	£	£	£	£	£
General Fund - equivalent to increase/(decrease) in annual band D Council Tax	0.00	0.19	1.30	1.29	1.27

*This is an indicator of affordability that shows the impact of capital investment decisions on Council Tax.

Assumptions

Discount factor	1.00%	Estimated cost of capital
Appraisal period	3 years	Estimated length of time before wider site developed
Financing	Prudential borrowing	
Expenditure	Activation and marketing - £10,000 Maintenance - £5,000 per annum	One off cost Landscape maintenance
Interest	1.00%	Reflects shorter term borrowing rates available to the council
Minimum Revenue Provision (equivalent to principal loan repayment)	1.00% on an annuity basis	As above; applied in the year following completion of works over estimated life

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CAB3302
CABINET

REPORT TITLE: REVISED LOCAL DEVELOPMENT SCHEME

21 JULY 2021

REPORT OF CABINET MEMBER: CLLR RUSSELL GORDON-SMITH CABINET MEMBER FOR THE BUILT ENVIRONMENT:

Contact Officer: Adrian Fox Tel No: 01962 848278 Email
AFox@Winchester.gov.uk

WARD(S): ALL WARDS OUTSIDE THE SOUTH DOWNS NATIONAL PARK

PURPOSE

To up-date the current Local Development Scheme which was brought into effect in March 2020.

The council is legally required to produce and keep up to date a Local Development Scheme (LDS) that provides a programme for the production of the new Local Plan which will cover the period 2018 – 2038.

RECOMMENDATIONS:

1. Approve the revised Local Development Scheme July 2021, as set out in Appendix 1 to this Report; and
2. Delegate authority to the Strategic Planning Manager, in consultation with the Portfolio Holder for Built Environment & Well Being, to undertake minor updating and drafting of any amendments required prior to publication.

IMPLICATIONS:1 COUNCIL PLAN OUTCOME

- 1.1 It is a requirement of Section 15 of the Planning and Compulsory Purchase Act 2004 (as amended) for the council to have an up to date Local Development Scheme (LDS) which contributes to achieving the broader outcomes expressed in the Council Plan (2020 – 2025). The LDS must specify (amongst other matters) the documents which will comprise the Local Development Plan for the area. In addition to being a legal requirement, it is important that it is kept up-to-date to reflect the council's progress on making its new plan which helps keep residents and key stakeholders informed of the latest position.
- 1.2 This LDS will supersede the council's previous LDS that was published and brought into effect in March 2020.
- 1.3 Tackling the Climate Emergency and Creating a Greener District
- 1.4 The Local Plan has a key role to play in moving the council towards carbon neutrality and creating a greener district. The government has indicated in its consultation document on the White Paper that there will move towards national policies and local policies will only be allowed in 'exceptional circumstances' and there will be changes to the Building Regulations. This creates a real challenge as there is a great deal of uncertainty when these changes might come into effect. However, as the council's target for carbon neutrality is sooner than the government's target the recent consultation on the Strategic Issues & Priorities document identified a number of local plan policies options that could be used to address this pressing issue. The climate emergency is central to the development of the new Local Plan.
- 1.5 Homes for All
- 1.6 The Local Plan has a key role in determining where and how much housing development should be located in district outside the South Downs National Park in line with national policy requirements. The Local Plan will provide for a broad range of housing to meet local need including affordable housing and Gypsy and Traveller accommodation. The role of the LDS is to identify a timetable for the Local Plan which is important so that everyone can understand the process and has the opportunity to get involved in the preparation of the Local Plan. This will include the chance to make comments on where new housing is being proposed.
- 1.7 Vibrant Local Economy
- 1.8 The Local Plan is being informed by a range of evidence which includes an Employment Land Study, Retail, Leisure and Town Centre Study. Development of a Green Economic Development Strategy is currently underway. The Local Plan will need to assess any of the employment land allocations that have not come forward for development in the existing Local Plan, assess whether they are still required, deliverable and need be rolled

forward to the new Local Plan and identify any land required to meet the future needs of the District until 2038. This shall be undertaken taking into consideration the likely longer term effects of the COVID-19 pandemic all of which have been taken into account as part of this revised LDS.

1.9 Living Well

1.10 An important function of the new Local Plan will be that it fully considers and addresses the needs of all of our residents across all age ranges and abilities. The Local Plan has a key role to play in meeting this objective as it will be used to increase active travel, physical activity and create attractive and connected green infrastructure whilst protecting and seeking to enhance important areas of open space.

1.11 Your Services, Your Voice

1.12 A key part of the preparing the Local Plan is to ensure that everyone has the ability to be involved in its content and shape. The LDS sets out a timetable for when this engagement will take place. The Local Plan making process must engage with the widest possible audience and ensure that the document is not only accessible but also visually interesting and appealing so that it stimulates and encourages people to read and comment on it. The council must also comply with its own statutory Statement of Community Involvement, which was adopted in December 2018, and the updated COVID-19 Statement.

1.13 This work is already well underway in terms of a new Local Plan website www.localplan.winchester.gov.uk This website allows people to search planning information via their postcode. This aligns closely with the digital approach to plan making that is outlined in the White Paper consulted on in 2020. Making the timetable for the Local Plan available on the website is a key way of communicating to people when and how they can become involved in the Local Plan.

2 FINANCIAL IMPLICATIONS

2.1 The resources for the preparation of the various elements of the Local Plan have been approved as part of the budget process.

2.2 The Local Plan had an earmarked reserve at the start of 2020/21 of £382k, plus an annual baseline budget of £36.7k. The current forecast external expenditure of approximately £633k for the period of 2020/21 to 2024/25 is currently showing a forecast overspend of £66k. This can be addressed through the budget setting process. Additionally, there is in-house resource to operate the Local Plan team and a further £160,000 that has been approved to create 2 fixed terms posts for 2 years to assist with the preparation of the Local Plan. One of these posts, an additional Principal Planner, has now been appointed.

3 LEGAL AND PROCUREMENT IMPLICATIONS

- 3.1 As confirmed above, the Local Plan must be prepared in line with the process set out in national legislation under Planning and Compulsory Purchase Act 2004 (as amended) and can only be adopted by the council if it is found to be legally compliant and sound by a Planning Inspector that is appointed by the Secretary of State to oversee a Local Plan examination.
- 3.2 An up to date LDS is a fundamental element of the Local Plan process and there is a requirement to submit the LDS, at submission stage of a Development Plan Document (DPD), to the Planning Inspectorate. Maintaining an up to date LDS is one of the first tests of soundness at the Local Plan examination and it is, therefore, essential that it is kept under review and updated accordingly.
- 3.3 There are no direct procurement implications as a result of this report.

4 WORKFORCE IMPLICATIONS

- 4.1 The Strategic Planning Team leads the preparation of the Local Plan, and associated documents that are included in the LDS, which involves; commissioning consultants and working with colleagues across the whole of the council, neighbouring Local Planning Authorities under the Duty to Co-operate, statutory agencies (Natural England, Historic England, Highways England and the Environment Agency etc...) and the Partnership for South Hampshire (PFSH).

5 PROPERTY AND ASSET IMPLICATIONS

- 5.1 Once the Local Plan has been adopted, it will be the statutory Development Plan which means that any applications that come forward from the council, or affect land which is within its ownership, will need to be assessed against the policies and proposals in the Local Plan.

6 CONSULTATION AND COMMUNICATION

- 6.1 The whole purpose of preparing an LDS is to ensure that there is a transparent process that clearly identifies when various stages of the Local Plan will be consulted upon. This is extremely important as a key part of preparing a Local Plan is ensure that everyone has the opportunity to be involved in shaping it's the direction and content.
- 6.2 Discussions have taken place with the Cabinet Member for the Built Environment regarding the up-dated LDS. The updated LDS was considered at a Local Plan Advisory Group (LPAG) meeting on the 1st July 2021. The main points raised by the Group are summarised below:
- To ensure the proposals in the White Paper are taken into account.
 - Design issues need to be dealt with in a more comprehensive manner in the new local plan and this applies to the rural areas and market

towns and not only the city itself. This aligns with proposed Government reforms.

- To continue with our Duty to Cooperate.
- To be kept informed of PfSH work.
- August and September are not the best months for undertaking consultations (Regulation 18/19 stages) and will result in negative comments. Engagement needs to be as wide and comprehensive as possible with sufficient time and opportunity for people to respond.
- What interaction will there be between the new Local Plan and the South Downs National Park Plan?
- What is happening about Gypsy and Traveller sites and how will this be addressed in the new Local Plan?
- Can the Green Economic Strategy and PfSH reports be considered by LPAG?
- A number of detailed policy areas need to be reviewed which arise at Planning Committee including sustainability of housing schemes, which involve the demolition of existing serviceable buildings, green energy generation, biodiversity provision and integrated layouts of residential developments.

6.3 In response it was agreed that these points would be considered as the new local plan is developed and LPAG would be kept informed of progress regarding these matters. So far as they relate to the LDS, which is the subject of this report, the timing/duration of consultation on the Regulation 18 and 19 stages of the plan would be considered further in due course.

7 ENVIRONMENTAL CONSIDERATIONS

- 7.1 The LDS sets out the Local Plan documents to be prepared by the council over the next three years. All documents must comply with the requirements of planning legislation and the need to deliver sustainable development which encompasses all considerations in relation to the built and natural environment. Allied to this the council has declared a climate emergency and the policies within the new plan will support moving the district towards carbon neutrality by 2030.
- 7.2 The council has appointed consultants (Land Use Consultants) to undertake a Sustainability Appraisal and Habitats Regulations Assessment which will be prepared alongside, and feed into, key stages of the plan making process. These assessments will be made available for people to comment on and will

be critical in supporting the decisions that are made in relation to content of the Local Plan.

8 EQUALITY IMPACT ASSESSEMENT

- 8.1 Undertaking an Equality Impact Assessment (EqIA) is a key part of preparing a 'sound' Local Plan. The process needs to ensure that the Local Plan does not lead to unlawful discrimination (direct and indirect), and that it should advance equality of opportunity and foster good relations between those with a 'protected characteristic' (race, age, sex, disability, sexual orientation, gender reassignment, religion or belief and pregnancy or maternity) and all others.
- 8.2 LUC have also been appointed by the council to undertake an EqIA and Health Impact Assessment alongside the Sustainability Appraisal and the Habitats Regulations Assessment under the umbrella of the Integrated Impact Assessment (IIA).

9 DATA PROTECTION IMPACT ASSESSMENT

- 9.1 Any comments that are submitted to the Local Plan will be taken into account, but must include people's name and contact details. The council will publish names and associated representations on its website but it will not publish personal information such as telephone numbers, addresses or email addresses.
- 9.2 In accordance with the General Data Protection Regulations (GDPR) information will only be kept for the necessary period of time required. The council has an updated privacy policy which can be viewed on the website.

10 RISK MANAGEMENT

- 10.1 The LDS that is attached at appendix 1 includes a detailed Risk Assessment

Risk	Mitigation	Opportunities
Financial Exposure	<p>Funding for ongoing projects are within the existing budget and any additional funding that is required will be considered as part of the budget making process.</p> <p>The new planning system does include a much greater emphasis on the</p>	<p>Joint commissioning research and potentially GIS accessible software with neighbouring authorities.</p> <p>Start work now to align the new plan with the national direction of travel such as the development of a new dedicated LP</p>

	<p>use of GIS and the ability for people to access data at a postcode level. This will require corporate investment in new technology but timing for implementation of national planning reforms are not yet known but will need to be considered as part of the budget setting process.</p>	<p>website with interactive GIS.</p>
<p>Exposure to challenge</p> <p>Local Plan not found sound at the Local Plan Examination as it fails the public consultation tests in Regulations 18 and 19 of the Act.</p>	<p>The revised LDS will need to be kept under review and ensure the Plan making process follows national regulations. The appointment and the involvement of Counsel at key stages of the Local Plan making process will reduce the risk of legal challenge.</p>	<p>There is great opportunity through the Local Plan making process to engage with a wide range of people on the future of the district reducing the risk that people feel that they have not been properly engaged in the plan making process.</p>
<p>Innovation</p> <p>Presentation of the Local Plan fails to engender interest in the plan making process.</p>	<p>Ensuring that the council engages with as many people as possible, including hard reach groups, is a key part of the Local Plan process. Publicity and the methods of Local Plan engagement will be a key component of this. A review will be undertaken to assess what methods of engagement were most effective in relation to f the recent consultation on the Strategic Issues & Priorities document.</p>	<p>There is a great opportunity to make the Local Plan look appealing and interesting to a range of audiences. The dedicated Local Plan website has been created, along with new branding, and it will be important to build on the momentum that has been generated by this work.</p>
<p>Reputation</p>	<p>Local Plan not being found sound, or undue delay in the adoption process, would damage public confidence in council's ability to plan for, and manage, development in the district.</p>	<p>It will be necessary to keep the revised LDS under review in order to ensure that the council communicates when it will be consulting on the Local Plan.</p>

Achievement of outcome	It is important to work closely with all elected Members through the Local Plan Advisory Group and by other means, like Councillor briefings, and to maintain awareness of the plan, and associated documents at each key stage of the process.	Build sufficient flexibility into the strategy and timescales.
Property	The LDS is a project management tool and as such it does not have any property implications.	Ensure that the council's property department are aware of the updated LP timetable so that they can input into the process.
Community Support The risk is that there is insufficient time to allow for full community engagement	The revised LDS has been developed with a programme that allows sufficient time for consultation and assessment of responses. A dedicated Local Plan website has been created and a range of engagement methods were used as part of the recent consultation on the Strategic Issues & Priorities document that reached out and engaged with a range of people and stakeholders/community groups.	Ensure communication methods are relevant to the task to ensure those interested are kept informed of progress and provided with opportunities to participate building on recent work undertaken by the council such as the Vision for Winchester and successful consultation on the Strategic Issues & Priorities document.
Timescales The revised LDS is a project plan for the various stages in the production of the Local Plan and any slippage may cause issues if this results in delay in the plan being adopted.	Ensure that there is sufficient capacity in the Strategic Planning team to be able to progress Local Plan and timings in the revised LDS are realistic. Keep the LDS under with sufficient flexibility review to respond to any national changes in the planning system.	It will be necessary to keep the LDS under review and adjust the timescales as and when required.
Project capacity Insufficient resources	Ensure that the necessary resources are in place to progress the projects	Working with colleagues and neighbouring authorities

could delay progress of the Local Plan.	identified through the budget setting process.	through joint commissioning of evidence and other studies such as the work being undertaken currently by PfSH.
---	--	--

11 SUPPORTING INFORMATION:

11.1 Background:

- 11.2 The LDS is effectively a project plan that sets out the timetable for the production of new or revised Development Plan Documents which together will form the council's Local Plan for the period up to 2038 and will replace the current adopted Local Plan. The LDS is required under Section 15 of the Planning and Compulsory Purchase Act 2004 (as amended). The LDS must specify (among other matters) the documents which, when prepared and adopted, will comprise the Local Plan. The Local Plan will be used to shape future development of the district (outside the South Downs National Park) and against which all applications for development will be assessed. It must be made publicly available on the council's website and be kept up-to-date to enable local communities and interested parties to keep track of progress. It is reviewed annually through the council's Authorities' Monitoring Report.
- 11.3 The LDS is important in the context of communication and transparency. The local community, businesses and others with an interest in the future planning of the district must be properly informed of the planning documents that the council intends to bring forward to form its Local Plan and the timescale for their preparation, consultation and adoption.
- 11.4 Although consultations on the Local Plan will continue to be advertised, and interested parties notified in accordance with the council's adopted Statement of Community Involvement, the LDS provides information about when consultations are likely to happen.
- 11.5 The LDS is also a useful tool for establishing and reflecting the council's priorities and enables work programmes to be set for the preparation of planning documents. It provides context for the review of planning documents once they have been prepared.
- 11.6 The proposed timetable for the Local Plan has been adjusted for this year in order to reflect the revised timing of the high level consultation which took place on the Strategic Issues & Priorities document between February and April this year. Consultation on the document was unavoidably delayed as a result of the Government consulting in late summer/autumn last year on a number of substantial changes to the way that local planning authorities need to prepare a Local Plan and amendments to the standardised housing methodology which determines the number of new homes the council is

expected to deliver through its plan. This would have seen the council's housing number increase from around 692 dwellings to 1,024 dwellings a year. This significant increase in the number of dwellings that the council would need to plan for each year, would have affected fundamental factors which form the basis of a consultation on the Local Plan, like the potential development strategy options for accommodating the level of growth required.

- 11.7 Having reviewed comments that had been submitted to the consultation document on changing the algorithm that was used to calculate the number of dwellings local authorities would need to plan for, the Government confirmed at the end of 2020 that the housing number for the district would revert to the previous figure (692 dwellings per annum). This enabled consultation to take place in early 2021 on the Strategic Issues & Priorities document. The Government's Chief Planning Officer has now written to all Local Planning Authorities informing them that they need to press on with preparing their local plans under the current planning system even though the Queen's speech delivered on 11th May confirmed the Government's intention to proceed with changes to the planning system including how local plans are made.
- 11.8 It is important to note that taking into account the most recent housing affordability data (published in March 2021), the district is now required to plan for a minimum of 665 dwellings per annum. This figure has changed as a result of population projections and an adjustment to take into account affordability. The Strategic Issues & Options document was based on planning to meet 700 dwellings per annum to provide a degree of flexibility. As this figure can increase as well as go down (due to population projections and an adjustment for affordability) Officers still consider that this is the best available figure to plan for.
- 11.9 Next steps:
- 11.10 All of the feedback that has been received from the Strategic Issues & Priorities consultation document is now being used to help inform and develop a new draft Local Plan (Regulation 18). At this stage in the process a preferred growth strategy will be identified and consulted on (how in effect the development will be distributed across the district outside of the South Downs National Park). The Reg 18 plan will also identify which specific sites are proposed to be allocated for development, in order to meet the development strategy, and a range of other policies required to support delivery of the new Local Plan.
- 11.11 Whilst every effort will be made to progress the Local Plan, the timetable beyond Regulation 18 is, in part, dependent on how many representations are received and a number of external factors such as any changes to national policy and availability of the Planning Inspectorate to convene the Local Plan Examination. The timing of national changes to the planning system regarding the way new plans are developed could also impact on this. It is not possible at this point in time to know how this will affect the plan process, so the intention is to proceed under the current statutory regime, whilst incorporating

as much flexibility as is feasible and appropriate, so we can respond to any reforms as they are brought forward.

- 11.12 An updated programme addressing the changes to the programme has been set out in the revised LDS. Once agreed by Cabinet, a copy of the LDS will be placed on the council's website.

12 OTHER OPTIONS CONSIDERED AND REJECTED

- 12.1 It is a legal requirement to have an up to date LDS and for it to be publically accessible. The LDS is a project management tool and is able to be updated as required to ensure that provides certainty to the local community and other stakeholders about the preparation and subsequent adoption process of the Local Plan documents. Alternative timetables for the production of the LDS have been considered but the timetable set out is considered the best option to achieve adoption of a new plan in the most timely fashion.

BACKGROUND DOCUMENTS:-

Previous Committee Reports:-

CAB3226 (Local Plan) Revised Local Development Scheme 2020 – 11 March 2020

CAB3087 (Local Plan) Revised Local Development Scheme 2018 – 3 December 2018.

CAB2994 (Local Plan) Revised Local Development Scheme 2017 – 4 December 2017.

CAB2836 (Local Plan) Revised Local Development Scheme 2016 – 5 October 2016.

Other Background Documents:-

APPENDICES:

Appendix 1 – Revised LDS 2021

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YOUR PLACE YOUR PLAN.

Winchester District Local Plan

Local Development Scheme

July 2021



Winchester
City Council

CONTENTS

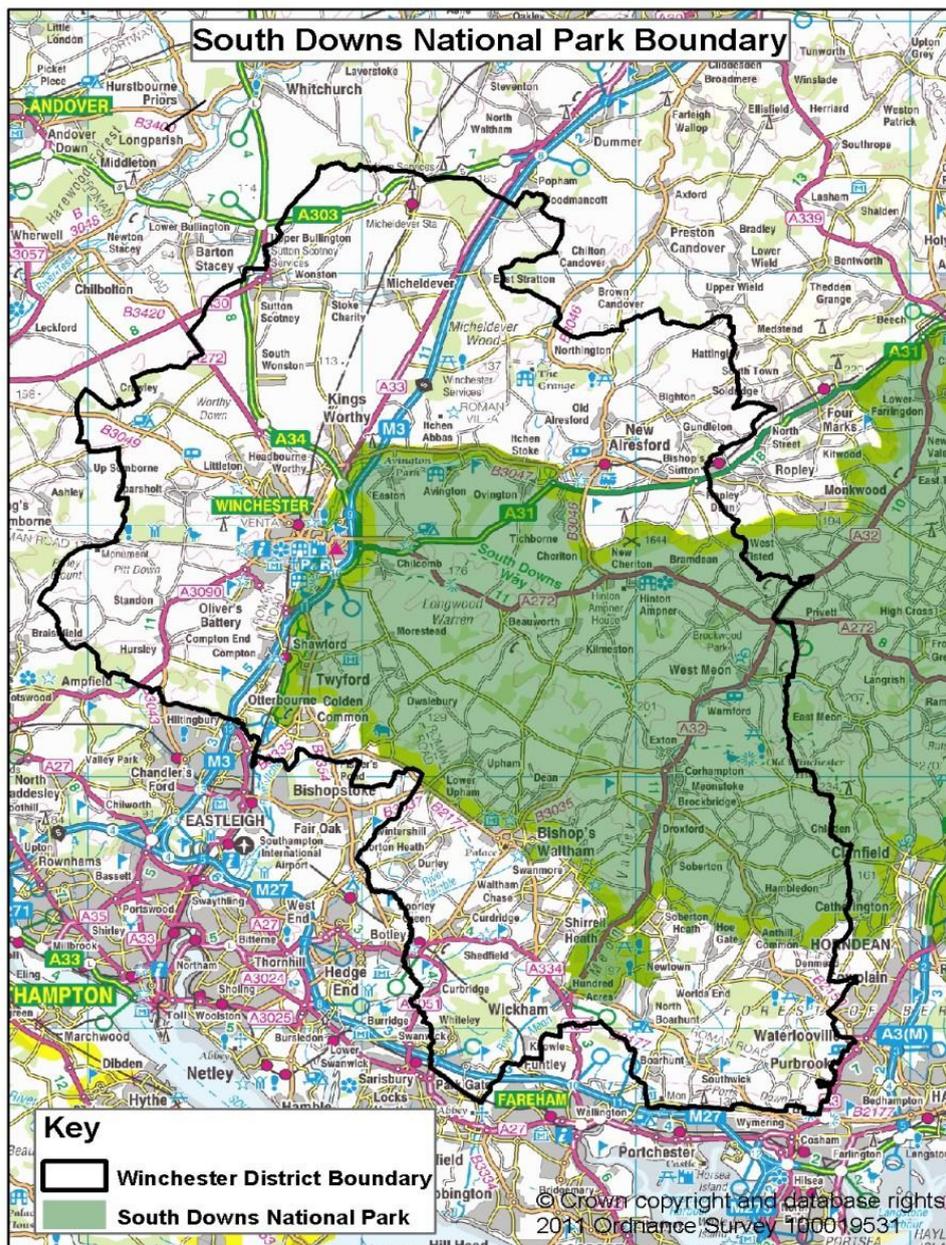
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1.0 Introduction

1.1 Winchester City Council is required to prepare, update and publish a Local Development Scheme (LDS) in accordance with the Planning and Compulsory Purchase Act 2004 (“the Act”) (as revised by the Localism Act 2011).

1.2 This LDS covers the administrative area of Winchester that falls outside the South Downs National Park (which produces its own Local Plan) and sets out which planning policy documents the council intends to produce, and the timetable for producing these documents over a three year period to 2023. The map below shows the boundary of Winchester City Council and the South Downs National Park.



1.3 The Act (as amended by the Localism Act 2011) states that a Local Development Scheme must specify:

- The Local Development Documents which are to be Development Plan Documents;
- The subject matter and geographical area to which each development plan document relates;
- Which Development Plan Documents, if any, are to be prepared jointly with one or more other local planning authorities;
- Any matter or area in respect of which the authority has agreed (or proposes to agree) to the constitution of a joint committee [with other Local Planning Authorities]; and
- The timetable for the preparation and revision of the Development Plan Documents.

2.0 Background.

2.1 The Development Plan Documents for Winchester District comprise:

- **The Winchester District Local Plan Part 1 - Joint Core Strategy (LPP1).** The LPP1 was prepared by Winchester City Council (WCC) and the South Downs National Park Authority (SDNPA). It was adopted by WCC in March 2013. This plan covers the entire geographical area of Winchester District including the SDNP and provides the strategic policies for the area.
- **The Local Plan Part 2 - Development Management and Site Allocations (LPP2).** This local plan covers the parts of the district that lie outside the SDNP and are administered by WCC as local planning authority. It provides site allocations and detailed policies relating to development management. LPP2 was adopted in April 2017.

- **The Denmead Neighbourhood Plan;**
The plan covers most of the parish of Denmead. This is the only Neighbourhood Plan in the district that has been “made” (1 April 2015). Denmead Parish Council have indicated an intention to review their plan in line with the Local Plan process.

Hursley Parish Council have also started work on preparing a Neighbourhood Development Plan and this will need to be in line with the Local Plan process.

- **The Gypsy and Traveller and Travelling Showpeople DPD (G&T DPD).** Local Authorities are required by Central Government to assess the accommodation requirements of Gypsy and Travellers and to develop a strategy that addresses any unmet need. It was adopted as a Development Plan Document in February 2019.

- The Hampshire Minerals and Waste Plan.**
 This plan is produced jointly by Hampshire County Council (HCC), Southampton City Council, Portsmouth City Council and South Downs and New Forest National Park Authorities. The plan covers the entire county.

The diagram below shows the Local Plan documents for Winchester District.



2.2 This LDS is effectively a timetable for preparing the new Local Plan which will cover the period to the end of 2038. It also includes an assessment of identified risks and contingencies as part of ongoing programme management. There is no requirement for Supplementary Planning Documents (SPD) to be included in the LDS. However, the council will continue to produce SPDs where appropriate. There is a list of all adopted SPDs on the council's website

<https://www.winchester.gov.uk/planning-policy/supplementary-planning-documents-spds>

3.0 Other relevant documents.

3.1 The Statement of Community Involvement (SCI) was adopted on 3 December 2018. The SCI provides the framework within which the public will be consulted on the preparation of policy documents and planning applications and states how the local authority intends to achieve this involvement. It was updated in December 2020 with a COVID-19 statement.

3.2 The Authorities' Monitoring Report is updated yearly and provides updates on the status of the LDS timetable and progress of the new Local Plan <https://www.winchester.gov.uk/planning-policy/annual-monitoring-report-amr> It also reports on public consultations and duty to cooperate consultations, updates on neighbourhood planning within the district and key statistics on planning topic areas such as housing, employment, population, community, health, education, environment and transport.

3.3 The Community Infrastructure Levy (CIL) is the mechanism whereby funds are raised from development for essential infrastructure as set out in the Infrastructure Funding Statement. CIL is charged per square metre on the gross internal floor space of the net additional floor space created by development and is applicable to all new residential developments, excluding the major development areas (MDAs) at Kings Barton (Winchester), Newlands (Waterlooville) and North Whiteley, regardless of size and to other specified types of development of 100 square metres or over. The delivery of infrastructure at the MDAs is covered by planning obligations (s106 agreements) which were put in place when permission was given for these developments. The council has set differential rates of CIL for the various uses based on the economic viability evidence in the CIL Viability Study. More information on the CIL is available on the council's website <https://www.winchester.gov.uk/planning/cil/>

4.0 The emerging Development Plan.

4.1 The Local Plan will set the vision and framework for future development of the district (which lies outside the SDNP). When the new Winchester District Local Plan has been adopted the development plan will comprise The Winchester District Local Plan, The Hampshire Minerals and Waste Plan 2013, the Denmead Neighbourhood Plan and any other neighbourhood plans which might be “made”.

4.2 The plan will address the climate emergency, local housing need, the economy, environmental considerations, community infrastructure as well as strategic infrastructure needs. The plan will make site specific allocations as necessary to meet identified need. It will provide detailed topic based policies to guide determination of planning applications.

4.3 In September 2020, the Government undertook consultation about a White Paper and changes to the current planning system that would have significant implications for the content and the way that Local Plans would need to be prepared. The Government is currently considering all of the representations that were submitted to the consultation documents. Any changes to the planning system that may come forward could have an impact on the timetable for preparing the Local Plan. It is important to note that the Government proposed changes to the planning system have already resulted in a slight delay to the consultation on the Strategic Issues & Priorities document which has resulted in the need to revise the LDS.

4.4 Stages of Local Plan preparation.

4.5 There are a number of key stages that are involved with the preparation and the adoption of a Local Plan. Each of these stages are subject to the Strategic Environmental Assessment Directive (SEA). This information will be included under the umbrella of an Integrated Impact Assessment (IIA) which includes a Sustainability Appraisal, Habitats Regulations Assessment, Equality Impact Assessment and a Health Impact Assessment.

4.6 The Solent has recognised problems from nitrate enrichment. High levels of nitrogen from human activity and agricultural sources in the catchment have caused excessive growth of green algae (a process called eutrophication) which is having a detrimental impact upon protected habitats and bird species. Accordingly, it will be important that the IIA calculates and identifies a solution to the demands of nitrates as a result of housing growth.

4.7 Pre-Regulation 18 stage

4.8 This is the initial stage involves evidence gathering and engaging with the local community, businesses and stakeholders, including statutory consultees and neighbouring local authorities. This process started with the Launch of the Local Plan in 2018. A high level consultation on a Strategic Issues and Priorities document took place between February – April 2021 and the information gained from this is being used to inform the next stage of the plan making process as the

council develops its draft Local Plan (Regulation 18).

4.9 Regulation 18 Local Plan.

4.10 All the representations that have been received on the Strategic and Priorities consultation are now being evaluated to help us develop the new draft Local Plan ('Regulation 18' stage) which will be published on our website. At this next stage of the process we will identify and consult on the development strategy (how the development we have to plan for will be distributed across the areas of district that lie outside the South Downs National Park), identify which specific sites are proposed to be allocated for development in order to deliver the growth we need to accommodate, and propose a range of other policies that are needed to support the implementation of the new Local Plan.

4.11 Regulation 19 Local Plan.

4.12 Following consultation on the Regulation 18 Local Plan, we will consider all of the representations and prepare and publish for final consultation a revised version of the Local Plan and invite representations in accordance with Regulation 19. These representations will include comments on whether the draft plan is legally compliant and sound when assessed against the requirements that are contained in the National Planning Policy Framework (NPPF).

4.13 Submission and Examination of the Local Plan (Regulations 22&23).

4.14 Following Regulation 19, the council will formally submit the final draft Local Plan, representations that have been received at the Regulation 19 stage and the evidence base to the Planning Inspectorate for examination on behalf of the Secretary of State. A Local Plan Examination will be convened which will be overseen by an independent Inspector will assess the Plan against the tests of soundness and will take into account any representations received at the Regulation 19 stage. Whilst there is an opportunity for members of the public and organisations to attend the examination, the Inspector will determine the range of issue that they wish to discuss and who they would like to address the Inspector.

4.15 Consultation on proposed Main Modifications.

4.16 The Inspector and the council may suggest modifications to the draft plan. If they are likely to affect the plan in a significant way, they will be regarded as "Main Modifications" and, if these are required, they will need to be consulted on and the representations reviewed and forwarded to the Inspector.

4.17 Inspector's Final Report – Regulation 25.

4.18 The Inspector will issue a Final Report and providing that the Plan is found to the 'Sound', the council may adopt the Plan as soon as practicable following receipt of the Inspector's report unless the Secretary of State intervenes. Once adopted the Local Plan will form the main part of the statutory development plan.

4.19 The table below shows the key stages of the Local Plan.

Winchester District Local Plan Document Details	
Role and content	Updated development strategy for Winchester District. This will involve reviewing all of the existing Local Plan policies, identify any policy gaps and update the Local Plan evidence base.
Geographical coverage	Winchester District (excluding that part within the South Downs National Park and any area subject to the adopted Neighbourhood Plan)
Consideration of representations that have been submitted in relation to the Strategic Issues and Priorities document, prepare a response, use the information that has been gathered from the consultation to help develop the draft Local Plan, identify a growth strategy, undertake additional engagement on any issues such as design, meet with Parish Councils, Town Forum to discuss sites, finalize the evidence base, draft policies and identify sites that will be allocated to for development that meet the growth strategy, prepare a draft Regulation 18 Local Plan. Undertake an IIA of the LP. Agree the LP for consultation.	May 2021 – June 2022
Consultation on the Regulation 18 Local Plan	August 2022 – September 2022
Consideration of representations that have submitted to the Regulation 18 Local Plan, prepare a response and make any changes to the Local Plan. Undertake an IIA of the LP. Agree the LP for consultation.	Oct 2022 – June 2023
Consultation on the Regulation 19 Local Plan	August 2023 – September 2023
Submission of the Local Plan to the Secretary of State (Regs. 22 & 23)	November 2023
Examination of LDD and SA (Reg. 24)	February/March 2024
Consultation on any proposed Main Modifications	May 2024
Inspector's Report – final (Reg. 25)	July 2024

Adoption and publication of Local Plan and revised Local Plan Policies Map	July/August 2024
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Sustainability Appraisal and Habitats
Regulations Assessment of the Local Plan



5.0 Strategic Environmental Assessment (SEA) and Sustainability Appraisal (SA).

5.1 Achieving sustainable development is at the heart of the planning system and is particularly important given that the council has declared a Climate Emergency. Tackling this issue and creating a greener district are at the heart of the Council Plan 2020 - 2025.

5.2 In preparing Local Plan and associated documents, attention will also be given to the expected environmental outcome of proposed plans and will be subject to Sustainability Appraisal (SA). A European Union Directive (July 2006) requires that all plans likely to have significant effects on the environment must incorporate a Strategic Environmental Assessment (SEA).

5.3 The SA process examines the concept of sustainability through consideration of social, economic and environmental impacts. Matters of health and equalities also need to be incorporated into integrated impact assessments for planning policy formulation. SEA involves the assessment of the environmental impact of the plan.

5.5 The Local Plan must also comply with the requirements of the European Community's Habitats Regulations on the conservation of natural habitats and of wild fauna and flora (Directive 92/43/EEC, May 1992). The 2017 Regulations provide for the designation and protection of 'European sites', the protection of 'European protected species', and the adaptation of planning and other controls for the protection of European sites.

5.6 Preparation of Local Plan provides an opportunity to update the SA/SEA/HRA frameworks to ensure that the processes are compliant with any legislative changes in light of recent High Court judgements and that any impacts from Brexit are reflected.

6.0 Delivery and Implementation.

6.1 Producing a new Local Plan is a corporate priority. The preparation of the Local Plan will be led by the Strategic Planning Team but will embrace the work of a number of departments from across the whole of the council.

6.2 The development of the Local Plan is underpinned by an up to date evidence base. The council will work with other departments within the council, neighbouring authorities, Hampshire County Council, local communities and expert consultants to produce the technical background work which will form the evidence base for the new Local Plan. All of this evidence base will be made available on the council's website and will be submitted to the Inspector that is appointed to oversee the examination of the Local Plan.

6.3 The financial resources required to produce the evidence base have been estimated and provision made in the council's budget.

6.4 The council is satisfied that at the time of the preparation of the LDS appropriate resources are available to deliver the timetable set out in Appendix 1.

7.0 Monitoring and Review.

7.1 The council's Authorities' Monitoring Report (AMR) will monitor the progress of the LDS on an annual basis, reporting in December each year. The latest version is available to view on the council's website <https://www.winchester.gov.uk/planning-policy/annual-monitoring-report-amr> The AMR will compare progress against the key milestones set out in the LDS (Appendix 1) and consider the need to revise and update the LDS.

8.0 Duty to Co-operate

8.1 The duty to cooperate places a legal duty on local planning authorities, county councils in England and public bodies to engage constructively, actively and on an ongoing basis to maximise the effectiveness of Local Plan preparation in the context of strategic cross boundary matters.

8.2 The duty to cooperate is not a duty to agree. But local planning authorities should make every effort to secure the necessary cooperation on strategic cross boundary matters before they submit their Local Plans for examination. Local planning authorities must demonstrate how they have complied with the duty at the independent examination of their Local Plans. If a local planning authority cannot demonstrate that it has complied with the duty then the Local Plan will not be able to proceed further in the examination process.

8.3 Local planning authorities will need to satisfy themselves about whether they have complied with the duty. As part of their consideration, local planning authorities will need to bear in mind that the cooperation should aim to produce effective and deliverable policies on strategic cross boundary matters.

8.4 The various meetings that have taken place in connection with the duty to cooperate are recorded annually in the council's AMR which is available on the council's website.

9.0 Risk Assessment.

9.1 The production of a Local Plan requires consideration of the potential risk involved in its preparation. These vary from local matters such as changes in staffing levels or political / administrative changes to those of regional or national significance including publication of revised government guidance and changes to the plan making system.

9.2 The matrix in Table 1 below identifies a range of potential risks, their impact and likelihood of occurrence together with contingency and mitigation measures.

What might go wrong?	What will happen?	Residual risk score	Current controls	Mitigation
A team member may Leave	A vacancy would be created in the team and depending on the level of seniority this would have different risk implications	Likelihood = Likely Impact = Major	Spread knowledge of the Local Plan and its associated documents throughout the team to minimize impact.	Re-appoint as soon as possible. If this is not possible, seek to re-deploy staff resources within Built Environment team. If this was not possible appoint someone as a Consultant although this would have financial implications.
Vacant post might not be filled	Unable to deliver the LP due to lack of resources	Likelihood = Unlikely Impact = Major	Seek to recruit in a timely manner to allow for a new member of staff to become familiar with WCC processes, prior to key stages of plan making.	Seek to recruit a temporary member of staff/agency staff with the necessary experience. Consider use of consultants where appropriate.
New national legislation	The Government introduces changes that significantly alter the way that Local Plans needs to be prepared	Likelihood = Highly likely Impact = Major	<p>The Government has, and continues to make a number of changes to the planning system, the National Planning Policy Framework and the Building Regulations.</p> <p>It is highly likely that other changes and guidance will happen within the next 2 - 3 year period as the Government has consulted on some radical changes to the form and content of Local Plans and the way they need to be prepared. The Queen's speech (11/05/21) has announced a series of changes to the planning system that will come forward in a Planning Bill</p>	<p>Include flexibility in the timescales for preparation of the Local Plan and associated documents to allow opportunity to respond to changes</p> <p>Adapt plan making to future proof the process as far as possible and implement changes without delay that align with the direction of travel set at national level.</p> <p>Monitor closely and respond to the outcome of the various consultations promptly and any pending changes at National level, where possible, prior to commencement of regulatory stages of plan preparation process.</p> <p>Ensure documents are regularly updated to ensure compliance with legislation.</p>

Legal challenge	A legal challenge could be submitted	Likelihood = Unlikely Impact = Major	Post adoption of a Local Plan, there is a six week legal challenge period. There is potential for newly- adopted plans to be challenged, placing a degree of uncertainty over the status of the policies and proposals.	To reduce risk of challenge, ensure the Local Plan is legally compliant, is based on robust evidence and has been subject to extensive consultation. The involvement of Counsel at key stages of the Local Plan process will help to minimize the risk of legal challenge. Robustly resist challenges made through the Courts unless there are clear and substantial legal reasons which mean the council is unlikely to be able to defend adoption of its Local Plan.
Problems arising from joint working; compliance with the duty to co-operate	It is not possible for an examining Inspector to 'correct' a failure to meet the Duty to Cooperate at the Local Plan examination, so this could have a serious impact.	Likelihood = unlikely Impact = major	Close working is therefore needed with other authorities through Partnership for South Hampshire and other direct channels , council Members and Counsel to detect issues early on in the process. The new NPPF has also introduced the requirement to produce Statements of Common Ground and, by agreement, meeting neighbours' unmet housing needs.	Some flexibility is included in the Local Plan timescales and allows for continuing discussions with neighbouring authorities to reach agreed positions. Ensuring that there is a clear document audit trail of any discussions and outcomes from those DTC meetings. The council is also represented on project boards / steering groups of major development sites and is a member of the Partnership for South Hampshire (PFSH).
Programme slippage	There could be delays to the Local	Likelihood = Likely	Contingency time is built into the LDS programmes, which includes	Sufficient flexibility is included in the Local Plan timescales. Revise LDS

	Plan timetable due to Government reforms to the planning system or a large number of representations submitted that would delay the adoption of the LP. Any slippage in the Local Plan timetable could have financial implications in terms of the evidence base needing to be updated and this would need to be managed.	Impact = moderate	sufficient time to deal with the large number of representations typically received at consultation stages.	where necessary. Ensure sufficient resources available to complete future stages (financial and staffing).
Local Plan found not to be 'sound'	If the LP is found to be unsound or there was serious shortcomings with the LP work would need to halt and the problems would need to be addressed. Inability to maintain a 5 year housing land supply	Likelihood = Unlikely Impact = Major	Seek advice from PINS at key stages (e.g. advisory visits) and be prepared to make modifications. Develop and take account of sound evidence.	Develop sound and reliable technical evidence base. If necessary, go back to an earlier stage, revise the plan and re-submit.
Failure to secure timely provision of Infrastructure	Infrastructure issues are not clearly considered as part of the LP.	Likelihood = Highly unlikely Impact = moderate	Retain up to date evidence on infrastructure and liaise with infrastructure providers.	Continuing engagement with infrastructure providers to develop a Infrastructure Delivery Plan in order to ensure the timely provision of infrastructure.

Failure to secure agreement at Full Council to Local Plan	The LP needs to be agreed by Full Council at the Reg 19 stage and at the time that the LP is adopted.	Likelihood = Unlikely Impact = Major	It is important to work closely with all elected Members through the Local Plan Advisory Group and by other means, like Councilor briefings, and to maintain awareness of the plan, and associated documents at each key stage of the process.	Build sufficient flexibility into the strategy and timescales.
Inspector's report includes recommendations that the council finds difficult to accept	Although the Inspector's recommendations are no longer binding (except for any modifications proposed by the council), the Plan may not be 'sound' unless it is modified.	Likelihood = Unlikely Impact = major	The council will need to consider all recommendations made by the inspector and may decide to accept them unless it considers there are sound and substantial reasons not to whilst acknowledging this could lead to a position where an up-to date-plan is no longer in place.	Keep council Members up to date on issues arising and likely recommendations and ensure each stage of the plan making process is evidence based, taking legal advice as required, to minimize the potential for the inspector to need to recommend significant changes to the draft plan.

	2021												2022												2023											
	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D
Local Plan																				D	D											P	P		S	

	2024											
	J	F	M	A	M	J	J	A	S	O	N	D
Local Plan		E	E		MM	IR	A					

D	Consult on the draft Reg 18 Local Plan
P	Publish the draft Local Plan for consultation (Reg 19)
S	Submission Reg 22
E	Local Plan Examination
MM	Consultation on the proposed main modifications
IR	Inspectors Report
M	Modifications
A	Adoption

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CAB3301
CABINET

REPORT TITLE: NUTRIENT (NITRATE) NEUTRALITY UPDATE

21 JULY 2021

REPORT OF CABINET MEMBER: Cllr Russell Gordon-Smith

Contact Officer: Simon Finch Tel No: 01962 848271 Email
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WARD(S): ALL

PURPOSE

Cabinet received a report in January 2020 about 'Nutrient Neutrality' (CAB3219) and the issues this was causing in terms of permitting housing developments throughout the district and across the wider south/mid Hampshire area. A position statement was agreed which has enabled the council to continue to grant permission subject to conditions but, before schemes can be occupied, the mitigation needed must be secured.

In July last year an up-date report was considered by Cabinet (CAB3250) where it was agreed that the council could start to collect financial payments from developers up to a maximum of £3,500 per Kg/TN/yr, towards nitrate mitigation solutions off-site which would be delivered either by the council or in partnership with another agency. However, the council can only collect contributions when it is clear how they will be used to mitigate the impacts of development.

This report therefore recommends that the council purchases a limited number of credits from landowners providing mitigation schemes to support housing delivery by small developers to meet the short-term needs of the housing market in certain parts of the district (recommendation 1) and where prevailing market conditions make this an appropriate and necessary option. It is further recommended that the council explores the option of a joint purchase of credits with neighbouring local planning authorities through Partnership for South Hampshire (recommendation 3).

A second approach has also been identified which involves developers acquiring nitrate credits directly from landowners providing mitigation schemes. A list of recognised mitigation schemes located in all three catchments of the district will be maintained by the council and is covered in recommendation 4.

RECOMMENDATIONS:

That the Cabinet:

- 1) Authorises the s151 Officer to:
 - a) Purchase credits if required to meet immediate demand from smaller developers, subject to being able to agree suitable acquisition terms and prevailing market conditions making the purchase by the Council necessary; and subject to a maximum financial exposure of £250,000 at any time.
 - b) Price and sell credits to suitable purchasers in accordance with market conditions at the time of sale subject to being able to agree suitable terms; and set an administration fee to recover reasonable costs.
- 2) Authorise the Service Lead Legal to enter into suitable legal arrangements for the council to undertake the monitoring and enforcement of mitigation sites (or delegate the function to the mitigation land authority) to ensure the land is managed so that mitigation is delivered in perpetuity; subject to the Corporate Head of Regulatory agreeing suitable terms with mitigation landowners for application sites located within the council's area as local planning authority, including a commuted sum to cover the resourcing of this activity,
- 3) Approve the Corporate Head of Regulatory to pursue the option of a joint purchase of Test/Itchen catchment nitrate credits with neighbouring local planning authorities through Partnership for South Hampshire, subject to suitable terms being agreed with mitigation landowners and prevailing market conditions making the purchase of such credits appropriate and necessary.
- 4) Approve the schemes listed in table A as being able to provide suitable mitigation for residential development schemes in the three catchment areas of the district, subject to consultation with Natural England as required and satisfactory monitoring and enforcement arrangements being in place to ensure mitigation is delivered in perpetuity, and delegate to the Corporate Head of Regulatory authority to amend the list by removing or adding schemes to the list as appropriate.

IMPLICATIONS:1 COUNCIL PLAN OUTCOME

- 1.1 Tackling the Climate Emergency and Creating a Greener District
- 1.2 Whilst nitrate mitigation schemes are being developed by landowners primarily to enable residential development to proceed, they provide opportunities for biodiversity enhancements, public access improvements in the countryside and other wider benefits.
- 1.3 Homes for all
- 1.4 It is important to ensure that developers are able to build the residential schemes needed to help meet local housing need in the district and providing nitrate mitigation supports this.
- 1.5 Vibrant Local Economy
- 1.6 Securing nitrate mitigation is often challenging for builders of any scale, but is particularly difficult for Small and Medium size enterprises, as landowner's delivering mitigation schemes may not be willing to sell the small quantities of credits they require. Assisting with unlocking access to small quantities of credits will support these businesses in delivering new housing.
- 1.7 Living Well
- 1.8 Nitrate mitigation schemes can have wider benefits as set out at 1.2 above.
- 1.9 Your Services, Your Voice
- 1.10 Ensuring a supply of housing is important to make sure the Council is able to show that it is delivering new homes in line with the requirements of the Local Plan to meet housing delivery tests and to establish it has a 5 year housing land supply.

2 FINANCIAL IMPLICATIONS

- 2.1 Recommendation 1 would involve the Council acquiring a limited number nitrate credits from landowners offering mitigation schemes to support development in certain parts of the district which can then be sold to developers to meet needs in the short term.
- 2.2 Initially there were few mitigation schemes coming to the market but the picture in 2021 is changing quickly and there are now a range of sites which are becoming available. Initially some landowners were only willing to bring forward their schemes if they could be confident the credits produced would be sold; therefore were only looking to implement their project if they could secure commitments to purchase significant numbers of credits "up-front" from large developers and councils at an agreed price. These landowners

were unwilling to deal directly with smaller developers looking to acquire modest numbers of credits which means these builders are at a disadvantage and will find it hard to find mitigation for their developments. Work undertaken by PfSH also shows that the costs for small builders are proportionally higher when based on cost per new home, although the difference is unlikely to affect development viability overall.

- 2.3 The latest information available suggests landowners are now prepared to be more flexible in terms of the sale of minimum number of credits. However, given the uncertainty in this evolving market, it makes sense for the council to have the ability to acquire a limited number of credits which can be onward sold to developers to support housing delivery and reduce administrative cost burdens especially for smaller builders. Holding a small quantity of credits itself provides flexibility for the council to intervene should the need arise to support development in the district.
- 2.4 It should be noted though, that by stepping in as an intermediary in this way, the market pricing risk is transferred from the landowner to the council as set out in following sections of the report. The value of credits acquired by the council may go down and then if it wanted to sell the assets to liquidate them or to assist a small development the council may be forced to sell them at a loss. Such risks can be mitigated to some degree but not eliminated.
- 2.5 Any credits acquired would be held as inventory on the balance sheet (assets purchased for sale). In accordance with the CIPFA's Code of Practice on Local Authority Accounting in the United Kingdom, the credits would be held on the balance sheet at the lower of cost (that paid to acquire them) or net realisable value (the value that can be realised upon sale, minus a reasonable estimate of the costs associated with the sale). As such, if the realisable value of the credits fell below the price paid for them, a loss would be recognised in the year's accounts.
- 2.6 Upon sale, any gain or loss resulting from changes in the market price of the sold credits would be realised. However, the council would only be looking to recover the cost price of the credits (along with a reasonable fee to cover administration); not to make a profit from their sale.
- 2.7 To minimise risk exposure, it is recommended that the council at this point in time only pursues purchase of credits as inventory for sale for the part of the district which lies within the Test/Itchen catchment (where supply of credits is more difficult to access). This would also be subject to agreeing acceptable terms with landowners and the prevailing market conditions requiring this option, where supply is limited. Each potential purchase of credits will need to be carefully assessed to gauge the level of risk against our risk appetite.
- 2.8 To illustrate the scale of investment, if the council were to buy 50kg/TN/yr of credits at between £2,750 and £3,500 per credit, it would cost between £137,500 and £175,000. A 10% drop in the realisable value of these credits would result in a potential loss of between £13,000 and £18,000.

- 2.9 It is further recommended that the option of pursuing, in principle, a joint purchase of credits with neighbouring local planning authorities through PfSH be pursued (recommendation 3) as this may provide opportunity to buy credits at a lower rate due to economies of scale.
- 2.10 In the case of the East Hampshire and Hamble catchments, it is recommended that the council adopts option 4 at this point, which is to list recognised mitigation schemes, which developers can choose to use in order to meet the requirements of their planning permissions in relation to achieving nutrient neutrality by buying these credits directly from landowners. In this case there would need to be adequate safeguards in place to ensure the mitigation is delivered in perpetuity (see section 3 below). There may also be costs involved should it ever prove necessary for the council to enforce the delivery of the mitigation scheme (landowners will be expected to provide a sum to cover the costs of overseeing their mitigation scheme). This could happen if for some reason the landowner was not providing the mitigation required but the risk of this happening is considered to be low. The same would apply to schemes where the council had purchased credits that were then sold to developers.
- 2.11 Whilst supply of credits in the Hamble catchment is limited currently to a scheme being offered by Eastleigh Borough Council, they are willing to sell directly to developers of any size, with planning permission, so a purchase of credits is not being recommended currently. However, in order to achieve the flexibility referred to above at 2.3 above recommendation 1 will allow the council to acquire credits should the need arise.

3 LEGAL AND PROCUREMENT IMPLICATIONS

- 3.1 Buying credits from landowners, to be sold on to developers, is an option the council can lawfully pursue, should it choose to do so, and such transactions would not be subject to Public Contract Regulations (PCR) as there is no purchase of goods and services.
- 3.2 However, in each individual transaction the council must be satisfied that it is paying a reasonable price for credits as reflected by the market in order to ensure that it is meeting the requirements of best consideration.
- 3.3 The optimum potential solution is to enable developers to achieve nutrient neutrality for their proposed housing scheme providing such mitigation is specific and certain i.e. it is clear where and how the mitigation is being delivered, and in perpetuity.
- 3.4 Potential risks have been identified for the council in acquiring such credits as cited elsewhere in the report which are mitigated to varying degrees, such as:
- a) Acquire credits for onward sale to developers transfers risk in the delivery of the credits from the landowner to the council:

- b) To list recognised mitigation schemes for developers to meet the requirements of their planning permissions in relation to achieving nutrient neutrality, by buying these credits directly from landowners. Risk and necessary safeguards are required to ensure that the mitigation is delivered in perpetuity and enable enforcement should this be required. This risk can be mitigated by the entering into a legal agreement with applicant and mitigation owner.
 - c) Risk that applicants will not be able to implement appropriate mitigation measures and are therefore unable to fulfil the Grampian condition or Section 106 agreement obligations. Enforcement would entail the council taking action in contract or for breach of the planning permission.
 - d) Risk of council accepting financial contributions with no mitigation scheme available to allow expenditure to ensure mitigation is in perpetuity.
- 3.5 State aid advice has been separately sought; it is not considered that there are any potential state aid risks through implementation of a mitigation scheme. State aid could result if the council were to pass on credits at a reduced price to particular developers and not implement the approach in a transparent and consistent manner with no a public subsidy arising. Any shift in policy and in value must also be managed appropriately.
- 3.6 Under option 4 the mitigation is delivered by landowners that sell credits directly to developers. These schemes can be located anywhere within the fluvial catchment they are situated in, so may be both inside and outside the district. Some landowners are willing to take this approach whereas others may only deal with bulk purchases of credits by large developers or local authorities.
- 3.7 Where landowners sell credits to developers of any scale the council would normally expect to be part of or be able to rely on an umbrella legal agreement with the landowner, and most likely the local authority where the scheme is located where outside the district, to ensure the mitigation promised is delivered in perpetuity (normally a minimum of 80 years), with checks, balances and enforcement provisions in place, to deal with any delivery issues. Each individual planning permission where mitigation is required will also be subject to its own legal agreement which will state how mitigation for that housing scheme will be provided (the mitigation scheme).
- 3.8 For schemes within the district the monitoring and enforcement provision would usually rest with the council and other local authorities could also be party to the agreement if developers in their area are using the scheme to mitigate the impact of their developments. This compliance requirement would be carried out by the Natural Environment and Recreation Team and the resource involved in this activity would be funded by the landowner by way of a commuted sum (recommendation 2). With regard to schemes outside the

district, including the South Downs National Park for these purposes, monitoring and enforcement would usually be a function of the authority where that scheme is located.

- 3.9 There are already several instances of local authorities putting in place such arrangements. For example, developers in Fareham Borough can choose to acquire nitrate credits from a scheme provided by the Hampshire and Isle of Wight Wildlife Trust on the Isle of Wight. In this case the monitoring is provided by the Isle of Wight Council which is covered by an agreement they are party to along with the Trust and Fareham Borough Council.

4 WORKFORCE IMPLICATIONS

- 4.1 Most of the legal work involved in terms of umbrella agreements for mitigation schemes, and agreements or undertakings required for each planning permission where mitigation is needed, can be covered using existing resources. The council's costs will be met by the landowners providing mitigation land and developers in cases where their development needs mitigation.
- 4.2 The monitoring of mitigation schemes within the district (outside the South Downs National Park) will be undertaken by the Natural Environment and Recreation Team and funded by a commuted payment secured from the landowner by the umbrella agreement (recommendation 2).

5 PROPERTY AND ASSET IMPLICATIONS

- 5.1 As set out in previous Cabinet reports the council's own developments, including the accommodation delivered by our New Homes building programme and major projects, will need to secure nutrient neutrality in the same way as private development schemes. Consequently, access to nitrate credits, whether via those purchased by the council, directly from landowners or from the council's own schemes that generate credits, will support the delivery of these schemes.

6 CONSULTATION AND COMMUNICATION

- 6.1 The council has been working with PfSH, Natural England and neighbouring local authorities, as well as private landowners bringing forward to the market their nitrate mitigation schemes, in order to identify means which will provide options for housing developers to achieve nutrient neutrality for their residential developments.
- 6.2 Officers have also liaised with developers and other parties that have proposed schemes to achieve nutrient neutrality for their residential development to date and, where acceptable, appropriate legal agreements have been put in place to secure that mitigation in perpetuity.

7 ENVIRONMENTAL CONSIDERATIONS

- 7.1 The purpose of requiring residential schemes to demonstrate that they can achieve nutrient neutrality is a means of ensuring that additional housing development and development that creates an overnight stay (i.e. hotels and student accommodation) is in line with the requirements of the Conservation of Habitats and Species Regulations 2017 (as amended) in that such schemes do not add to nutrient burdens within the water environment of Solent which has caused harm to its designated sites. Under Section 63(5) of the Regulations a planning authority can only grant a planning permission after ascertaining that the development will not adversely affect the integrity of a European protected site. These sites are the Solent Maritime Special Area of Conservation, and the Special Protection Areas of the Solent & Southampton Water, Portsmouth Harbour and Chichester and Langstone Harbours.
- 7.2 There may also be wider benefits associated with mitigation schemes in relation to biodiversity enhancements, reductions in carbon emissions and public access improvements in rural areas as schemes often take the form of new wetlands, establishment of forests by tree planting, and re-wilding landscapes that were previously farmed.

8 EQUALITY IMPACT ASSESSEMENT

- 8.1 None directly associated with either the acquisition of nitrate credits by the council for onward sale to developers, or signposting of such schemes, which developers may rely upon to mitigate the impact of their schemes.

9 DATA PROTECTION IMPACT ASSESSMENT

- 9.1 None required

10 RISK MANAGEMENT

- 10.1 There are some financial risks associated with the council purchasing credits for onward sale to developers as outlined below (recommendation 1). However it is considered that careful evaluation of any such purchase can reduce this risk to an acceptable level and will also help to reduce risks in other important areas.

Risk	Mitigation	Opportunities
Financial exposure		

Risk	Mitigation	Opportunities
<p><i>Nutrient neutrality can add to the costs of development for the council and private developers.</i></p>	<p>Identify nitrate mitigation schemes that provide options for developers and the council thereby minimising these costs and allow them to be budgeted for in advance as part of overall development cost.</p>	
<p><i>Acquiring nitrate credits to sell to private developers in a relatively new market means the value of credits could fluctuate significantly over time and could mean that credits are worth less than the agreed price. Other legislative changes could also affect future values. Demand for credits from the council could also decrease as supply increases. These factors would affect the market rate and are not easy to predict and risk cannot be eliminated.</i></p>	<p>Carefully assess nitrate credits purchases to reduce risk by minimising the number of credits to those where there is an anticipated need and there are market supply concerns to avoid a situation where the council is overcommitted.</p> <p>Seek to incorporate safeguards to further reduce risk such as the time period for completing the purchase (phasing), and opportunities to review the pricing of the credits where required.</p>	
<p><i>Future failure of the landowner to deliver the mitigation required.</i></p>	<p>Ensure that robust monitoring and enforcement arrangements are in place.</p> <p>Enforcement action could be taken albeit this would involve costs for the council. Costs may be split if other local planning authorities are</p>	

Risk	Mitigation	Opportunities
	party to the legal agreement covering the mitigation scheme.	
<p>Exposure to challenge</p> <p><i>Developments given permission could be subject to legal challenge on the grounds that the mitigation relied upon does not meet statutory requirements of the Habitat Regulations</i></p>	<p>Use Natural England methodology for calculating nitrate credit requirement for each development and ensure that adequate controls are in place so that mitigation schemes deliver their mitigation in perpetuity.</p>	
<p>Reputation</p> <p><i>Failure to help resolve nitrates issues will impact on housing delivery and will attract criticism from developers, agents and other parties involved in the building industry</i></p>	<p>Identify mitigation schemes that developers can use to achieve nutrient neutrality.</p>	
Achievement of outcome		
<p>Property</p> <p><i>Housing schemes brought forward by the Council will need to achieve nutrient neutrality.</i></p>	<p>The HRA would be able to purchase its own credits directly from mitigation landowners or access credits purchased and held by the general fund.</p>	<p>The HRA's use of credits held by the general fund reduces the exposure of the council to the risk that it cannot sell credits it has acquired.</p>
Community Support N/A		
<p>Timescales</p> <p><i>While planning consents are still being issued, many developments are not being built out or occupied until available mitigation schemes are identified.</i></p>	<p>This report identifies options to achieve nitrate neutrality</p>	<p>Some mitigation measures may have wider benefits for nature conservation, recreation and health</p>
Project capacity		

Risk	Mitigation	Opportunities
<i>Insufficient staff resources to deliver mitigation schemes.</i>	As set out above there is sufficient capacity available to support mitigation schemes and legal costs and costs associated with monitoring mitigation sites will be recovered.	
Other <i>Housing Land Supply/Delivery test – delays to residential schemes may start to impact on the council’s land supply and Housing Delivery Test results, possibly leading to pressure for un-planned development, Government intervention, and fewer new homes available</i>	Identify mitigation schemes that developers can use to achieve nutrient neutrality	

11 SUPPORTING INFORMATION:

- 11.1 The situation regarding the constraints imposed on new residential development in southern/mid Hampshire relating to the resultant impact of additional nitrate discharges on the quality of the Solent maritime environment has been set out in some detail in CAB3219 and CAB3250 so it is not proposed to repeat the information here.
- 11.2 In order to continue to grant planning permission for residential development in the district the council has used Grampian conditions in line with its adopted Position Statement on nitrates. However, whilst consent can therefore be given for these developments, the condition requires nitrate mitigation to be secured in perpetuity before development can be occupied. This usually involves the completion of planning obligations (s106s) which identify how each the development will achieve nutrient neutrality. This will often not be feasible within the site of the development itself so, to do this, the developer will need to identify a mitigation scheme elsewhere.
- 11.3 In the district there are three fluvial catchments for the purposes of nutrient neutrality and, in most cases, the mitigation scheme should be in the same

catchment as the development. Mitigation schemes which can support development the council gives permission for can be located within and outside the district as long as they lie within the appropriate catchment. This means that schemes in the district can be used to mitigate the effects of development in neighbouring authority areas and vice-versa. The council will usually need to be party to a legal agreement with the landowner and neighbouring local authority, where applicable, to ensure the mitigation to be provided is delivered in perpetuity.

- 11.4 In some cases, the landowner providing the mitigation will allow developers of any scale to buy the mitigation they need for their developments (nitrate credits defined in kg/TN/yr) regardless of the quantity. Others set a minimum number of credits and will not deal directly with developers that only need to acquire small amounts. The number of credits required per dwelling varies significantly and is determined by a range of factors including location, current land use and the nature of the accommodation being proposed. It is calculated using the methodology developed by Natural England. The amount of mitigation can be less than 1kg/TN/yr per unit of accommodation and as high as 3kg/TN/yr or more.
- 11.5 The uncertainty caused by the need to source nitrate mitigation before residential accommodation can be brought into use means that development is being delayed. It is estimated that as of the end of May this year 85 planning applications for 561 units, with a total nitrate requirement in the region of 674kg/TN/yr, existed within the district outside the South Downs National Park. The nitrate demand across the three catchments is estimated to be Test/Itchen, 383kg/TN/yr; Hamble, 218kg/TN/yr; and East Hampshire, 73kg/TN/yr.
- 11.6 The council needs to be as proactive and flexible as possible to help developers access the nitrate credits they need to enable them to build the schemes they have permission for, to maintain housing supply in line with the adopted Local Plan.
- 11.7 Officers have been working since last year therefore to identify suitable schemes that are capable of providing the mitigation (nitrate credits) needed to meet the demand within the district and have been in discussions with a number of landowners bringing forward mitigation schemes in all three catchments; Partnership for South Hampshire (PfSH), neighbouring authorities, Natural England, and developers.
- 11.8 There are several options covered by the recommendations above which the council can best use to provide opportunities for developers to achieve nutrient neutrality. The first is that the council acquires from landowners a limited number nitrate credits to sell on to small scale developers in the Test/Itchen catchment (recommendation 1) which is consistent with the approach agreed in CAB3250. This is considered a sensible option to support SMEs in particular, albeit not without risk (see section 10 above). An initial, small acquisition of credits is recommended with the option to buy more

should the need arise. This quantity of credits is based on estimated need for SMEs in the short term within the catchment and the proposed transaction is subject to reaching agreeable terms with the mitigation land owner and prevailing market conditions indicating that this option is required. It should be noted that in CAB3250 it was indicated that the cost per credit would be limited to £3,500. However, the nitrates market is still evolving so the cost of buying credits can fluctuate over time. The price charged by the council to developers per credit will reflect market conditions and therefore the cost to the council of acquiring the credits from mitigation landowners in the first place (plus recovery of reasonable administrative costs). This figure may therefore be above or below £3,500 per credit.

- 11.9 Furthermore, option 3 recommends that the council also explores the joint purchase of credits with neighbouring local planning authorities through PfSH. This adds a level of complexity, as each authority would provide funds to collectively secure a purchase of credits to be used in their respective areas, and this could take time to progress albeit it may mean that credits could be secured at a lower price. This could be a good option for the future in addition to, or instead of, the council continuing to buy credits itself.
- 11.10 The current state of the nitrate credits market varies across the catchments within the district in relation to supply and demand. As can be seen in Table A there are a number of schemes in the East Hampshire catchment where developers can buy small numbers of credits directly. However, the market in the Hamble and Itchen/Test catchments are not yet as developed, with fewer schemes available, which means developers that need small numbers of credits may find it hard to acquire them using signposted or other schemes.
- 11.11 Supply of credits in the Hamble catchment is limited currently to a scheme being developed by Eastleigh Borough Council. As they are willing to sell directly to developers of any size, with planning permission in Winchester district, a purchase of credits is not being recommended currently but recommendation 1 allows flexibility to buy credits in any catchment should the need arise.

Table A – Current Existing and Potential Mitigation schemes

Site	Catchment	Capacity kg/TN/yr	NE agreed nitrate budget Y/N	Signpost/Potential Purchase scheme	Available Y/N
Knowle (Albion Water)	East Hampshire	3000 plus	N	Signpost	N
Grange Estate	Itchen	c545	Y	Potential Purchase/signpost	N
Whitewool Farm Warnford	East Hampshire	2,000 plus	Y	Signpost	Y
Roke Manor Farm	Itchen	2,522	Y	Potential Purchase/signpost	Y

Romsey					
Warnford Park Estate	East Hampshire	3,000	Y	Signpost	Y
Eastleigh BC – Bishopstoke & Botley	Test/Itchen	2,000	Y	Signpost	Y
	Hamble	1,500			
HIOWWT IOW Nunwell	East Hampshire	3,300	TBC	Signpost	N

The situation will be kept under review to see if credit purchases are needed in one or both of these catchments where supply is most limited (recommendations 1 above).

11.12 Whilst recommendation 1 would authorise the purchase of credits in principle, there are unavoidable risks associated with this type of transaction (see section 10 above). Possible fluctuations in the market will affect the value of credits and could mean that they are worth less than the price at which they were purchased from the landowner. It is considered that this can be managed to reduce the risk to an acceptable level by:

- a) agreeing a price for the council that takes account of open market value;
- b) anticipating some variations over time as far as possible;
- c) minimising the number of credits being acquired (existing and predicted supply and demand to avoid a situation where the council is overcommitted);
- d) exploring options to acquire credits in phases over a period of time;
- e) and retaining the opportunity to review the pricing of the credits if acquiring them over a longer time period (although this is not currently being recommended).

11.13 However, it should be noted that the landowner would have to agree to these terms and they may also change their approach to selling credits over time making them available to smaller developers for example. The price charged per credit could also change and may be impacted by more mitigation schemes being brought forward or by changes in the regulatory framework around nutrient neutrality. The council will only proceed with a purchase if acceptable terms and conditions can be agreed with the landowner to reduce risk to a level that aligns with our risk appetite and prevailing market condition support this approach.

The second and preferred approach is to identify a list of schemes which are recognised as providing mitigation in each catchment where the landowner is prepared to sell credits to developers and, in some cases, regardless of the number needed (signposted schemes – recommendation 4 above). PfSH is already adopting this type of approach by publishing a list of mitigation schemes which can be accessed by developers.

- 11.14 As explained at 11.4 there are some landowners that are content with such an approach and this only requires the council to ensure that suitable legal arrangements are in place to deliver the mitigation proposed in perpetuity. A list of existing and potential signposted schemes, and the catchment area they support, along with the number of credits potentially available, is included in Table A above. Whilst the council is identifying a list of mitigation schemes that could be used by developers, they would be under no obligation to choose to mitigate the impacts of their developments by acquiring credits from these schemes.
- 11.15 As the nature of the nitrates market is still emerging with new schemes coming forward all the time, it is recommended that the Corporate Head of Regulatory be authorised to add mitigation schemes to the list, or remove them, where problems are identified in relation to delivery or the total number of credits provided by a site have been allocated to developments. This will usually be undertaken in consultation with Natural England and other relevant parties, such as landowners, and neighbouring local authorities where schemes are outside the district.

12 OTHER OPTIONS CONSIDERED AND REJECTED

- 12.1 Do not purchase credits.
- 12.2 The council is under no obligation to provide mitigation to help developers achieve nutrient neutrality whether by buying and selling credits or signposting schemes. However, taking no action will make it hard for some developers to proceed with their schemes as outlined above. Consequently, the council has already agreed to take contributions from developers to provide nitrate mitigation for residential development (CAB3250 refers) and so it is considered appropriate for a limited number of credits to be purchased where market supply is limited and market conditions support such an approach.
- 12.3 Identifying sites where developers can purchase credits will make it more straight forward for builders of any scale to achieve nutrient neutrality and easier for the council, when determining planning applications and discharging Grampian conditions relating to nitrate mitigation, as these schemes have already been recognised as delivering suitable mitigation in perpetuity so would not require further investigation to ensure they are acceptable.
- 12.4 The council purchases land to be used for nitrate mitigation.
- 12.5 The council, like other neighbouring authorities including Eastleigh Borough Council, could itself acquire land to provide nitrate credits to sell to developers and to support its own residential schemes. This remains an option for the longer term. However, it is not an easy or quick solution and work by PfSH also suggests there are significant risks as private landowners, using their own land to bring forward mitigation schemes like wetlands, could reduce the

market rate for credits thereby under-cutting the council. Whilst the benefit of purchasing land for this purpose would be that the council retains an asset, even if the demand/value of nitrate credits changes over time, there is a real risk that private schemes have more flexibility and can offer credits for less than the council. Consequently a land purchase option is not being recommended at this point in time.

- 12.6 The council is also considering the viability of using land and assets it already owns, such as the Littleton triangle and sewage treatment plants associated with our current housing stock, to produce nitrate credits which can support our own new homes building programme, and major projects, as well as the wider market potentially. However, these options are being addressed separately and are not therefore covered by this report. In addition, they are unlikely to produce large numbers of credits thereby limiting the scope to sell to private developers, at least in the short term.

BACKGROUND DOCUMENTS:-

Previous Committee Reports:-

CAB3219 - NITRATE NEUTRALITY – January 2020.

CAB3250 – NITATE NEUTRALITY UP-DATE July 2020.

Other Background Documents:-

Natural England – Advice on achieving nutrient neutrality for new development in the Solent Region. June 2020.

[file:///itss.local/DFS_WC/userdata/sfinch/Downloads/Solent%20Nutrients%20V5%20June2020%20\(4\).pdf](file:///itss.local/DFS_WC/userdata/sfinch/Downloads/Solent%20Nutrients%20V5%20June2020%20(4).pdf)

Winchester City Council - Position statement on nitrate neutral development – February 2020.

[file:///itss.local/DFS_WC/userdata/sfinch/Downloads/WCC%20Position%20Statement%20-%20FINAL%20-%20Feb%202020%20\(1\).pdf](file:///itss.local/DFS_WC/userdata/sfinch/Downloads/WCC%20Position%20Statement%20-%20FINAL%20-%20Feb%202020%20(1).pdf)

APPENDICES:

None.

CAB3309
CABINET

REPORT TITLE: GENERAL FUND OUTTURN 20/21

21 JULY 2021

REPORT OF CABINET MEMBER: Councillor Neil Cutler – Deputy Leader and Cabinet Member for Finance and Risk

Contact Officer: Richard Botham Tel No: 01962 848421 Email
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WARD(S): ALL

PURPOSE

This report provides an overview of the General Fund Revenue outturn and Capital Programme outturn for 2020/21.

The Council faced an urgent need to agree a revised budget in September 2020 as a result of the impact of Covid 19 and to address a potential shortfall of up to £10.7m. This challenging position for the Council's finances was addressed by achieving significant "in year" savings; timing and funding changes to the capital programme; and through Government grant (with additional grant announced after the revised budget had been agreed). The final budget outturn set out in this report includes a net revenue surplus of £1.2m compared to the revised budget, which has resulted in a lower than budgeted transfer from reserves to maintain a balanced position.

The report details the transfers required to and from earmarked reserves and also proposes a spending plan for the Homelessness Prevention Grant (recently confirmed at £330,095 for 2021/22).

RECOMMENDATIONS:

That Cabinet:

1. Note the General Fund Revenue Outturn and Capital Programme Outturn as set out in the report;
2. Agree the transfers to/from the Major Investment Reserve and other earmarked reserves and note the reserves and closing balances at 31 March 2021 (as set out in Appendix 2);

3. Agree the detailed budget allocations of the 2021/22 Homelessness Prevention Grant, shown in section 18 below.
4. Approve the revised 2021/22 capital programme detailed in appendix 5, including the removal of the Digital Signage Pilot budget as set out in paragraph 21.3 and subject to the outcome of report CAB3303 regarding Central Winchester Regeneration, elsewhere on the agenda.
5. Note the revised 2021-2031 capital programme as set out in appendix 6.

IMPLICATIONS:

1 COUNCIL PLAN OUTCOME

- 1.1 The budget approved in February 2020 (CAB3211 refers) directly supported the delivery of all outcomes set out in the Council Plan.

2 FINANCIAL IMPLICATIONS

- 2.1 As set out in the report.

3 LEGAL AND PROCUREMENT IMPLICATIONS

- 3.1 Local authorities are required by law to have a balanced budget. However, what is meant by 'balanced' is not defined in law and chief finance officers are to use their professional judgement to ensure that the local authority's budget is balanced, robust and sustainable.

- 3.2 The Local Government Act 1972 (Section 151) makes the Chief Financial Officer responsible for the proper administration of the Council's financial affairs. The responsibilities of the Chief Finance Officer, in particular in relation to section 114 notices, are set out primarily in section 151 of the Local Government Act 1972.

- 3.3 All Members and officers have a general responsibility which is a fiduciary duty to residents to take reasonable action to provide for the security of the assets under their control and for ensuring that the use of these resources is legal, is properly authorised and achieves value for money. In doing so proper consideration must be given at all times to matters of probity and propriety in managing the assets, income and expenditure of the Council.

4 WORKFORCE IMPLICATIONS

- 4.1 The outturn position set out in this report reflects reductions in the staffing establishment in relation to the Guildhall operation and the removal of 20 posts as part of the savings required to set the 2021/22 budget in February 2021 (CAB3289 refers).

5 PROPERTY AND ASSET IMPLICATIONS

- 5.1 The revised budget approved in September 2020 included a proposal not to make additional revenue contributions to the Council's Asset Management reserve until further notice and the earmarked reserves position set out in Appendix 2 reflects this decision.

6 CONSULTATION AND COMMUNICATION

- 6.1 The 2020/21 budget was set in February 2020 (CAB3211) and this followed extensive consultation with stakeholders. The budget options were presented to the local council briefing in November 2019 and to the Chamber of

Commerce/BID business briefing in December 2019. This was followed by the online budget consultation which received 610 responses. A report analysing the responses and comments is available on the Council's website. Responses to the online survey were very considered and helpful in determining which options to bring forward for approval.

- 6.2 The revised 2020/21 general fund budget and associated savings options were communicated to staff (in all staff briefings); Unison (where there were staffing implications); and members (through an all-member briefing in July 2020 and the resulting scrutiny and cabinet reports CAB3256)

7 ENVIRONMENTAL CONSIDERATIONS

- 7.1 Whilst a number of changes were made the original budget in September 2020, the provision to support the Carbon Neutrality programme was maintained and has supported a significant number of projects and initiatives.

8 EQUALITY IMPACT ASSESSEMENT

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

- 8.2 The purpose of the Homelessness Prevention Grant is to assist the council to support residents who are facing housing problems and are vulnerable to becoming homeless. The individuals who share certain protected characteristic are more likely to be the beneficiary of the implementation of such schemes made possible through the recommended grant allocations and are therefore likely to be affected in a positive way through the approval of the recommendations within this report.

9 DATA PROTECTION IMPACT ASSESSMENT

- 9.1 None required

10 RISK MANAGEMENT

Risk	Mitigation	Opportunities
<i>Financial</i> Budget deficit or unforeseen under or overspends	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> Risk that Covid 19	Enhanced monitoring of	

Risk	Mitigation	Opportunities
impact on budgets is so severe that the Council cannot balance the budget and is at risk of needing to issue a s114 notice.	key at-risk areas (including parking and commercial rent income).	
<i>Team capacity</i> Availability of staff to effectively monitor budgets and produce / report on outturn.	Resources to deliver projects are discussed at the project planning stage and agreed by the project board and monitored by the Programme and Capital Strategy Board	Opportunities present themselves for staff to get involved in projects outside their normal role enabling them to expand their knowledge and skills base as well as working with others.
<i>Achievement of outcome</i> Risk that the balanced budget and stable finances required by the Your services, your voice Council Plan priority is not achieved or is not perceived to be open and transparent.	Through the quarterly monitoring reports, officers and members can monitor the ongoing financial position.	

11 SUPPORTING INFORMATION:

General Fund Revenue

- 11.1 The pandemic placed huge uncertainties on local government finances, particularly in relation to commercial and parking income, leisure operating costs and council tax and business rate collection. Without additional government funding to support losses, many local authorities expressed they would potentially face the need to issue a section 114 notice (the mechanism through which local authorities report that they are unlikely to achieve a balanced budget for the financial year). At least one such notice was issued last year and another has been issued in recent weeks.
- 11.2 The original budget for 2020/21 was approved at Council in February 2020. The council's response to Coronavirus was set out in the Cabinet report CAB3244 dated 21 May 2020 and led to a revised budget as set out in Cabinet report CAB3256 dated 16 September 2020.
- 11.3 The revised budget set out a central case forecast deficit of £10.7m (with a range of £7.5m - £12.7m) before government funding and other mitigating measures such as reductions in revenue expenditure.

- 11.4 This challenging position for the Council's finances was addressed by achieving significant "in year" savings; timing and funding changes to the capital programme; and through Government grant (with additional grant announced after the revised budget was agreed).
- 11.5 Financial projections were kept under constant review during the year with estimates of the financial impacts of Covid 19 submitted to government on a monthly basis. These updated estimates were reported to Cabinet in the quarterly finance and performance monitoring reports, indicating a reduction to the revised budget forecast deficit (and therefore the required use of reserves) of £1.26m caused mainly by additional interest receivable and lower forecast income reductions for the year.
- 11.6 The final revenue outturn shown in Appendix 1 shows a reduction in the required use of reserves compared to the revised budget of £1.20m, which has effectively reduced the need to balance the budget by a transfer from the Transitional Reserve. This has been achieved through additional income receivable for the year and lower than forecast reductions in income, notably commercial rental income, which held up better than had been projected.

12 Impact on the collection fund

- 12.1 The Council acts as billing authority for the Winchester district and is therefore responsible for the collection of business rates and council tax on behalf of Hampshire County Council, Police and Fire authorities, parish councils and Central Government.
- 12.2 **Council Tax** - In January, the Council forecast a collection rate of 99% based on previous experience of collection rates across the district. The impact of Covid led to a small reduction in collection rates to 98.31% which has caused a small budget deficit for the year of £31k. The risk of rising costs of the Council Tax Reduction scheme, flagged in the revised budget in September 2020, did not materialise into a shortfall in the collection fund.
- 12.3 **Business Rates** - Total collectable business rates of over £60m were originally forecast for 2020/21. Government reliefs, reimbursed to local government through S31 grants, were substantial and this has mitigated against some of the risk of reduced collection. However, there has still been a negative impact of £1.2m for the year. This has been caused by the loss of growth in NNDR which is built into the baseline collection forecast for the year, as well as an increase in bad debts which have only been partially compensated by government.

13 Revenue Income Budget Variances

- 13.1 Total general fund service income was originally budgeted at £13.4m for 2020/21. An outturn of £7.0m sees a reduction of £6.4m, almost a 50% reduction in the income we had originally expected to receive. As detailed in paragraph 15.1b) below, total claims for the year of £3.7m have been made

against the government's Sales, Fees and Charges compensation scheme. This scheme provides compensation of 75% of lost income after an initial deduction of 5%.

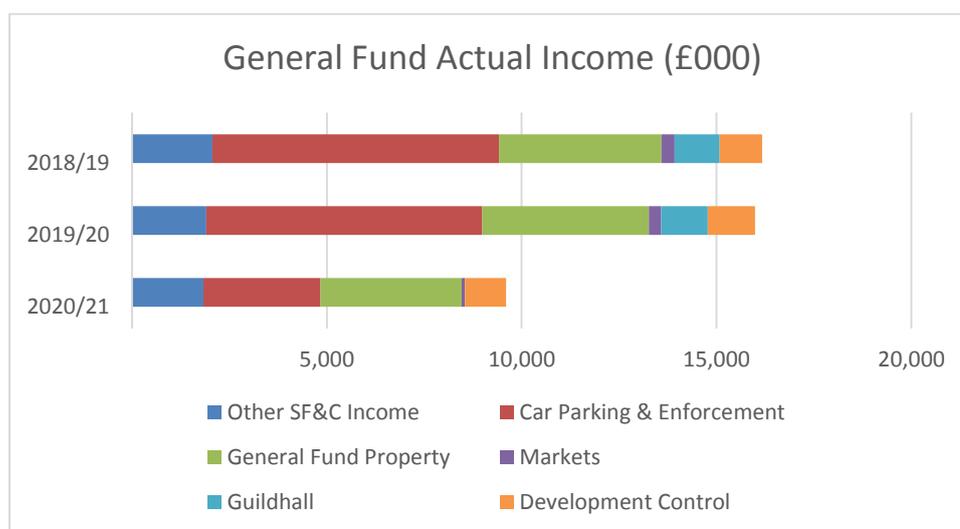
13.2 The most significant reductions in income are shown below, car parking is by far the most significant source of income and has also been the most severely impacted by Covid 19 restrictions.

- a) Car Parking – an outturn of £3m of gross income against an original budget of £8m for the year, a total shortfall of £5m (a 62.5% shortfall).
- b) General Fund Property income – an outturn of £3.6m against an original budget of £4.4m, a total shortfall of £0.8m.
- c) Markets – an outturn of £86k against an original budget of £340k, a total shortfall of £254k.
- d) Guildhall – with no fee and charge income collected in 2020/21, a gross income loss of £225k was reported to the end of July. As the decision was taken not to re-open the Guildhall and further approval was subsequently made to change the running of it, no further losses were reported to the end of the year. Income from the letting of parts of the Guildhall to HMCTS amounted to £193k for the financial year 2020/21, with further income continuing in 2021/22.
- e) Development Control – an outturn of £981k against an original budget of £1.164m, a gross income shortfall of £183k.

13.3 An overall underspend of £1.295m within 'Investment Activity' is broken down as:

- a) Net Interest Receivable outturn was £0.610m higher than the budgeted net payable position. The reasons for this are much higher than budgeted cash balances due to government covid support grants, re-profiling of the capital programme leading to higher than expected cash balances, and higher than budgeted investment returns.
- b) Minimum Revenue Provision has increased by £0.317m due to a planned accounting adjustment to capital expenditure to write-off to revenue the capitalised costs relating to the former Station Approach scheme. Future proposals for development will be subject to re-appraisal once further details are known.
- c) Net Investment Property Income was reduced substantially at revised budget due to strong concerns over the collection of rents during 2020/21 and particularly during closure periods. A favourable outturn of £1.002m is partly due to lower expenditure on property maintenance (c£0.2m) and mainly due to higher than budgeted rent collection. A decision to bring forward the transfer of garages from the HRA to General Fund also brought a benefit of c£0.2m.

- 13.4 The below graph highlights the scale of the income reduction in 2020/21 compared to recent years:



14 Service level outturn

- 14.1 The below table shows the revenue outturn position by service areas, along with a high level variance analysis below in 14.2. The net underspend of £6.9m compared to the revised budget is broken down into a £3.6m underspend on one-off projects, £2.0m additional covid business grants which will be spent in 2021/22, leaving a net baseline underspend of £1.3m.

	Original Budget	Revised Budget (RB)	Outturn	Variance to RB
NET Service Expenditure				
Housing	(2,197)	(2,142)	(1,765)	378
Environment	(5,936)	(11,527)	(9,604)	1,923
Health and Happiness	(2,301)	(2,377)	(2,533)	(157)
Business	(1,744)	(1,879)	465	2,345
Operational Delivery	(3,263)	(4,830)	(2,667)	2,164
Organisational Management	(4,646)	(5,123)	(4,988)	135
	(20,088)	(27,879)	(21,092)	6,787

- 14.2 Service outturn variance analysis:

- a) Housing – an outturn favourable budget variance was mainly caused by a timing change in homelessness prevention one-off budget plans. The underspend in homelessness prevention has been transferred into the new burdens earmarked reserve for future plans.
- b) Environment – an outturn favourable budget variance was mainly caused by in-year underspends on one-off budgets such as climate

change, CIL projects, and car parks maintenance. These budgets are funded by earmarked reserves and the funds therefore remain available for future use.

- c) Business – a favourable outturn budget variance was mainly caused by a timing difference with discretionary Covid grants which were received in 2020/21 and are due to be paid out to businesses in 2021/22.

Operational Delivery – a favourable outturn budget variance was mainly caused by in-year underspends on major projects such as Central Winchester, Station Approach, and the New Leisure Centre. These budgets are funded by earmarked reserves and the funds therefore remain available for future use. Additional income from the letting of the Guildhall also contributed towards the favourable variance identified above.

15 Government financial support

- 15.1 The Government distributed a number of specific support packages including grants for local councils to meet additional “Covid 19 related” costs. The city council has received/claimed during 2020/21:

	£000
a) P&R Bus Subsidy received through HCC (received so far and relating up to 28/09/2020)	289
b) Sales, Fees and Charges compensation claims	3,723
c) General non-specific grants towards expenditure	1,500
d) Council Tax Income Guarantee Scheme	59
e) Rough Sleeping Grant	143
f) National Leisure Recovery Fund (a proportion of this income relates to 2021/22)	220
g) Compliance and Enforcement Grant	45
h) Contain Outbreak Management Fund	125
i) Local Response Centre	81
j) Test and Trace Grants	140
k) Clinically Extremely Vulnerable Funding	86
l) High Street Fund	111
m) Emergency Assistance Grant	76

- 15.2 A total of £190k of Covid 19 government financial support remained unspent at the end of the year. This was expected given a number of grants were received at the end of the financial year and will be transferred to the new burdens earmarked reserve and used to finance Covid 19 recovery costs in 2021/22.

16 In year revenue saving measures

- 16.1 In order to deal with the very challenging revised financial forecast for 2020/21, £1.074m of spending reductions were identified in the revised budget which made a significant contribution towards addressing the forecast

deficit. The proposals as presented in the revised budget are summarised below:

	<u>£000</u>
Environment	148
Health and Happiness	24
Business	28
Operational Delivery	346
Organisational Management	528
	<u>1,074</u>

- 16.2 Careful budget management ensured that the target expenditure savings of £1.074m were achieved, helping to minimise the use of reserves to fund the additional net costs for the year compared to the original budget.

17 Earmarked Reserves

- 17.1 General Fund earmarked reserve balances have increased from £28.4m at April 2020 to £34.0m at the end of March 2021. This temporary increase of £5.6m is largely due to:

- a) Discretionary Covid 19 Grants - £2m has been transferred to a new earmarked reserve in order to ensure this funding is matched to the expenditure in 2021/22. All of this grant is either now spent or committed but the timing of receipt of the grant means the funding is recognised in 2020/21 and spent in 2021/22.
- b) Community Infrastructure Levy - £2.2m has been transferred to the town and district reserves and is ringfenced for future spend on CIL appropriate projects.
- c) Business Rates Retention - £0.9m has been transferred to the BRR reserve in order to fund the collection fund deficit resulting from 2020/21. Due to the complex accounting in the collection fund the impact of the deficit will not be felt until 2021/22; the use of the reserve is to match-off the funding and the impact.

- 17.2 Earmarked reserves remain heavily committed towards existing projects or for asset management purposes. The major investment reserve is the most flexible available reserve and is forecast to reduce to a balance of £1.6m by 2024/25. This is low by historical standards and the medium term financial strategy will look to ensure that sufficient reserves remain available to support the Council Plan as well as emergent issues of high importance. The transitional reserve is available to support this process.

- 17.3 Earmarked reserve balances are set out in appendix 2. The 'operational reserves' balance totals £8.9m at the end of 2020/21.

18 Allocation of the 2021/22 Homelessness Prevention Grant

- 18.1 The 2021/22 Homelessness Prevention Grant of £300,095 allocated by the Ministry of Housing, Communities and Local Government (MHCLG) give local authorities control and flexibility in managing homelessness pressures and supporting those who are at risk of homelessness. The budget was approved by Council in February and this section sets out for discussion the proposed spending plans to prevent homelessness and to support the most excluded within our communities.
- 18.2 The Homelessness Prevention Grant spending plan for 2021/22 focuses on the positive changes in service delivery that have come about during the pandemic and which will support homelessness recovery plans.
- 18.3 **Social Inclusion Grant:** The council currently co-commission with Hampshire County Council (HHC) accommodation and support for the most complex single homeless households. A small contribution of £50,000 secured from the Homelessness Prevention Grant helps support the provision of 32 units of accommodation at West View House and the Sussex Street housing first provision. Due to the challenges of Covid 19 over the past year HCC have extended the contract until March 2023. The co-commission of services with HHC ensures that there is suitable accommodation available to prevent people from sleeping rough and to target support for those most in need. Proposed spending budget of £50,000 for 2021/22.
- 18.4 **Flexible Prevention Fund:** The provision of a flexible prevention fund of £50,000 for front line Housing Options Officers to help prevent and relieve homelessness through spend-to save initiatives increasing efficiency and lowering long term costs. Early intervention and engagement tactics can prevent homelessness and keep people in their homes with officers having timely access to a flexible spending budget. The fund could provide households facing homelessness with financial help to pay court costs to secure a stay of eviction. To help clear historic or current rent arrears to prevent households threatened with homelessness falling into debt by borrowing from high-interest loan providers. Provide support to digitally connect homeless households to the internet, providing mobile devices to access essential government welfare benefits and health services. Proposed spending budget of £50,000 for 2021/22.
- 18.5 **Severe Weather Emergency Provision:** The Council has responsibility to deliver Severe Weather Emergency Provision (SWEP) to ensure a form of emergency accommodation is available to anyone sleeping rough during periods of severe cold or hot weather to keep them safe from the elements. Following Covid 19 the government advised local councils that shared sleeping spaces are no longer appropriate. In previous years the council has commissioned various local providers to provide dormitory style accommodation during SWEP but this is no longer appropriate provision and councils are instead expected to provide self-contained provision. Trinity Winchester and the Winchester Churches Night shelter are reviewing their

accommodation options and there will be opportunities for them to offer SWEPE emergency self-contained accommodation. A budget of £15,000 will be required to cover incurred partner agency SWEPE costs and to include supplementing accommodation offers through local hotel provision. Proposed spending budget of £15,000 for 2021/22.

- 18.6 **Young Persons Emergency Beds:** To continue to fund 2 emergency beds with high level support for local vulnerable young people aged 17 to 21 at Westgate Place an A2 Dominion supported housing project. The intensive support is currently commissioned by Hampshire County Council. Proposed spending budget of £10,000 for 2021/22.
- 18.7 **Housing Jigsaw Module:** The MRI Housing Jigsaw software system manages the front-line housing options service helping to prevent homeless. A new module 'Rise' provides a platform designed to support local councils, the voluntary sector and wider partners to manage and monitor rough sleeping pathways and outreach work. Proposed spending budget of £10,000 for 2021/22.
- 18.8 **Staffing Resources.** The Homelessness Reduction Act 2017 and Covid 19 has placed a number of additional burdens and responsibilities on the Housing Options Teams. Most other Hampshire Authorities have since increased staffing resources to support service delivery. The council has remained operating with the same number of officers in place prior to the additional responsibilities introduced through both legislation and the pandemic. Comparisons of staffing resources have been made with Eastleigh Borough Council and East Hampshire Borough Council which have the nearest comparators in terms of homelessness prevention and relief duties but who have less single homeless complex need customers. It is expected that homelessness presentations are likely to increase due to the end of government furlough financial assistance schemes, paused evictions from within the private rented housing sector and potential mortgage debt. To resource an additional full time Housing options and a support officer role, recruited on a fixed term basis via the Homelessness Preventing Grant will provide extra support and assistance to a further 30 to 40 residents and improve resilience within the team. Proposed spending budget of £102,550 for a 2 year period.

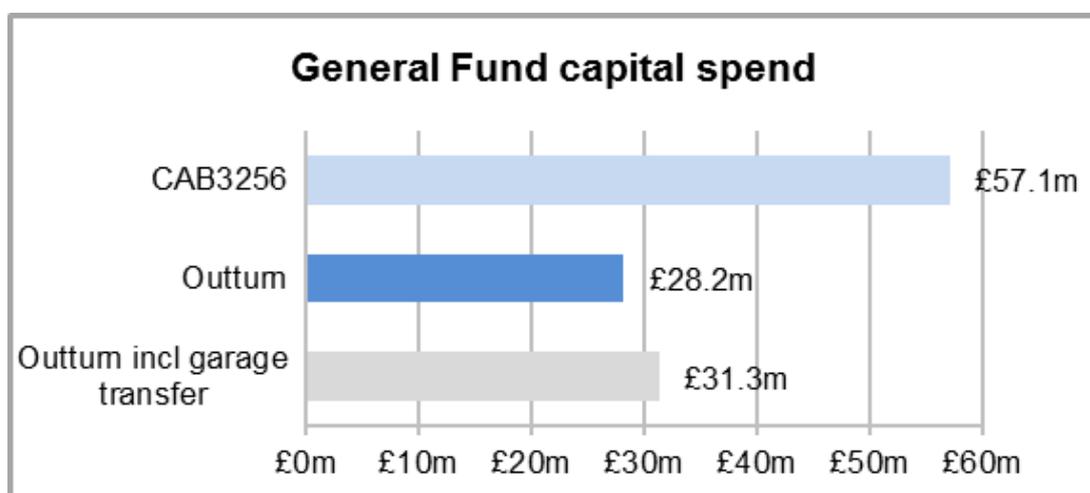
Homelessness Staffing Resource Comparison:

Local Authority	Staffing Resource	Caseload
WCC	4 FT officers	155
EHBC	5 FT /1 PT officers	146
EBC	6 FT officers	119

- 18.9 If agreed, the above spending plan will leave contingency provision of £62,054 to allow flexibility to respond to future needs.

19 General Fund Capital

- 19.1 Total capital expenditure in year was £48.6m - of which £20.4m relates to the Housing Revenue Account (HRA). The detailed HRA outturn is reported separately to Cabinet (CAB3308).
- 19.2 General Fund capital expenditure amounted to £28.2m. This compares to an original budget of £56.6m, set in February 2020 (CAB3209) and a revised budget of £57.1m (including 'brought forwards') set in September 2020 (CAB3256). Following subsequent approvals and reprogramming, the forecast expenditure was amended to £34.5m in February 2021. Further details by project are provided in Appendix 4.
- 19.3 An estimate of £4.0m was included in the General Fund capital budget for the transfer of 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 £3.1m.
- 19.4 Also included in the budget was £18m in respect of the Strategic Asset Purchase Scheme (SAPS). When the scheme was approved by Council a SAPS Board was created which includes members and officers; the board receives recommendations of potential purchases and the s151 officer has delegated authority to make acquisitions up to £4m following discussions with the board, subject to due diligence, or recommend to Cabinet and Council to approve for acquisitions above £4m. During the course of the financial year, the challenging economic conditions and uncertainty resulted in no suitable purchases being identified and this budget has therefore been carried forward into the 2021/22 financial year.



20 Key projects

20.1 The following are some of the key projects undertaken in 2020/21:

i. **New Sport & Leisure Park** *Total Budget: £43.24m*

Expenditure: Prior years £18.1m 2020/21 £23.6m Total £41.7m

Work commenced on site in 2019 and, despite the significant challenges presented by Covid 19, significant progress had been made by the end of the financial year and the new park officially opened on 29th May 2021.

ii. **Disabled Facilities Grants** *Total Budget: £1.28m*

Expenditure: recurring 2020/21 £0.94m

Expenditure on disabled facilities grants is to enable adaptations to be undertaken within the homes of individuals in the private sector or in housing association properties who are not necessarily registered as disabled (although they can be) but additionally for those who have a serious illness or physical condition that impairs mobility. The adaptations undertaken enable individuals to stay in their own homes by, for example, providing access to suitable toilet and/or washing facilities; making it easier to get in and out and around their home by having doors widened; installing ramps and stair lifts; or adapting heating and lighting controls to make them easier to use.

In 2020/21 the Private Sector Housing (PSH) Team approved over 50 DFG applications thus preventing many people from having to go into hospital or care homes and keeping families together.

iii. **Durngate flood alleviation scheme** *Total Budget: £1.6m*

Expenditure: Prior years £0.32m 2020/21 £1.04m Total £1.36m

The Durngate scheme is the second phase of the North Winchester Flood Alleviation Scheme and focuses on the area around the Durngate Bridge, the Trinity Centre and Durngate Terrace, and is jointly funded by the City Council and the Environment Agency. When completed the scheme will provide various flood defences along the River Itchen and will support the council to control and maximise the flow of water safely through the city, and as a result will help multiple residential and commercial properties throughout the city centre.

The infrastructure for the scheme is now complete; however, there are off-site mitigation works to be done and the signing-off of the planning conditions.

iv. **Garden waste bins** *Total Budget: £0.5m*

Expenditure: Prior years £nil 2020/21 £0.44m Total £0.44m

The garden waste service was launched in February 2021 with garden waste bins of 140l and 240l available for residents to purchase either online or via

the Customer Service Centre, with Biffa delivering them to households. The launch has been a great success with over 20,000 subscriptions to the garden waste service. In 2021/22 an additional £100,000 was approved increasing the total budget to £0.5m.

v. **Coventry House (formerly Vaultex)** *Total Budget: £6.45m*

Expenditure: Prior years £0.12m 2020/21 £0.62m Total £0.74m

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 was demolished, at a cost of £115,000, in 2019/20. Since then the council has been awarded a £5.65m grant from the Enterprise M3 Local Enterprise Partnership (LEP) toward creating additional Park & Ride spaces to the east of the city centre. The former Vaultex site at Barfield Close will provide around 300 spaces to reduce traffic in the city – linking in with the aims of the City of Winchester Movement Strategy and supporting the city council's pledge to become a carbon neutral council by 2024, with the whole district becoming carbon neutral by 2030. Photovoltaic panels and electric vehicle charging points also feature in the plans for the site. The project is expected to be completed in 2022. The construction will include a green 'living wall' to help improve air quality and minimise the visual impact of the car park.

vi. **Bishop's Waltham Depot** *Total Budget: £1.775m*

Expenditure: Prior years £0.07m 2020/21 £0.13m Total £0.2m

The redevelopment of the former depot at Bishop's Waltham involves the construction of three new terraced industrial units, including hard and soft landscaping, and will provide much needed entry level accommodation for small businesses as well providing a small annual return to the council. The existing building was demolished in September 2020 and LST Construction have been appointed to undertake the construction of the new units. Works commenced in March 2021 and are anticipated to be completed by end of 2021. Works are progressing well and, with ground works completed, the steel frame is due to be erected in July 2021. The fire brigade are due to occupy one of the units, with tenants being considered for the remaining two units.

vii. **EV Charging Points** *Total Budget: £120,000*

Expenditure: Prior years £nil 2020/21 £102,000 Total: £102,000

The installation of EV charging points (EVCP) across the district is estimated to contribute to a reduction of 287,000 tonnes of carbon emissions annually. All 34 EVCP on council owned sites have been installed. Due to unforeseen logistical challenges there have been delays in the installation of EVCP at Alresford Station car park and St Peter's car park. However, recent developments mean that both should be installed by the end of July and by the end of the 2nd quarter of 2021/22 at the latest.

viii. **Guildhall Café** *Total Budget: £270,000*

Expenditure: Prior years £nil 2020/21 £177,000 Total: £177,000

Work commenced in October 2020 to convert the former eighteen71 café into a self-contained unit for lease to a food and beverage tenant. This will generate significant savings on existing operating costs and provide a new rental income for the council. Significant progress was made in 2020/21 and the works have since been completed at the beginning of June 2021. The new tenants, Shoal, offer traditional British fish and chips in a restaurant setting and for takeaway.

ix. **Meadowside leisure centre** *Total Budget: £65,000*

Expenditure: Prior years £nil 2020/21 £54,000 Total: £54,000

A total budget of £65,000 was allocated to strengthen the upper floor to accommodate heavier loads (£40,000) and install ventilation fans (£25,000). The works will allow the centre to operate more commercially and give much greater flexibility of use for the remainder of the building. The improved ventilation assists in getting the centre operating more fully in line with ongoing Covid restrictions.

The ventilation fans were installed to budget while the floor was strengthened at a cost of £29,000 meaning that £11,000 can be released back to the capital receipts reserve for allocation to other projects.

x. **Chilcomb pavilion** *Total Budget: £135,000*

Expenditure: Prior years £41,000 2020/21 £92,000 Total: £133,000

Extensive renovation works were undertaken on the facilities at the sports ground. As well as improvements externally, internal works included updated lighting and heating, upgrades to the kitchen, changing rooms and skittle alley. As a result, the facility is ready to hire for events bringing additional income to the council as well as providing an enhanced experience for sports users.

Works were completed £2,000 under budget which can be released back to CIL for use on other projects.

20.2 In addition to the projects detailed above, there was spend on several other projects such as phase 1 remedial works to the Weirs and capital grants to Hyde Housing Association, Winchester Science Centre, and Winchester Hospice. Further detail is provided in Appendix 4.

21 Reforecast of capital programme

21.1 The 2021/22 capital programme has been reforecast to include adjustments made for brought forward budgets from 2020/21 and other adjustments such

as budget reductions following tender for example. However, the programme shown in Appendices 5 and 6 does not include adjustments recommended in report CAB3303 elsewhere on the agenda. If the supplementary estimate for additional activation works at Kings Walk as part of the Central Winchester Regeneration are approved, the additional budget will be included as an approved scheme in the 2021/22 capital programme.

- 21.2 With the exception of budgets funded by external grant or unfinanced (prudential borrowing), reduced budgets result in funding being released back to earmarked reserves or the capital receipts reserve where it becomes available to fund future projects.
- 21.3 In 2020/21 a £35,000 budget, funded by prudential borrowing, was allocated for a Digital Signage Pilot with the intention to install three signs: one freestanding sign at the entrance to the Guildhall; one wall mounted sign on the wall at the TIC entrances; and one internal screen on the Boardroom windows. The original business case for this investment was made some time ago and, following the significant impact of Covid-19 over the last year, needs to be revised based on current and future advertising income projections from a sector so badly impacted by the COVID measures. The budget will therefore not be carried forward to 2021/22 and a revised business case and budget allocation will be brought forward in the future if appropriate.
- 21.4 Full details of all changes to the 2021/22 capital programme are provided in Appendix 5 and the impact on the overall 10 year capital programme is provided at Appendix 6.

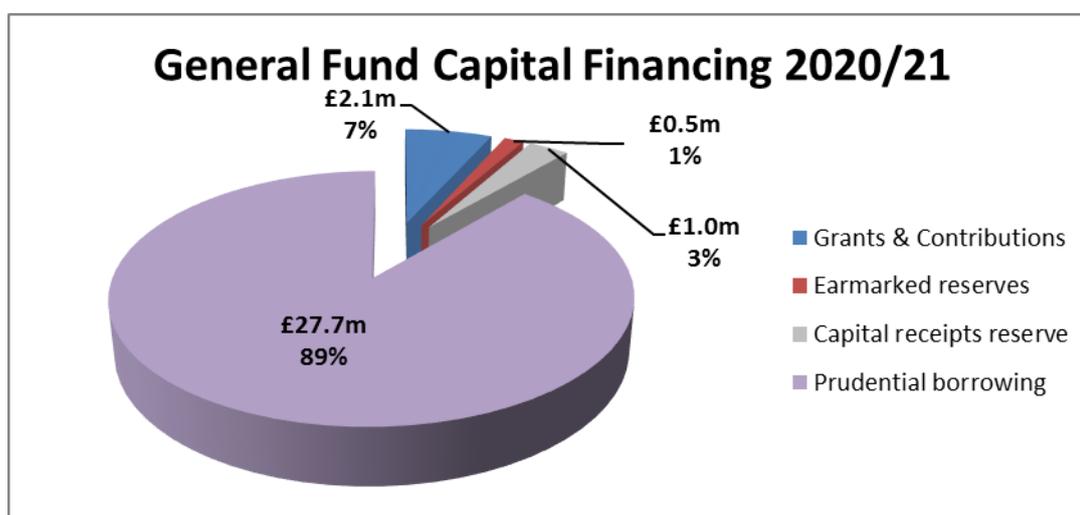
22 Flexible use of capital receipts

- 22.1 Ordinarily, capital resources such as capital receipts can only be used on capital expenditure (i.e. the creation or enhancement of a capital asset). However, the MHCLG Secretary of State issued a direction to local authorities in order to give them the freedom to use capital receipts from the sale of their own assets (excluding Right to Buy receipts) to help fund the revenue costs of transformation projects and release savings, including through redundancy, for the financial years 2016/17 to 2021/22. By using capital receipts, the council is able to avoid the negative impact of on its annual revenue budget of one-off costs but this will reduce the available resources for future capital projects.
- 22.2 In the Capital Investment Strategy approved in February 2021 (CAB3283), £194,000 of eligible capital receipts were set aside for this purpose. In 2020/21 the council incurred £266,000 in severance costs and applying the £194,000 (73%) available to these costs has reduced the in-year one off impact on the General Fund to £72,000.
- 22.3 The impact of using capital receipts to finance these costs results in the following estimated annual savings (73% of total estimated employee cost savings):

2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000
248	693	736	757	778	794

23 Capital financing

- 23.1 The sources of finance available for capital projects include capital receipts, grants and contributions, reserves, revenue contributions, and prudential borrowing or “Capital Financing Requirement” (unfinanced capital expenditure met by future revenue provision). Under the Prudential Code, the council can invest in a capital programme so long as its capital spending plans are “affordable, prudent and sustainable”. The financing of the 2020/21 General Fund capital expenditure, including the transfer of garages from the Housing Revenue Account, was as follows:



- 23.2 Where capital expenditure is to be financed in future years by charges to revenue, the expenditure results in an increase in the council’s borrowing need known as “Capital Financing Requirement” (CFR), a measure of the capital expenditure incurred historically by the council that has yet to be financed. While the council has sufficient cash and investment balances, it is able to internally borrow but as CFR increases, and cash and investment balances decrease, it will need to increase its external borrowing in addition to the £166.7m the council has already borrowed to finance HRA projects including the HRA self-financing settlement. In the General Fund an annual charge called Minimum Revenue Provision (MRP) is required to finance prior year unfinanced expenditure; this reduces the CFR over the lives of the related assets.

Capital Financing Requirement	General Fund £000	Housing Revenue Account £000	Total £000
Capital Financing Requirement at 1 April 2020	41,153	162,859	204,012
Unfinanced capital expenditure - in year	24,655	18,393	43,048
Minimum revenue provision (MRP)	(431)	0	(431)
Voluntary provision for the financing of capital	(321)	0	(321)
Transfer of Garages from the HRA to the General Fund	3,075	(3,075)	0
Capital Financing Requirement at 31 March 2021	68,131	178,177	246,308
Made up of:			
External borrowing	0	166,722	166,722
Internal borrowing	68,131	11,455	79,586

24 Commercial activities: property

24.1 The council owns an investment property portfolio (assets held solely for rental income or capital appreciation) which was valued at £66.8m as at 31 March 2021 (£61.5m as at 31 March 2020) and generated gross income of £2.95m and net income after costs, including minimum revenue provision, of £2.25m in 2020/21. This income helps contribute to the Council Plan outcomes. This represents an average net yield of 3.5%.

24.2 In 2020/21, the council didn't make acquisitions or capital enhancements to its investment property portfolio. However, a total of 618 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 2020	61,459
Acquisitions	0
Enhancements	0
Gains/(losses) in fair value	2,276
Transfer from PPE (operational assets)*	3,075
31 March 2021	66,810

*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

25 Proportion of financing costs to net revenue stream

25.1 Although capital expenditure is not charged directly to the revenue budget, interest payable on loans, MRP, and any revenue funded reductions in the borrowing need are charged to the General Fund (GF) or Housing Revenue Account (HRA) income and expenditure statements as appropriate, 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.

- 25.2 The Council's General Fund capital programme includes several unfinanced projects (i.e. funded by prudential borrowing) such as the transfer of garages from the HRA, Bishop's Waltham depot, and the Winchester Sport & Leisure Park. MRP (equivalent to the repayment of principal) is applied in the financial year following an asset becoming operational and increases the financing costs. As the programme is delivered, the council's cash and investment balances also fall meaning the investment income offset against the cost reduces. This has reduced further in the past year due to the falling interest rates available to the council. Financing costs are expected to continue to increase in 2021/22 as the council begins to externalise its borrowing from the current internal borrowing position (see 23.2) and are expected to increase again the following year once MRP charges for the Winchester Sport & Leisure Park begin.
- 25.3 Similarly, HRA financing costs are forecast to increase in future years as it increases its external borrowing position to finance its capital programme.

Prudential Indicator: Proportion of financing costs to net revenue stream

	2019/20 actual	2020/21 forecast	2020/21 actual	2021/22 budget
GF financing costs (£m)	-0.1	0.1	0.3	1.0
GF proportion of net revenue stream	-0.7%*	0.6%	1.2%	6.3%
HRA financing costs (£m)	5.1	5.2	5.2	6.0
HRA proportion of net revenue stream	17.6%	18.3%	17.8%	20.7%

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

26 OTHER OPTIONS CONSIDERED AND REJECTED

- 26.1 None

BACKGROUND DOCUMENTS:-

Previous Committee Reports:-

CAB3211 - Medium Term Financial Strategy, Budget and Council Tax 2020/21 dated 12 February 2020

CAB3256 – Revised General Fund Budget 2020/21 dated 16 September 2020

Other Background Documents:-

None

APPENDICES:

Appendix 1 – General Fund Summary Outturn

Appendix 2 – General Fund Earmarked Reserves

Appendix 3 – Winchester Town Account Outturn

Appendix 4 – General Fund Capital Expenditure 2020/21 outturn

Appendix 5 – Revised 2021/22 General Fund Capital Programme

Appendix 6 – Revised 2021-2031 General Fund Capital Programme

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General Fund Revenue Outturn 2020/21 (£000)	Original Budget	Revised Budget (RB)	Outturn	Variance to RB	Para.
Funding					
Council Tax (excluding Parish Precepts)	8,146	8,146	8,115	(31)	12.2
Retained Business Rates	5,151	5,151	4,815	(336)	12.3
New Homes Bonus	2,839	2,839	2,839	0	
COVID Funding	0	5,475	6,005	530	15
Other Grants	280	280	280	0	
	16,416	21,891	22,054	163	
Investment Activity					
Interest (payable) / receivable	(180)	(180)	430	610	13.3(a)
Minimum Revenue Provision	(435)	(435)	(752)	(317)	13.3(b)
NET Investment Property Income	2,670	1,379	2,380	1,002	13.3(c)
	2,055	764	2,059	1,295	
NET Service Expenditure					
Housing	(2,197)	(2,142)	(1,765)	378	14.2(a)
Environment	(5,936)	(11,527)	(9,604)	1,923	14.2(b)
Health and Happiness	(2,301)	(2,377)	(2,533)	(157)	
Business	(1,744)	(1,879)	465	2,345	14.2(c)
Operational Delivery	(3,263)	(4,830)	(2,667)	2,164	14.2(d)
Organisational Management	(4,646)	(5,123)	(4,988)	135	
	(20,088)	(27,879)	(21,092)	6,787	
Collection Fund & Reserve Related Movements					
*	1,618	5,224	(1,820)	(7,044)	see below
Budget Surplus / (Shortfall)	0	(0)	1,200	1,200	

* The outturn variance to revised budget reflects:

(1) reduced transfers from reserves due to one-off budget underspends within 'NET Service Expenditure'

(2) additional transfers to reserves such as £0.9m to the Business Rates reserve to fund a 20/21 deficit which will impact on the 21/22 accounts

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WINCHESTER TOWN ACCOUNT - 2020/21 Outturn

	2020/2021 Forecast	Outturn	Variance	C/F
	£	£	£	£
<u>Cost of Services</u>				
Recurring Budgets:				
Allotments	(1,864)	(3,940)	2,076	
Bus Shelter Cleaning / Maintenance / New Provision	10,000	9,596	404	
Cemeteries	46,286	49,891	(3,605)	
Christmas Lights	9,115	7,500	1,615	
Neighbourhood Service Officers (Contribution)	45,000	45,000	0	
Footway Lighting	20,927	16,402	4,525	
Grants	27,000	27,000	0	
Grants Bidding Process and Vision Delivery	33,000	0	33,000	
- Theatre Royal (Contribution)	20,000	20,000	0	
Support Costs for Grant Scheme	2,000	2,000	0	
Maintenance Work to Council Owned Bridges	5,500	0	5,500	
Night Bus Contribution	10,119	7,827	2,292	
Public Conveniences (Contribution)	50,000	50,000	0	
Recreation Grounds & Open Spaces	642,359	641,857	502	
Town Forum Support	5,000	5,000	0	
Total Recurring Budgets	924,442	878,134	46,309	
One-off Budgets:				
St Maurice's Covert	5,787	5,787	0	
Community Infrastructure	100,000	0	100,000	100,000
Local Plan	25,000	25,000	0	
Tree Survey Works	30,704	0	30,704	30,704
Total One-off Budgets	161,491	30,787	130,704	130,704
Total Cost of Services	1,085,933	908,921	177,013	
<u>Taxation and Non-specific grant income</u>				
Council Tax Income	(1,006,776)	(1,006,776)	0	
Interest on Balances	(3,865)	(3,272)	(593)	
Total Taxation and Non-specific grant income	(1,010,641)	(1,010,048)	(593)	
<u>Transfers to/(from) Earmarked reserves</u>				
(Surplus added to Reserves) / Deficit taken from Reserves	75,292	(101,127)	176,420	
Capital Expenditure funded by Town Reserve	84,000	84,000	0	
Release from Town Community Infrastructure Levy Reserve	(100,000)	(100,000)	0	
Opening Reserve Balance (at 1st April)	(386,526)	(386,526)	0	
Closing Reserve Balance (carried forward)	(327,234)	(503,653)	176,420	
Closing Reserves forecast as % of net expenditure (Target = 10%)	30%	55%		

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General Fund Capital Expenditure 2020/21 outturn

This appendix details the revised budget approved in September 2020 (CAB3256) and approved changes since then. Further adjustments were made to the forecast in February 2021 but are not included here.

Details	Outcome	2020/21					Under / (over) spend	Comments
		Revised budget (CAB3256)	Approved changes and adjs.	Approved budget	Actuals			
		£000	£000	£000	£000	£000		
General Fund								
Approved*								
Winchester Sport & Leisure Park (WSLP)	Provision of new leisure centre	Living well	24,988	170	25,158	23,620	1,538	WSLP officially opened on 29 May 2021 - final contract negotiations to be completed
Disabled Facility Grants	Help towards cost of home modifications	Homes for all	1,283	-	1,283	938	345	
Car Parks	Various	Vibrant local economy	166	(120)	46	39	7	£120k spend on car park at WSLP included above
IMT Assets	Various	Your services, your voice	35	-	35	-	35	Reforecast to 2021/22
Bishop's Waltham Depot	Small industrial units	Vibrant local economy	1,108	-	1,108	135	973	Works have commenced and expected to be complete by end of 2021
Flood Prevention Works	Durngate flood prevention scheme	Climate Emergency	1,286	-	1,286	1,042	244	Infrastructure complete with off-site mitigation to be done and planned conditions signed off
North Walls Pavilion	Replacement at North Walls	Living well	800	-	800	68	732	Scheme parameters currently under consideration
SAPS - Central Winchester	158-165 High St - refurbishment following acquisition	Vibrant local economy	100	-	100	28	72	Minor works completed in year
The Weirs - Essential Repairs	Essential infrastructure repairs to the river bank	Vibrant local economy	150	-	150	122	28	Remaining phases to be completed in 2021/22
West Wing Refurbishment	Refurbishment	Your services, your voice	100	-	100	88	12	
Decked car park at former Vaultex site	Development of new Park & Ride multi-storey car park	Vibrant local economy	524	400	924	619	305	Site preparation works in 2020/21
River Park Leisure Centre site	Decommissioning & alternative facilities provision	Living well	410	-	410	5	405	
Garden waste bins	Provision of bins for garden waste collection	Your services, your voice	400	-	400	444	(44)	Additional £100k budget approved in 2021/22
Basil Multi Storey car park	Essential capital works	Vibrant local economy	350	-	350	51	299	Fire doors installed
SAPS - Friarsgate Medical Centre	Acquisition in Central Winchester Regeneration (CWR) area	Vibrant local economy	215	-	215	33	183	Settlement of dilapidations. Remaining budget transferred to unallocated SAPS budget
Garrison Ground drainage improvements	Drainage improvements	Living well	-	150	150	-	150	Works to be completed in 2021/22
Smithhall café	Conversion to self-contained unit to let	Vibrant local economy	130	-	130	177	(47)	Works completed in June 2021 after financial year end
EV charging points (EVCP)	Installation of electric vehicle charging points around district	Climate Emergency	120	-	120	102	18	34 EVCP installed at sites across the district with remaining two sites to be installed summer 2021
Hampshire Community Bank	Direct share purchase	Vibrant local economy	62	-	62	-	62	Final tranche now expected to be purchased in 2021/22
River Park Leisure Centre	Essential capital repairs	Living well	20	-	20	-	20	Works complete - remaining funding available for reallocation
Meadowside Leisure centre	Strengthening upper floor and installation of ventilation fans	Living well	40	25	65	54	11	Works complete - remaining funding available for reallocation
CIL funded community projects	Community infrastructure projects - allocation approved	Living well	601	(161)	440	74	366	
Chilcomb Pavilion improvements	Improvements at Chilcomb Sports Ground	Living well	94	-	94	92	2	Works complete - remaining funding available for reallocation
Open Spaces & Recreational Facilities	Thurmond Crescent play area refurbishment	Living well	40	-	40	40	-	Works completed
Garrison Ground Pitch & Boxing Club	Works to temporarily re-house boxing club	Living well	11	-	11	-	11	Works complete - remaining funding available for reallocation
Hyde HA Waltham Chase Grant	Grant to Housing Association	Homes for all	75	-	75	75	-	Second and final tranche paid in 2020/21 - complete
Winchester Hospice grant	Capital Grant	Living well	50	-	50	25	25	Second instalment now expected to be paid in Summer 2021
Wayfinder signage	Signage for WSLP	Living well	50	(50)	-	-	-	Included in WSLP spend above
Coitbury House	Conversion to temporary accommodation units	Homes for all	-	50	50	40	10	Occupation to commence from 1st July 2021
Broadway bus shelters	Replacement bus shelters	Your services, your voice	40	-	40	17	23	
Digital Signage Pilot	Installation of digital signs at Tourist Information Centre & Guildhall	Your services, your voice	35	-	35	-	35	Project on hold due to Covid-19. Revised business case to be brought forward in future
Coach Park	Replacement coach park	Vibrant local economy	35	-	35	-	35	Works completed - identified as revenue and not capital in nature
Winchester Science Centre grant	Capital Grant	Living well	25	-	25	25	-	Complete
Solar PV Marwell Zoo	Solar PV installation	Climate Emergency	-	209	209	4	205	Works to be completed in 2021/22
Solar PV Biffa Depot Barfield Close	Solar PV installation	Climate Emergency	-	70	70	2	68	Works to be completed in 2021/22
Flexible use of capital receipts	Use of receipts for one off spend to save	Your services, your voice	-	194	194	194	-	Approved in February 2021 - contribution to severance costs
IMT Smart District - WiFi	Wi-Fi Infrastructure	Vibrant local economy	-	-	-	-	3	(3) Project complete in 2019/20 - residual payment made in 2020/21
King George V Pavilion	Replacement pavilion	Living well	-	-	-	-	2	(2) Small amount of early spend in relation to feasibility work budget approved in 2021/22
Total Approved*			33,343	937	34,280	28,159	6,121	

General Fund Capital Expenditure 2020/21 outturn

	Details	Outcome	2020/21					Comments
			Revised budget (CAB3256)	Approved changes and adjs.	Approved budget	Actuals	Under / (over) spend	
			£000	£000	£000	£000	£000	
Subject to Appraisal*								
Asset Management Plan	Reactive capital works to Estate	Your services, your voice	200	-	200	-	200	None required in 2020/21
King George V Pavilion	Replacement pavilion	Living well	200	-	200	-	200	Budget reforecast to 2021/22 in February 2021
Open Spaces & Recreational Facilities	Abbey Gardens play area	Living well	120	-	120	-	120	Project delayed to 2021/22
Energy Management Projects	Energy efficiency and generation projects	Climate Emergency	250	(250)	-	-	-	Budget transferred to specific projects - see above Solar PV at Biffa depot and Marwell Zoo
Goods Shed, Barfield Close	Small business units - options being explored	Vibrant local economy	50	-	50	-	50	Options being explored
South Downs Way & Blackpath Access	Pedestrian links from Winnall and Highcliffe to new leisure centre	Living well	35	(35)	-	-	-	Budget no longer required (CAB3257)
Subject to Appraisal*			855	(285)	570	-	570	
Total General Fund			34,198	652	34,850	28,159	6,691	

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

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

SAPS - unallocated		Vibrant local economy	18,506	-	18,506	-	18,506	No suitable purchases were identified in year
SAPS - Transfer of HRA Garages to GF	Transfer of Garages from HRA to GF	Your services, your voice	4,000	-	4,000	3,075	925	Based on independent valuation of garages transferred in year
Total SAPS			22,506	-	22,506	3,075	19,431	

Revised 2021/22 General Fund capital programme

This appendix details the original budget approved in February 2021 (CAB3283), approved changes since then, adjustments for brought forward balances from 2020/21 and other changes

	Priority	2021/22					Comments
		Original budget (CAB3283)	Approved changes	Brought forward from 2020/21	Other changes incl. reforecast	Revised budget	
		£000	£000	£000	£000	£000	
General Fund							
Approved*							
Disabled Facility Grants	Homes for all	1,100	-	-	130	1,230	Increased to reflect actual grant receivable in 2021/22
Decked car park at former Vaultex site	Vibrant local economy	5,553	-	(95)	-	5,458	Spend in 2020/21 was higher than forecast in Feb 2021 budget
IMT Assets	Your services, your voice	534	-	10	-	544	
Car Parks	Vibrant local economy	200	-	7	-	207	
Bishop's Waltham Depot	Vibrant local economy	1,408	-	165	-	1,573	
SAPS - Car Park at the Dean, Alresford	Vibrant local economy	1,005	-	-	(1,005)	-	Discussions with developers ongoing - spend unlikely until 2022/23
North Walls Pavilion replacement	Living well	710	-	22	-	732	
CIL funded community projects	Living well	575	-	366	(630)	311	£600,000 reforecast to 2022/23 and £30,000 transferred to unallocated CIL community budget
The Weirs - essential repairs	Vibrant local economy	400	-	28	-	428	
River Park Leisure Centre site - decommissioning	Living well	400	-	5	-	405	
West Wing refurbishment	Your services, your voice	385	-	12	-	397	
Basil Multi Storey car park	Vibrant local economy	299	-	-	-	299	
Friarsgate flood prevention works	Climate Emergency	231	-	13	-	244	
Guildhall café	Vibrant local economy	150	-	(57)	-	93	Some expenditure earlier than originally forecast in 2020/21
Garden waste bins	Your services, your voice	123	100	(167)	-	56	Additional £100,000 approved since February budget. Higher spend in 2020/21 than forecast
Watkinson Ground drainage improvements	Living well	100	-	-	(40)	60	Budget requirement reduced following successful tender exercise
Bishop's Waltham footpath & cycle link	Living well	50	-	-	(50)	-	Reforecast to 2022/23
Guildhall microphones	Your services, your voice	40	-	-	-	40	
Winchester Sport & Leisure Park	Living well	-	-	1,538	-	1,538	
Friarsgate Medical Centre	Vibrant local economy	500	-	-	-	500	
City Offices decarbonisation	Climate Emergency	260	205	-	-	465	Additional budget approved June 2021 Cabinet (CAB3307)
Kings Walk improvements	Vibrant local economy	200	-	-	-	200	
Meadowside Leisure centre - new equipment	Living well	177	-	-	-	177	
Former registry office refurbishment	Vibrant local economy	-	52	-	-	52	Use of Asset Management Plan budget - decision record approval 7 April 2021
King George V Pavilion replacement	Living well	30	-	(2)	-	28	£30,000 approved for expenditure (WTF295); £2,000 spent earlier than forecast in March
Open Spaces & Recreational Facilities - KGV play and skate park	Living well	200	40	-	-	240	Increase of £40,000 and expenditure approved (WTF297)
Solar PV Marwell Zoo	Climate Emergency	-	-	205	(55)	150	Budget reduced due to scheme amendments and successful tender process
Solar PV Biffa Depot Barfield Close	Climate Emergency	-	-	68	-	68	
EV charging points	Climate Emergency	-	-	18	-	18	
Hampshire Community Bank - share purchase	Vibrant local economy	-	-	62	-	62	Final 25% tranche expected to be purchased in 2021/22
Coitbury House - conversion to temporary accommodation	Homes for all	-	-	10	-	10	
Winchester Hospice grant	Living well	-	-	25	-	25	
Broadway bus shelters	Your services, your voice	-	-	23	-	23	
Guildhall Yard - EV charging points (EVCP)	Climate Emergency	-	15	-	-	15	Virement from Carbon Neutrality Action Plan budget
Digital Signage Pilot	Your services, your voice	-	-	-	-	-	Unspent budget from 2020/21 not carried forward - subject to new business case
Total Approved*		14,630	412	2,256	(1,650)	15,648	

Revised 2021/22 General Fund capital programme

	Priority	2021/22					Comments
		Original budget (CAB3283)	Approved changes	Brought forward from 2020/21	Other changes incl. reforecast	Revised budget	
		£000	£000	£000	£000	£000	
Subject to Appraisal*							
Goods Shed, Barfield Close	Vibrant local economy	500	-	-	-	500	Currently under review - report to Cabinet in the Autumn £30,000 approved for expenditure (WTF295) To be reviewed as part of CIL report to September Cabinet Increased by £30,000 following withdrawal of grant application
Housing Company	Homes for all	2,000	-	-	-	2,000	
Asset Management Plan	Your services, your voice	200	(52)	-	-	148	
King George V Pavilion replacement	Living well	1,370	-	-	-	1,370	
Energy Management Projects	Climate Emergency	500	-	-	-	500	
Open Spaces & Recreational Facilities	Living well	270	-	-	-	270	
Public Realm - Station Approach CIL funded	Vibrant local economy	500	-	-	-	500	
CIL funded community projects	Living well	250	-	-	30	280	
59 Colebrook Street refurbishment	Vibrant local economy	200	-	-	-	200	
Replacement printers	Your services, your voice	-	-	-	-	-	
Subject to Appraisal*		5,790	(52)	-	30	5,768	
Total General Fund		20,420	360	2,256	(1,620)	21,416	
<p>* Under the Council's Financial Procedure Rule 7.4, the inclusion of a scheme in the capital programme does not constitute authority to incur the expenditure. Such authority is obtained subject to the various conditions and limits as set out in the Constitution.</p> <p>The Strategic Asset Purchase Scheme (SAPS) is subject to separate governance procedures as outlined in the Capital Investment Strategy</p>							
SAPS - unallocated	Vibrant local economy	19,528	-	925	-	20,453	£925,000 saving on SAPS garage transfer in 2020/21 brought forward into unallocated
Total SAPS - unallocated		19,528	-	925	-	20,453	

Revised 2021-2031 General Fund capital programme

	Priority	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	TOTAL
		Revised budget	Forecast	2021-2031 Forecast								
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
General Fund												
Approved*												
Disabled Facility Grants	Homes for all	1,230	1,230	1,230	1,230	1,230	1,230	1,230	1,230	1,230	1,230	12,300
Decked car park at former Vaultex site	Vibrant local economy	5,458	250	-	-	-	-	-	-	-	-	5,708
IMT Assets	Your services, your voice	544	68	175	185	117	265	140	90	190	85	1,859
Car Parks	Vibrant local economy	207	50	180	180	180	180	180	180	180	180	1,697
Bishop's Waltham Depot	Vibrant local economy	1,573	-	-	-	-	-	-	-	-	-	1,573
SAPS - Car Park at the Dean, Alresford	Vibrant local economy	-	1,005	-	-	-	-	-	-	-	-	1,005
North Walls Pavilion replacement	Living well	732	-	-	-	-	-	-	-	-	-	732
CIL funded community projects	Living well	311	600	-	-	-	-	-	-	-	-	911
The Weirs - essential repairs	Vibrant local economy	428	-	-	-	-	-	-	-	-	-	428
River Park Leisure Centre site - decommissioning	Living well	405	-	-	-	-	-	-	-	-	-	405
West Wing refurbishment	Your services, your voice	397	-	-	-	-	-	-	-	-	-	397
Chesil Multi Storey car park	Vibrant local economy	299	-	-	-	-	-	-	-	-	-	299
Longgate flood prevention works	Climate Emergency	244	-	-	-	-	-	-	-	-	-	244
Guildhall café	Vibrant local economy	93	-	-	-	-	-	-	-	-	-	93
Garden waste bins	Your services, your voice	56	-	-	-	-	-	-	-	-	-	56
Carlson Ground drainage improvements	Living well	60	-	-	-	-	-	-	-	-	-	60
Bishop's Waltham footpath & cycle link	Living well	-	50	-	-	-	-	-	-	-	-	50
Guildhall microphones	Your services, your voice	40	-	-	-	-	-	-	-	-	-	40
Winchester Sport & Leisure Park	Living well	1,538	-	-	-	-	-	-	-	-	-	1,538
Friarsgate Medical Centre	Vibrant local economy	500	-	-	-	-	-	-	-	-	-	500
City Offices decarbonisation	Climate Emergency	465	-	-	-	-	-	-	-	-	-	465
Kings Walk improvements	Vibrant local economy	200	-	-	-	-	-	-	-	-	-	200
Meadowside Leisure centre - new equipment	Living well	177	-	-	22	-	-	-	101	-	-	300
Former registry office refurbishment	Vibrant local economy	52	-	-	-	-	-	-	-	-	-	52
King George V Pavilion replacement	Living well	28	-	-	-	-	-	-	-	-	-	28
Open Spaces & Recreational Facilities - KGV play and skate park	Living well	240	-	-	-	-	-	-	-	-	-	240
Solar PV Marwell Zoo	Climate Emergency	150	-	-	-	-	-	-	-	-	-	150
Solar PV Biffa Depot Barfield Close	Climate Emergency	68	-	-	-	-	-	-	-	-	-	68
EV charging points	Climate Emergency	18	-	-	-	-	-	-	-	-	-	18
Hampshire Community Bank - share purchase	Vibrant local economy	62	-	-	-	-	-	-	-	-	-	62
Coitbury House - conversion to temporary accommodation	Homes for all	10	-	-	-	-	-	-	-	-	-	10
Winchester Hospice grant	Living well	25	-	-	-	-	-	-	-	-	-	25
Broadway bus shelters	Your services, your voice	23	-	-	-	-	-	-	-	-	-	23
Guildhall Yard - EV charging points (EVCP)	Climate Emergency	15	-	-	-	-	-	-	-	-	-	15
Digital Signage Pilot	Your services, your voice	-	-	-	-	-	-	-	-	-	-	0
Total Approved*		15,648	3,253	1,585	1,617	1,527	1,675	1,550	1,601	1,600	1,495	31,551

REPORT TITLE: HOUSING REVENUE ACCOUNT (HRA) OUTTURN 20/21

21 JULY 2021

REPORT OF CABINET MEMBER: CLLR KELSIE LEARNEY – CABINET MEMBER FOR HOUSING AND ASSET MANAGEMENT

Contact Officer: Dick Johnson Tel No: 01962 848136 Email Djohnson@Winchester.gov.uk

WARD(S): ALL

PURPOSE

This report provides an update to members on the financial performance of the Housing Revenue Account (HRA) in 2020-21 and the associated HRA capital programme. It also requests approval for revised budget forecasts to the 2021/22 HRA revenue budget and capital programme to reflect updated costs and take account of capital programme slippage. In addition, it seeks approval to draw down approved set aside funding for the welfare support measures identified within this paper.

RECOMMENDATIONS:

That Cabinet

1. Notes the provisional HRA Outturn figures for 2020/21, these are provisional subject to audit as detailed in Appendices 1 and 2;
2. Approves the carry forward of £0.044m of HRA revenue funding from 2020/21 as detailed in Paragraph 11.4;
3. Notes the Housing capital programme outturn for Major Works and New Build developments as detailed in Paragraphs 11.5 to 11.8 and Appendices 3 & 4;
4. Approves the funding of the 2020/21 HRA capital programme as detailed in Paragraph 11.9 & 11.10 and Appendix 5;

5. Approves the re-forecast capital programme budget of £28.402m for 2021/22 as detailed in Paragraphs 11.12 & 11.13 and Appendix 6 & 7 that takes account of potential programme slippage;
6. Approves the drawdown of £0.412m of the agreed £0.500m HRA reserve balances set aside to fund the specific welfare support initiatives as identified in paragraph 12 over the next two years. Which was agreed by full Council to provide additional targeted support for tenants during this difficult period. This includes the appointment of two temporary full time tenancy sustainment officers and one temporary admin support for a period of up to 24 months to provide the needed additional capacity to deliver these support measures.

IMPLICATIONS:1 COUNCIL PLAN OUTCOME

- 1.1 Providing good quality housing and new affordable homes is a strategic priority for the Council. Effective management of the resources available to the Council enable it to take advantage of new opportunities and ensure that satisfaction levels remain high amongst tenants in relation to their home and community. In particular
- 1.2 Tackling the Climate Emergency and Creating a Greener District
- a) Carbon Neutrality measures will be implemented across existing housing stock and include within the design and construction of new properties, and feasibility considered in the purchase of any substitute properties
- 1.3 Homes for all
- a) Assist with the increase of housing property stock across the Winchester district
- 1.4 Vibrant Local Economy
- a) Deliver affordable accommodation that allows people to live and work in the community and contribute to the local economy.
- 1.5 Living Well
- a) The wellbeing of residents is considered within the design of new properties and any substitute properties will be viewed accordingly.
- 1.6 Your Services, Your Voice
- a) Housing tenants are directly involved in decisions regarding service provision, both through the work of TACT and through regular digital engagement processes. The service continues to review options to provide an improved customer experience, increase opportunities for digital engagement and to ensure satisfaction with services provided by the Council remains high.

2 FINANCIAL IMPLICATIONS

- 2.1 Full details are included in paragraph 11 but, briefly, the Council achieved a net surplus on its HRA revenue account of £2.611m for 2020/21, an increase on that originally budgeted of £1.455m. This increases the HRA general balance as at 31.3.2021 from £12.983m to £15.594m. Current HRA cash balances as at 31.3.2021 are shown in Appendix 5, together with current HRA borrowing.

- 2.2 It is proposed to carry forward to 2021/22 £0.044m of unspent revenue budget from 2020/21 to further support the Housing Company set up process. Further details are provided in Paragraph 11.
- 2.3 It is also proposed to drawdown £0.401m of the agreed £0.500m HRA reserve balances set aside to fund the specific welfare support initiatives agreed by full Council to provide targeted support to tenants during this difficult period as identified in paragraph 12 over the next two years.
- 2.4 Total expenditure in the Housing capital programme for 2020/21 was £20.412m, some £5.556m lower than the Revised Budget of £25.968m. The original budget for the year was £36.014m.
- 2.5 It is proposed to carry forward to 2021/22 £2.636m of capital budget slippage from 2020/21. In addition, the approved budgets for 2021/22 are being re-profiled and as a result reduced by £11.123m to realign them with anticipated activity and achievable forecast spend. The ten year HRA indicative approved capital programme will be amended in the forthcoming budget cycle process for 2022/23 -2031/32 to reflect these changes in the timing of proposed project milestones and also the capacity of the council to resource these activities.

3 LEGAL AND PROCUREMENT IMPLICATIONS

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

4 WORKFORCE IMPLICATIONS

- 4.1 There are a number of fixed term contracts that are necessary in order to enable the council to have the capacity to support the delivery of the proposed welfare support package initiatives identified within para 12.

5 PROPERTY AND ASSET IMPLICATIONS

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

6 CONSULTATION AND COMMUNICATION

7 The Outturn Report was presented verbally to TACT support Group at their meeting on the 8th July 2021. They noted that the HRA was in a good financial position but acknowledged the impact of Covid on the delivery of some capital schemes and some services. It was also suggested that where the Council was perceived to be sitting on some sites for a period of time that it consider using its improved resources to move these along. The paper itself will be circulated to TACT for comment and feedback at the same time that it is sent to Scrutiny to note and for their comments

8 ENVIRONMENTAL CONSIDERATIONS

8.1 The Housing Service considers environmental and ecological factors when developing new build properties and preparing major works plans including estate improvements, working closely with planning officers and the Council's Landscape Team where appropriate. Additional costs for meeting these responsibilities are included in project appraisals and scheme budgets.

9 EQUALITY IMPACT ASSESSEMENT

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

9.2 The purpose of the specific welfare support initiatives identified in this report is to assist the council to support tenants who are facing housing problems and are vulnerable to becoming homeless. The individuals who share certain protected characteristic are more likely to be the beneficiary of the implementation of such schemes made possible through the recommended grant allocations and are therefore likely to be affected in a positive way through the approval of the recommendations within this report.

10 DATA PROTECTION IMPACT ASSESSMENT

10.1 None required.

11 RISK MANAGEMENT

Risk	Mitigation	Opportunities
<i>Property That Council owned dwellings fail to meet decent home standards</i>	An effective programme of future works and sound financial planning ensures that these standards are met and then maintained.	
<i>Community Support Lack of consultation will</i>	Regular communication	Positive consultation

<p><i>affect tenant satisfaction and cause objections to planning applications for new build developments.</i></p>	<p>and consultation is maintained with tenants and leaseholders on a variety of housing issues. The Council consults with local residents and stakeholders on proposed new build schemes.</p>	<p>brings forward alternative options that may otherwise not have been considered.</p>
<p><i>Timescales</i> <i>Delays to new build contracts may result in increased costs and lost revenue.</i></p> <p><i>Delays to major works may result in the loss of decent home status for individual properties.</i></p>	<p>New build contracts contain clauses to allow the Council to recover damages if the project is delayed due to contractor actions.</p> <p>Continual updating of asset management plans and major works budgets allows potential issues to be addressed quickly.</p>	
<p><i>Project capacity</i> <i>The HRA can borrow funds in addition to utilising external receipts and reserves but it must be able to service the loan interest arising and repay debt in the future.</i></p> <p><i>Staffing resources (not always in Housing) reduce the ability to push forward new schemes at the required pace.</i></p>	<p>Regular monitoring of budgets and business plans, together with the use of financial assessment tools enables the Council to manage resources effectively.</p> <p>Staffing resources have been reviewed to support the delivery of the enhanced new build programme.</p>	<p>The Council monitor's government announcements on the use of RTB receipts and potential capital grant funding.</p> <p>In light of recent departures from this team the opportunity to reconfigure it and bring in different skill sets is being reviewed.</p>
<p><i>Financial / VfM</i> <i>Risks, mitigation and opportunities are managed through regular project monitoring meetings</i></p>	<p>New build Schemes are financially evaluated and have to pass financial hurdles and demonstrate VFM</p>	<p>Whilst interest rates are at historically low rates it is advantageous to look at fixing loans over a long time frame</p>
<p><i>Legal</i> <i>The provision of social housing is a statutory requirement. Changing Government priorities place a greater emphasis on social housing which must be monitored and</i></p>	<p>Government statutory requirements and policy changes are being monitored to identify any new risks or opportunities that they may bring.</p>	<p>To create new housing developments within new guidelines and drawing on innovative thinking.</p>

<i>considered within planning of future new build projects.</i>		
<i>Innovation The creation of a Housing Company to support the new build programme is introduced without reference to existing rules and consents.</i>	External legal and business planning advice has been sought to ensure the Council has the most appropriate and effective solution and that any developments are only undertaken if they are financially viable.	A Housing Company has the potential to increase the options for housing tenure and to help to meet unmet demand.
<i>Reputation Failure to complete major housing projects due to lack of resources would have a direct impact on both customer satisfaction and the Council's reputation.</i>	Business planning tools with regular updates are utilised to make sure resources are available to complete projects.	Its important to ensure that a whole of life approach to developing affordable high quality sustainable housing is considered from the outset
<i>Other – None</i>		

12 SUPPORTING INFORMATION:

12 HRA Outturn 2020/21

Details of the 2020/21 financial performance are analysed in Appendix 1 (subjective summary) and Appendix 2 (service summary).

12.1 Overall, the HRA produced a surplus of £2.611m. The outturn surplus is £1.445m higher than the £1.166m revised forecast budget (CAB3241).

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

- a) Premises - £0.379m over. This is largely down to a higher than budgeted spend on responsive repairs of £0.313m and on voids maintenance £0.114m partly offset by a lower than budgeted spend on cyclical maintenance of £0.098m. These are demand led budgets.
- b) Other Costs - £0.724m under. This is made up of a large number of variances; the key ones contributing to this are an underspend on professional and consultancy budget of £0.311m, a lower than budgeted spend on purchase of furniture £0.146m and additional income from recharges not budgeted for £0.121m (in relation to the management and maintenance of the garages transferred to the general fund and £0.055m of new homes staff capitalisations). Lastly

there is an underspend of £0.101m on travel related to staff mileage claims and car park permits largely as a result of Covid restrictions on travel.

- c) Net Interest and Depreciation- £1.172m under. This is caused by two key factors, interest payments on debt and depreciation charges. The budget for interest payments on debt had assumed a higher level of previous year capital spend financed by debt and higher debt financing charges (£0.779m under). Depreciation is an estimate based on the prior year; actual depreciation is affected by a number of factors such as the annual valuation of the council's housing stock and will therefore vary from forecast (£0.369m under).
- d) External Income – (£0.162m) under. This is largely down to an increase in voids on the general stock £0.086m and on temporary accommodation £0.049m as a direct result of the impact of Covid on new lettings as well as the loss of rent on garages as a result of the decision to transfer all of the remaining sites to the General fund in 2020-21 £0.101m. This is offset by £0.065m additional income recoded from elsewhere within the accounts for a number of reasons. (Budgets will be adjusted next year to reflect this (see 11.3 j) 3. below)).

12.3 Within the service summary (Appendix 2), the material variances were:

- a) Estate management (£0.210m) under. This is largely down to a change in accounting for support services which has seen some of the costs centralised under HRA General (£0.122m), together with staffing underspends (£0.056m) and a reduction car mileage claims and car permits as a result of Covid travel restrictions (£0.028m)
- b) HRA General +£0.213m over. There are a number of variances that make this up including the change in accounting for support services (+£0.300m), the net cost of re-procuring the housing management system (+£0.109m), offset by an underspend in the supplies and services budget (£0.160m) of which the professional consultancy budget (£0.106m) and subscriptions budget (£0.021m) made the largest contributions
- c) The New Build Programme Support staff – under (£0.277m). This is largely down to a lower than budgeted spend on the professional consultancy budget £0.191m), combined with the unbudgeted staffing capitalisation (£0.056m) and staffing vacancies (£0.038m)
- d) Estate Improvements - (£0.172m) under. This is down to a lower than budgeted spend on estate maintenance and grounds maintenance (£0.031m) and an increase in the amount recharged to the general fund (£0.028m), the change in accounting for support services (£0.058m), and additional income from costs recovered (£0.058m).

- e) Sheltered Housing – £0.099k under This underspend is made up of a number of variances including, a premises overspend (£0.049m) offset by the change in accounting for support services (+£0.0.38m), an underspend in furniture and equipment purchases and in computing and communications of a net (£0.089m) additional external income (£0.015m) and car allowances (£0.013m)
- f) Repairs (+£0.225m) over. As mentioned in para 11.2 a) above these budgets are largely demand led and therefore outturns often fluctuate either side of the set budget.
- g) Repairs administration (£0.190m) under. This is largely down to the change in accounting for support services (+£0.121m), an underspend in essential user car payments and in car mileage claims (£0.054m) as a result of Covid, together with an underspend on furniture and equipment of (£0.011m).
- h) Interest Payable - (£0.779m) under. See explanation in 11.2 c) above
- i) Depreciation of Fixed Assets – (£0.369m) under. see explanation in 11.2 c)
- j) Rent and Other Income - £0.344m under. There are a number of reasons for the overall variance;
 - (a) In terms of dwellings (£0.146m), the original budget assumed an increase in rent from affordable dwellings. However, this was impacted by delays and slippage. In addition, the void budget overspent by £0.086m as a result of Covid and issues re-letting void property which was offset in a reduction of bad debts written off again as a result of Covid
 - (b) Garages (£0.109m) this was largely down to the decision to transfer the remaining garages to the General Fund in 2020-21, which wasn't originally budgeted for
 - (c). Other income - (£0.089m) this was largely the result of a review of a number of income budgets where some items of income needed to be recoded elsewhere within the accounts for a number of reasons. (Budgets will be amended next year to reflect this)

12.4 HRA Revenue Carry Forwards from 2020/21 to 2021/22

The only proposed HRA Revenue Carry Forward from 2020/21 to 2021/22 is £0.044m underspend from the other professional services & consultancy fee budget to continue to support anticipated Housing Company setup costs during 2021/22.

12.5 HRA Capital Programme Outturn 2020/21

12.6 Appendices 3 & 4 detail the expenditure in 2020/21 for both the Housing Services and New Build capital programmes against both the Original Budget and the Revised Budget position.

12.7 Overall within Housing Services (Appendix 3), £5.076m was spent against a Revised Budget of £6.106m, a favourable variance of £1.030m on the year.

The material variances were as follows:

- a) Major Repairs - £0.606m under. This reflects the difficulty experienced in operating normally during the Covid lockdown periods.
- b) Estate Improvements - £0.207 under. Due to limited staffing capacity which meant that projects could not be progressed as quickly as normal. Also delays to projects starting due to the pandemic and one project being delayed/put on hold due to public concerns.
- c) Sheltered Housing upgrades £0.092m under - The underspend was the result of bringing forward and completing an additional conversion in 2020-21
- d) Disabled Adaptations - £0.165m over. Although the original budget was £770k, this was adjusted down in the early part of the year due to the anticipated impact of Covid. Clearly, the anticipated downturn in demand did not materialise with the final outturn very close to the original budget, which would suggest the demand and need for these adaptations outweighed any concern over Covid.
- e) Fire safety Provision - £0.061m under There have been much extended lead times on the material supplies for fire doors due to Covid.
- f) Climate Change Emergency £0.240m under. Only 50% of the Swedish project was complete by year-end. This was due to a number of factors:- Covid, wet weather, labour and material supply delays (incl. materials being stolen) and other contractor delays.

12.8 For the New Build capital programme (Appendix 4), £15.336m was spent against a Revised Budget of £19.862m, a favourable variance on the year of £4.526m.

The material variances were as follows:

- a) The Valley - £0.177m under. The completion of the scheme was adversely affected by the impact of Covid, which presented significant challenges in terms of additional health and safety working requirements, access to sites, and supply chain problems

- b) Rowlings Road - £0.326m under. Total scheme costs were lower than originally budgeted and the New Homes programme had not been amended to reflect this.. The scheme has now completed with an outturn final cost of £1.316m against an approved Total Scheme Cost (TSC) of £1.430m, an underspend of £0.114m against the approved TSC budget.
- c) Hookpit - £0.217m under. The completion of the scheme was again adversely affected by the impact of Covid, which presented significant challenges in terms of additional health and safety working requirements, access to sites, and supply chain problems,
- d) Small Sites/Unallocated programme - £2.224m under. The ability to identify development opportunities for investment was limited in 2020-21 and restricted to largely focussing upon a number of individual property acquisitions where these were assessed as meeting housing need and representing VFM.
- e) Sites funded from 1-4-1 receipts. This budget wasn't required in 2020-21, as the Council achieved its 1-4-1 spend targets through the delivery of the approved programme together with the ad-hoc acquisitions funded from the small sites/unallocated programme

12.9 HRA Capital Programme Funding

12.10 Appendix 5 details the actual funding for the capital programme in 2020/21. The funding requirement for the year was £5.556m less than previously anticipated in setting the Revised Budget. The Housing Services programme was underspent by £1.030m, with the New Build capital programme being £4.526m underspent. A decision was made towards the year end to take advantage of what were considered to be historically low interest rates, and to fix £10m of the long-term borrowing requirement of the HRA by taking out a 50 year PWLB maturity loan at 1.95%. The impact of this on the average HRA cost of capital is shown here together with current HRA reserves/resources. These resources are largely constrained in their use with the exception of the general reserve but provide a degree of mitigation against future new homes development and sales risk.

12.11 The proposed funding of the programme therefore firstly applies all required 1-4-1 RTB funding of £1.199m to maximise the council's position on these resources. The remaining £18.393m was unfinanced and, after taking account of the final transfer of the all the remaining HRA garages to the GF (totalling £3.075m), the net movement on the HRA's Capital Financing Requirement (CFR) was an increase of £15.318. The HRA CFR has increased from £162.859m to £178.177m.

12.12 HRA Capital Programme Re-Forecast for 2021/22

Within the capital programme, there is an increase due to slippage to the original budget of £2.636m combined with the reduction due to the re-profiling

of £11.123m into future years, which is proposed in Appendix 6 & 7. The impact of these changes on the original budget of £36.889m, is a net reduction in approved budget for 2021/22 of £8.487m,

- 12.13 The proposed Housing Services programme carry forward of £0.412m. This reflects the anticipated need to spend on ongoing programmes and the carry forward of funding for key Council priorities such as climate change and fire safety. In addition, the external envelope works budget is reduced in line with expected programmed works and the expected capacity to deliver.
- 12.14 The profiling of all the New Homes scheme capital projects has also been reviewed in light of changes in both individual programme delivery timeframes and the capacity of the team to resource these projects. As a result, it is not proposed to bring forward any underspends at this time, but rather to ensure that the approved revised budget envelopes for 2021-22 are both realistic and achievable. The Overall impact of this on the HRA 10 year indicative programme will be identified during the next year's budget preparation process.

12. **The proposed 2021/22 HRA Welfare Fund spending plan.**

- 12.1 This additional one off sum of £0.500m funded from the existing HRA balance was approved at full council on 24 February 2021. The proposed spending plans are brought forward in discussion with TACT and tenants.
- 12.2 The pandemic has had a detrimental impact on many households financial security. Studies have shown an increase in the characteristics of vulnerability for adults including poor health, low financial resilience and negative life events. There has been a significant rise in people losing their jobs, being forced to take salary cuts or accept reduced hours because of the pandemic. Working-age adults have been disproportionately hit by the virus, in particular younger adults, black, Asian and minority ethnic adults and the self-employed.
- 12.3 Financial hardship and poor mental health often go hand in hand and can result in the threat of homelessness. Public Health England research into the impact of the pandemic on the mental health and wellbeing of adults has shown an increase in those experiencing anxiety, stress and low mood a long with sleep problems. And it is likely that the effects of the pandemic on such households will be felt for months or even years to come.
- 12.4 £0.500m has been allocated as a one off sum from the HRA budget to fund additional support services to help with recovery for those tenants most adversely affected. The fund will also provide practical financial support to tenants facing hardship to help sustain tenancies and prevent homelessness.
- 12.5 **Details of the Proposal**
- 12.6 The Welfare Fund budget of £0.500m funded from the existing HRA balance was allocated to provide additional support for council tenants in consultation

with TACT and tenants. Consultation took place with involved tenants and TACT Members on 17th March 2021 and with the Portfolio Holder for Housing and Asset Management. The feedback document from the consultation event can be found in Background Documents.

- 12.7 **Strategic Commissioning:** Commissioning of local support services enabling the council to allocate resources and procure partner agencies already active in our communities. To help provide specialist help and support services that will deliver priority outcomes set out in operational service plans. Areas of additional support will include employment support to help with job searches, CV writing, life coaching and confidence building. Therapeutic services for those with poor mental health including befriending services. To support people struggling to afford to pay energy bills to take advantage of benefits, grants and help offered by the government and energy suppliers. Financial support for tenants moving into a new home to tackle appliance and furniture poverty. To prevent tenants falling in to debt by borrowing from high-interest loan providers to buy essential furnishings. Proposed spending budget of £0.100m over a two year programme.
- 12.8 **Digital Inclusion:** The pandemic highlighted the importance of digital inclusion but there are still significant levels of digital exclusion with people lacking the basic skills to use the internet effectively. This can be as result of unemployment, fewer educational qualifications, and people living with disabilities and is often associated with those living in social housing. The fund will support those tenants in receipt of Universal Credit, seeking employment or participating in training who are on low incomes. Providing training opportunities to help not just with computer skills but to help build confidence and awareness of opportunity. Proposed spending budget of £0.040m over a two year programme.
- 12.9 **Welfare Personalisation Budget:** To enable housing officers to be reactive through an emergency fund which is readily available to meet crisis need when tenants do not have sufficient funds to meet their basic need. It can act as an engagement tool to help support the more hard reach and complex need tenants and those involved in antisocial behaviour incidents. The budget will be used flexibly to meet a need that is not currently met through the government welfare benefit system. Providing bespoke support that enhances a tenant's choice. Proposed spending budget of £0.080m over a two year programme.
- 12.10 **Increased Welfare Support Capacity:** The Tenancy Sustainment team was first established in 2019 as an in house support service to help tenants to live well. During the pandemic there was a substantial increase in tenant referrals to the team needing support and assistance. With increased demand in specialist areas such as mental health support and money and benefit assistance. Existing officers during 202/21 supported 60 tenants with mental health support and 150 tenants with money and benefit advice with successful outcomes helping to keep tenants in their home preventing the threat of homelessness. The need continues to grow and there are many more tenants

who will benefit from the tenancy sustainment support service. To meet the resource demand and to support as many tenants in need as possible it is proposed to increase the capacity of the team by appointing two temporary full time tenancy sustainment officers. There is also a need to employ temporary administrative support to proactively manage the referral process coming into the tenancy support Service. This increase in resources will enable each additional officer to support another 50 to 60 tenants and will enable the service to accept another 100 plus referrals. Proposed spending budget of £0.192m for the period 2021/22 and 2022/23.

13 OTHER OPTIONS CONSIDERED AND REJECTED

- 13.1 In connection with the proposed Welfare support package discussions took place to offer a reduction in rent to all tenants in the form of a rent free week during 2021/22. But this would not have benefited the most in need tenants as those tenants in receipt of welfare benefits including Housing Benefit and Universal Credit would not receive any financial gain from a rent free week. To keep the money in reserve is not recommended as support for tenants is needed now to enable and assist the council's recovery work.

BACKGROUND DOCUMENTS:-

Previous Committee Reports:-

CAB3290 Housing Revenue Account Budget 2021 22. 11 Feb 2021

CAB3275 Housing Revenue Account Budget, Business Plan and Budget Options. 16 Dec 2020

CAB3266 HRA Acquisitions. 21 Oct 2020

CAB3241 HRA Outturn. 9 July 2020

The Background Documents:-

Tenant Welfare Consultation & Feedback Document

APPENDICES:

Appendix 1 – Housing Revenue Account Outturn 2020/21 – Subjective Summary

Appendix 2 – Housing Revenue Account Outturn 2020/21 – Service Summary

Appendix 3 – Housing Capital Programme 2020/21 – Housing Services Outturn

Appendix 4 – Housing Capital Programme 2020/21 – New Build Outturn

Appendix 5 – Housing Capital Programme 2020/21 Funding, Resources and Debt

Appendix 6 – Housing Capital Programme 2021/22 – Re-forecast Budget Major Works

Appendix 7 – Housing Capital Programme 2021/22 – Re-forecast Budget New Build

APPENDIX 1

HRA - INDICATIVE OUTTURN 2020/21

	Original Budget £000	Revised Budget £000	Indicative Outturn £000	Variance Outturn to Revised Budget £000	Report Notes
Employees	(3,859)	(3,859)	(3,818)	41	
Premises	(5,732)	(5,732)	(6,111)	(379)	11.2 a).
Other Costs	(3,934)	(3,984)	(3,261)	724	11.2 b).
Net Interest and Depreciation	(14,555)	(14,555)	(13,383)	1,172	11.2 c).
External income	29,316	29,316	29,154	(162)	11.2 d).
Surplus for year on HRA Services	1,235	1,185	2,582	1,397	
Right to Buy Admin Fees	26	26	23	(3)	
Interest receivable	21	21	6	(15)	
Net (increase)/decrease in HRA Balance before transfers to or from reserves	1,282	1,232	2,611	1,379	
Transfer re Insurance Reserve	(66)	(66)		66	
(Increase)/ decrease in HRA Balance	1,216	1,166	2,611	1,445	
HRA Working Balance					
Opening Balance	(11,766)	(12,983)	(12,983)		
Add Projected Deficit/(Surplus)	(1,216)	(1,166)	(2,611)	(1,445)	
Projected Balance at Year End	(12,982)	(14,149)	(15,594)	(1,445)	

APPENDIX 2

HRA - INDICATIVE OUTTURN 2020/21

	Original Budget	Revised Budget	Indicative Outturn	Variance Outturn to Revised Budget	Report Notes
	£000	£000	£000	£000	
Service Summary					
Housing Management General					
Estate Management	(1,382)	(1,390)	(1,180)	210	11.3 a)
HRA General	(2,127)	(2,155)	(2,368)	(213)	11.3 b)
Removal Incentive Scheme	(60)	(60)	(73)	(13)	
Rent Accounting	(156)	(156)	(67)	89	
Tenants Information	(94)	(95)	(48)	47	
Vacant Dwellings	(25)	(25)	(56)	(31)	
New Build Programme Support	(1,048)	(1,051)	(774)	277	11.3 c)
	(4,892)	(4,931)	(4,566)	365	
Housing Management Special					
Communal Services	85	85	103	18	
Disabled Adaptations	(127)	(128)	(133)	(5)	
Estate Improvements	(565)	(565)	(393)	172	11.3 d)
Homelessness	19	18	(16)	(33)	
Sewage Works	(391)	(391)	(382)	9	
Sheltered Housing	(818)	(821)	(722)	99	11.3 e)
	(1,798)	(1,801)	(1,542)	259	
Repairs					
Responsive Maintenance	(2,234)	(2,234)	(2,421)	(187)	
Voids	(1,184)	(1,184)	(1,317)	(132)	
Cyclic	(900)	(900)	(806)	94	
Sub - total Repairs Works	(4,319)	(4,319)	(4,544)	(225)	11.3 f)
Repairs Administration	(1,156)	(1,163)	(973)	190	11.3 g)
	(5,475)	(5,482)	(5,517)	(36)	
Debt Management Expenses					
Debt Management Expenses	(14)	(14)	(11)	3	
Interest Payable	(5,961)	(5,961)	(5,182)	779	11.3 h)
Depreciation of Fixed Assets	(8,570)	(8,570)	(8,201)	369	11.3 i)
	(14,545)	(14,545)	(13,394)	1,151	
Rents and Other Income					
Dwelling Rents	26,843	26,843	26,697	(146)	
Garage Rents	217	217	109	(109)	
Other Income	331	331	311	(20)	
Sheltered Charges	553	553	483	(69)	
	27,945	27,945	27,600	(344)	11.3 j)
Surplus for year on HRA Services	1,235	1,185	2,582	1,396	

APPENDIX 2

HRA - INDICATIVE OUTTURN 2020/21

	Original Budget £000	Revised Budget £000	Indicative Outturn £000	Variance Outturn to Revised Budget £000	Report Notes
Service Summary					
Right to Buy Admin Fees	26	26	23	(3)	
Interest Receivable	21	21	6	(15)	
Net (increase)/decrease in HRA Balance before transfers to or from reserves	1,282	1,232	2,611	1,378	
Transfer re Insurance Reserve	(66)	(66)		66	
(Increase)/ decrease in HRA Balance	1,216	1,166	2,611	1,445	
HRA Working Balance					
Opening Balance	(11,766)	(12,983)	(12,983)		
Add Projected Deficit/(Surplus)	(1,216)	(1,166)	(2,611)	(1,445)	
Projected Balance at Year End	(12,982)	(14,149)	(15,594)	(1,445)	

HRA CAPITAL PROGRAMME INDICATIVE OUTTURN 2020/21

	2020/21 Original Budget £000	2020/21 Revised Budget £000	2020/21 Indicative Outturn £000	2020/21 Variance Outturn to Revised Budget £000	Report Notes
<u>Housing Services Programme</u>					
<u>Major Repairs</u>					
External Envelope Works	(2,617)	(1,579)	(1,275)	(304)	
External Ground Works	(302)	(191)	(208)	17	
External Window/Door/Screens	(392)	(372)	(175)	(197)	
Internal Structure & Finishes	(66)	(145)	(121)	(24)	
Kitchen & Bathroom Renewals	(709)	(663)	(676)	13	
Mechanical & Electrical Services	(1,584)	(1,171)	(1,060)	(111)	
	(5,669)	(4,121)	(3,515)	(606)	11.7 a).
<u>Improvements & Conversions</u>					
Estate Improvements	(400)	(400)	(183)	(217)	11.7 b).
Sheltered Housing Conversions		(55)	(95)	40	
Sheltered Housing Upgrades	(100)	(100)	(8)	(92)	11.7 c).
	(500)	(555)	(286)	(269)	
<u>Other Capital Spending</u>					
Disabled Adaptations	(770)	(624)	(789)	165	11.7 d).
Fire Safety Provision	(1,030)	(400)	(339)	(61)	11.7 e).
Climate Change Emergency	(1,030)	(300)	(60)	(240)	11.7 f).
Sewage Treatment Works	(106)	(106)	(87)	(19)	
Total HS Capital Programme	(9,105)	(6,106)	(5,076)	(1,030)	

HRA CAPITAL PROGRAMME INDICATIVE OUTTURN 2020/21

	2020/21 Original Budget	2020/21 Revised Budget	2020/21 Indicative Outturn	2020/21 Variance Outturn to Revised Budget	Report Notes
	£000	£000	£000	£000	
New Build Programme & Other Capital					
The Valley, Stanmore	(5,713)	(6,924)	(6,747)	(177)	11.8 a)
Rowlings Rd, Weeke	(1,129)	(1,237)	(911)	(326)	11.8 b)
Wykeham Place, Stanmore	(446)	(25)	(11)	(14)	
Dyson Drive	(954)	(45)	(11)	(34)	
Dolphin Hill, Twyford	(184)	(268)	(270)	2	
Woodman Close, Sparsholt	(762)		(18)	18	
Hookpit, Kings Worthy	(4,965)	(5,288)	(5,505)	217	11.8 c)
Winnall Flats	(7,551)	(600)	(605)	5	
Wickham CLT	(205)				
Tower Street		(33)	(10)	(23)	
Southbrook Cottages		(70)	(91)	21	
Cornerhouse		(22)	(19)	(3)	
Mews Rd-purchase		(255)	(265)	10	
Emmaus Hampshire		(50)	(50)		
Victoria House		(3)	(3)		
Mitford Rd		(1)	(1)		
Mayles Lane, Knowle			(2)	2	
Small Sites/Unallocated Programme	(3,000)	(3,041)		(3,041)	
Dennett House-purchase			(129)	129	
9 Wykham Place			(330)	330	
Blanchard Rd-purchase			(283)	283	
Trinity Capital Grant			(75)	75	
Total Small Sites	(3,000)	(3,041)	(817)	(2,224)	11.8 d)
Sites funded by 1-4-1 receipts	(2,000)	(2,000)		(2,000)	11.8 e)
Total New Build Programme	(26,909)	(19,862)	(15,336)	(4,526)	
Total HRA Capital Programme	(36,014)	(25,968)	(20,412)	(5,556)	

HRA CAPITAL PROGRAMME INDICATIVE FUNDING 2020/21

Funding Source	Original Budget	Revised Budget	Indicative Outturn	Variance Outturn to Revised Budget	Report Notes
	£000	£000	£000	£000	
Right to Buy Other Retained receipts					
Right to Buy 1-4-1 Receipts	3,188	3,330	2,019	(1,311)	
Other capital receipts	950	3,040		(3,040)	
S.106 Contributions	250	1,372		(1,372)	
Homes England Grant	1,611				
New Build Sales	4,300				
HRA Borrowing	15,500	8,186	15,318	7,132	
Garage Transfers to General Fund	1,858	1,858	3,075	1,217	
Major Repairs Reserve	8,357	8,182		(8,182)	
TOTAL	36,014	25,968	20,412	(5,556)	11.10

HRA Usable Reserves/Resources	Bal 31.3.2020	Bal 31.3.2021	Change
	£000	£000	£000
HRA Revenue Reserves	12,983	15,594	2,611
Major Repairs Reserve	12	8,211	8,199
Right to Buy 1-4-1 Receipts	4,698	3,885	(813)
Other Capital Receipts	4,222	5,406	1,184
S.106 Contributions	1,342	1,921	579
TOTAL	23,257	35,017	11,760

HRA Capital Financing Requirement (Level of Underlying Borrowing)

	£000	£000	£000
CFR	162,859	178,177	15,318
Annual Cost of Debt	5,199	5,592	393
Average Cost of Capital	3.19%	3.14%	-0.05%

HRA CAPITAL PROGRAMME PROPOSED REVISED BUDGETS 2021/22

	2021/22 Original Approved Budget. £000	2021/22 Other Budget Changes £000	2020/21 Proposed B/fwd £000	2021/22 Revised Budget £000	Report Notes
<u>Housing Services Programme</u>					
<u>Major Repairs</u>					
External Envelope Works	(2,800)	800		(2,000)	
External Ground Works	(400)			(400)	
External Window/Door/Screens	(500)			(500)	
Internal Structure & Finishes	(350)			(350)	
Kitchen & Bathroom Renewals	(1,028)			(1,028)	
Mechanical & Electrical Services	(1,600)			(1,600)	
	(6,678)	800		(5,878)	
<u>Improvements & Conversions</u>					
Estate Improvements	(507)			(507)	
Sheltered Housing Conversions	(55)			(55)	
Sheltered Housing Upgrades	(135)		(92)	(227)	11.12 a).
	(697)		(92)	(789)	
<u>Other Capital Spending</u>					
Disabled Adaptations	(797)			(797)	
Fire Safety Provision	(1,016)		(61)	(1,077)	11.12 b).
Climate Change Emergency	(1,587)		(240)	(1,827)	11.12 c).
Sewage Treatment Works	(308)		(19)	(327)	
Total HS Capital Programme	(11,083)	800	(412)	(10,695)	

Appendix 7

HRA CAPITAL PROGRAMME PROPOSED REVISED BUDGETS 2021/22

	2021/22 Original Approved Budget. £000	2021/22 Other Budget Changes £000	2020/21 Proposed Bfwd £000	2021/22 Revised Budget £000	Notes
New Build Programme & Other Capital					
Dyson Drive	(1,222)	1,172		(50)	
The Valley, Stanmore	(2,681)	563		(2,118)	
Wykeham Place, Stanmore	(169)	169		(0)	
Woodman Close, Sparsholt	(815)	735		(80)	
Hookpit, Kings Worthy	(1,068)	278		(790)	
Winnall Flats	(8,641)			(8,641)	
Wickham CLT	(410)	205		(205)	
Tower Street	(192)			(192)	
Southbrook Cottages	(1,155)	905		(250)	
Cornerhouse	(335)	235		(100)	
Witherbed Lane, Segensworth	(302)	272		(30)	
Barton Farm Extra Care	(1,000)	1,000			
Ravenswood	(800)	800			
Small Sites/Unallocated Programme	(2,641)	615	(2,224)	(4,250)	11.13 a).
Sites funded by 1-4-1 receipts	(4,374)	3,374		(1,000)	
Total New Build Programme	(25,806)	10,323	(2,224)	(17,707)	
Total HRA Capital Programme	(36,889)	11,123	(2,636)	(28,402)	

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REPORT TITLE: Q4 PERFORMANCE MONITORING

21 JULY 2021

REPORT OF CABINET MEMBER: CLLR NEIL CUTLER – CABINET MEMBER FOR FINANCE AND SERVICE QUALITY

Contact Officer: Lisa Kirkman Tel No: 01962 848 501 Email lkirkman@winchester.gov.uk

WARD(S): ALL

PURPOSE

This report and Appendix 1 provides a summary of the council's progress during the period January to March (Q4) 2021 against the five priorities in the refreshed Council Plan 2020-25, adopted by council on 24 February.

Appendix 2 provides the data, where available, for Q4 against each of the Strategic Key Performance Indicators (KPIs) and a brief narrative covering the impact that the COVID-19 pandemic has had or will have on performance.

Appendix 3 includes highlight reports for each of the council's significant 'Tier 1' programmes and projects.

Appendix 4 provides an update to the COVID-19 council services demand data from April 2020 to 31 March 2021.

Appendix 5 are the action notes of the Performance Panel meeting that took place on 14 June 2021.

RECOMMENDATIONS:

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

IMPLICATIONS:

1 COUNCIL PLAN OUTCOME

- 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 (annual refresh adopted by Council on 24 February 2021).

2 FINANCIAL IMPLICATIONS

- 2.1 There are no direct financial implications arising from the contents of this report. Almost all the programmes and projects undertaken to deliver the priorities included in the Council Plan will have financial implications, some significant and these are agreed and reported separately before the commencement and during the project life cycle.

3 LEGAL AND PROCUREMENT IMPLICATIONS

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

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 and input into the content of this report.
- 6.2 This report and appendices were reviewed and discussed by Performance Panel on behalf of Scrutiny Committee on 14 June 2021. Appendix 5 are the action notes from this meeting.
- 6.3 A verbal update from the Chairman of the Performance Panel was given at The Scrutiny Committee meeting held on 19 July 2021.

7. ENVIRONMENTAL CONSIDERATIONS

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

8. EQUALITY IMPACT ASSESSEMENT

- 8.1 None arising from the content of the 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 on any specific recommendations or future decisions made. This report is not making any decisions and is for noting and raising issues only.

9. DATA PROTECTION IMPACT ASSESSMENT

None required.

10. RISK MANAGEMENT

As previously reported the COVID-19 pandemic continues to have an impact on the way we live and work with the council reviewing and adapting its services to the changes as they are announced by government.

Risk	Mitigation	Opportunities
<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 board and monitored by the Programme and Capital Strategy Board	Opportunities present themselves for staff to get involved in projects outside their normal role enabling them to expand their knowledge and skills base as well as working with others.
<i>Financial exposure - Budget deficit or unforeseen under or overspends</i>	Regular monitoring of budgets and financial position including forecasting to year end to avoid unplanned	Early notification of unplanned under/overspends through regular monitoring allows time for

Risk	Mitigation	Opportunities
	over/underspends.	plans to be put in place to bring the finances back into line with budget forecast.
<i>Exposure to challenge</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 Plan.</i>	Regular monitoring and reporting of the progress the council is achieving against its priorities included in the Council Plan, including this report.	Work with communications team on press releases to promote and celebrate successes.
<i>Achievement of outcome</i>	Through the quarterly monitoring report, officers and members can monitor the progress of the priorities in the Council Plan	
<i>Other - none</i>		

11. SUPPORTING INFORMATION:

11.1 This report provides an update on the council's progress achieved against the priorities included in the Council Plan 2020-25 and KPIs. Information is also provided in the form of highlight reports (Appendix 3) that set out the progress of the council's most significant, 'Tier 1' projects. All information and data is as at the end of Q4 i.e. 31 March 2021.

12. OTHER OPTIONS CONSIDERED AND REJECTED

None.

BACKGROUND DOCUMENTS:-

Previous Committee Reports:-

CAB3287 – Q3 Finance and Performance Monitoring dated 20 May 2021.

Other Background Documents:-

None

APPENDICES:

Appendix 1 Council Plan 2020-25 progress update – Q4 January to March 2021

Appendix 2 Strategic Key Performance Indicators Q4 update

Appendix 3 Programme and Project Management – Tier 1 project highlight reports

Appendix 4 COVID-19 Council services demand data – April 2020 to March 2021

Appendix 5 – Notes from Performance Panel meeting on 14 June 2021

COUNCIL PLAN 2020–25

Q4 PROGRESS UPDATE

PRIORITY – TACKLING THE CLIMATE EMERGENCY AND CREATING A GREENER DISTRICT

The climate crisis remains a significant, long term challenge to all of us in the coming years and decades and there is a growing ecological crisis too. Winchester City Council has committed to playing its part to tackle this global challenge 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
- Clean air, more ambitious than national targets
- Everything most residents need should be in reach by foot, bike or public transport
- Our district's extensive natural habitats safeguarded and enhanced

Over the last quarter we have achieved the following:

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

Grants totalling £279,000 secured from the Public Sector Decarbonisation Fund. £257,000 to replace all windows and energy efficiency measures at City Offices as well as LED lights and water saving measures in the public toilets. A further £22,000 to undertake studies and produce a heat decarbonisation plan for the Guildhall and West Wing.

Continued installation of new electric vehicle (EV) charging points on council land, with most of the 34 now installed and the remaining 3 scheduled for spring 2021.

Planning application was approved in April for a decked car park at the Vaultex site to provide 287 park & ride car parking spaces, 16 electric vehicle charging bays and 800m² of photovoltaic panels.

Carbon literacy training delivered to a further 30 members of staff, bringing numbers trained up to 60. This is sufficient for the council to achieve carbon literate bronze accreditation – one of only seven councils in the country to achieve this.

Continued extensive home working for staff in response to the COVID-19 pandemic and use of measures such as video conferencing have shown this way of working can be sustained once national restrictions have lifted.

Staff travel survey was completed by 179 members of staff and will help us understand the carbon implication of increased home working.

A highlight report for Q4 for the Carbon Neutral programme is included at Appendix 3.

- **Positive Local Plan policies which promote low carbon development, sustainable travel and increased bio-diversity**

A specialised Carbon Neutrality virtual information event was hosted as part of the recent consultation on the Strategic Issues & Priorities document which attended by 78 people.

A highlight report for Q4 for the Local Plan is included at Appendix 3.

- **Encourage renewable energy generation and support start-ups and businesses in green energy and green technology**

Tendering underway for the installation by the council of solar PV panels on the Winchester depot (Biffa waste collection service) and on three buildings at Marwell Zoo. These projects will be 50% funded by the EM3 LEP and the panels will reduce energy consumption on both sites and generate an income stream for the council via the sale of energy to the businesses.

Consultants' brief issued for a feasibility study into the potential for a solar farm at Littleton

Consultants Urban Foresight have been appointed to prepare a Green Economic Development Strategy to ensure that the Council is at the forefront of green economic development.

- **Work with and enable businesses, organisations and residents to deliver the Carbon Neutrality Action Plan throughout the district**

Launch of a 12-month parish carbon mapping and engagement project, being delivered on the council's behalf by the Centre for Sustainable Energy in collaboration with WinACC. This work will see a bespoke carbon footprint report produced for each parish and support provided to help each community work together to reduce its carbon footprint.

Winchester City Council, the University of Winchester and Wessex Green Hub are collaborating on a project to bring together various stakeholders and gather their ideas for what Winchester district should look like in 2025. This project is known as the "Portrait of Winchester" and will identify what success looks like if we reach our goal of carbon neutrality by 2030.

Continuation of the University of Southampton research project on an expanded EV charging network and low carbon energy hub / sites for

alternative fuel generation, as well as research in options for the retrofit of listed or conservation area properties.

Recruitment process started for a Campaigns Officer, based in the Corporate Communications team, who will have time dedicated to supporting the delivery of a behaviour change campaign focussed on reducing the carbon emissions of residents, businesses and other organisations across the district.

- **Work towards a more sustainable food system and reduce food waste**

Support to Winchester Food Partnership in promoting the first national Food Waste Action Week which ran from 1st-7th March 2021.

We continue to work with Project Integra to understand the impact of introduction of food waste recycling which is governments preferred direction of travel by 2023 for every local authority.

- **Continue to work with Hampshire County Council to deliver the City of Winchester Movement Strategy and prioritise walking, cycling and public transport throughout the district**

A highlight report for this programme is included at Appendix 3.

- **Deliver the actions in our Biodiversity Action Plan**

The BAP was approved by cabinet in January 2021 and launched in February 2021. Focus has now turned to the delivery of at least 80% of the actions identified within the plan.

- **Work with other public authorities to expand the range of materials we recycle as solutions become available**

Winchester City Council continues to work through the Project Integra partnership and submit data to support the review of options for a single MRF in Eastleigh and is looking at the option of moving to a twin stream or kerbside sort system to greatly increase the range of material being collected.

PRIORITY – LIVING WELL

We want all 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 to support good physical and mental health for all ages and abilities.

What we want to achieve:

- Reduced health inequalities
- A wide range of physical and cultural activities for all ages and abilities
- Increased opportunities for active travel
- A wider diversity of residents and businesses involved in ensuring that our services work for all, especially for residents who need more help to live well
- Attractive and well-used public facilities and 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, supporting a greater diversity of residents**

The local response centre (LRC) continued to operate as part of countywide network to handle COVID-19 related requests for assistance which require local intervention. The service continued to be available 7 days-a-week until the end of March 2021 in response to ongoing local and national restrictions and in-line with the countywide approach of which the LRC is a part. A total of 989 requests for support have now been handled by the Winchester LRC since the pandemic started, of which 86 were handled during Q4. This is in addition to the many more tasks undertaken by the wider community support network.

We continue to provide core grant support to key voluntary sector organisations supporting our more vulnerable residents. Citizens Advice supported approximately 1,600 clients during the quarter, including 610 people with finance / benefits advice, 142 people with debt advice, 292 people with housing advice and 338 people with Universal Credit advice (the fastest growing advice area). Other organisations include Home-Start, Winchester Live at Home scheme and Winchester Young Carers.

Small grants were awarded for a number of projects supporting disadvantaged people, including equipment to enable remote support for vulnerable people during the pandemic and match funding for Unit 12 towards their crowdfund campaign which raised money for a mental health counselling project for young people.

Additional funding provided by DEFRA has been allocated to organisations and projects that are ensuring the provision of essential supplies and provisions. Community food pantries were launched at Unit 12 in Winnall and at Wickham Community Centre thanks to grants of £12,500 each. Funding

was also given to Winchester Basics Bank to help with relocation to a more long-term base for its food storage.

The Active Lifestyle programme of classes and bespoke activities for people with long-term health conditions will continue thanks to a new partnership forged by the council with Winchester City Primary Care Network (PCN) and Everyone Active (EA). The programme will be run jointly by the two organisations, with the PCN employing staff to take referrals of patients from the three city GP practices and EA taking referrals from other GPs in the district.

- **Offering a wide range of accessible facilities for all to enjoy at the new Winchester Sport and Leisure Park**

The Winchester Sport and Leisure Park opened to the public on 29 May.

A highlight report for this project is included at Appendix 3.

- **Supporting communities to extend the range of sports and cultural facilities across the district, notably the upgraded Meadowside Leisure Centre at Whiteley agreed and planned for later this year**

In October 2020, a report was taken to Cabinet which recommended (and was agreed) allocation of CIL funding for several sport and recreation projects. These included the provision of outdoor gym equipment at St Vigor Way Colden Common (£10,000), upgrading the pavilion at Colden Common recreation ground (£90,000) the provision of a MUGA at King George V playing fields in Denmead (£64,500), and a pavilion extension at Gratton Close sports pavilion in Wonston (£30,000). The bidders for the Gratton Close pavilion have however since decided not to go ahead with the project.

In progress from October to December 2020, having already been allocated funding, were improvements to Chilcomb sports pavilion (£135,000), and the ongoing Winchester sports and leisure centre which was awarded £1.8m of CIL funding in 2019. For many recreation and sports facilities, CIL is only part of the funding required, but is still a significant amount of the total funding required for projects to be realised.

In addition, works to keep the sports pitches up to standard have been ongoing, and all sports pitches have been prepared for reopening in April 2021 in line with government guidance.

Due to the impact of national restrictions, direct delivery of sporting events has been severely curtailed. The leisure industry has been particularly impacted.

- **Enable and promote 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 has been developed as part of the City of Winchester Movement Strategy. A members briefing will be held in the coming months to update members on progress with the WMS. The Parking and Access Strategy delivery will consider the needs of the market towns. Meetings have now been held with representative groups to identify issues and opportunities.

Also see project highlight report included at Appendix 3.

- **Maintain and enhance the open spaces and parks**

Open spaces and parks remained open through the later part of the year, with a programme for all equipment to be brought back into use by April 2021. The position with regards to play areas and open spaces will be reviewed in light of any changes to government guidance going forward.

Project delivery has continued throughout lockdown including initial works on the upgrade of Abbey Gardens play area, the completion of improvements to Thurmond Crescent play area and the progression of work to secure the transfer to the council in April 2021 of the tennis courts and artificial turf pitch at North Walls.

- **Develop Local Plan policies that promote healthy lifestyles in healthy surroundings**

A key theme in the Strategic Issues and Options consultation on the new Local Plan, which ran for 8 weeks and closed on 12th April 2021, was Living Well. This covered a number of important issues relating to open space provision, air quality, and active travel with accessibility to local facilities and services. A specialised Living Well virtual information event was also hosted as part of the recent consultation document that attracted over 21 people. Feedback received will be used to inform the next stage of the Local Plan (Regulation 18 – draft Local Plan).

PRIORITY - HOMES FOR ALL

Housing in our district is expensive and young people and families are moving out because they are unable to find suitable accommodation they can afford.

The 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 to be energy efficient and affordable to run
- Diverse, healthy and cohesive communities - not just homes
- No-one sleeping rough except by choice

Over the last quarter we have achieved the following:

- **Building significantly more homes ourselves**

Seven new Council properties were completed on a former garage site in Rowlings Rd, Weeke and one ex council property purchased in Stanmore which helps facilitate access to a larger site. Good progress was achieved in respect of two large schemes totalling 112 new homes due for completion in Quarter 1 of 2021/22.

A highlight report for the New Homes programme is included at Appendix 3.

- **Strengthening our Local Plan to ensure the right mix of homes is built for all sectors of our society, including young people**

The city council's response to the government's changes to the current planning system was discussed and agreed at cabinet on the 29 September and the response to the government's White Paper was agreed at cabinet on the 21 October. In December 2020 government confirmed that the methodology for calculating new housing numbers would not change for now and the Strategic Issues and Priorities (see above) consultation document has been finalised on this basis.

Consultation has recently taken place on the Next Generation Winchester project has been established to explore the challenges faced by younger people (aged 18-35) who may want to work and/or live in the Winchester District. The Next Generation project is exploring the options available for young people and families and provide an opportunity to influence housing policy, future house building and local housing options across the district. The information gathered together as part of this consultation will be used to help inform the policies and proposals in the emerging Local Plan.

The consultation on Strategic Issues and Options for the new Local Plan , which ran for eight weeks closing on 12 April this year, sought views on the type of residential development required to support the needs of everyone

living, or wanting to live, in the district. This covered a range accommodation including affordable housing, housing for students and older people as well as gypsies and travellers. The feedback received will be used to inform the next stage of the Local Plan (Regulation 18 – draft Local Plan).

A highlight report for Q4 for the Local Plan is included at Appendix 3.

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

The New Homes detailed business case for the Winnall Flats proposed development is going to June cabinet and it will recommend delivery of mixed tenure affordable housing either through a housing company or through a third party. A proposed future housing company update or Member briefing is due to be scheduled for July.

- **Providing support for our homeless and most vulnerable people by working directly and in partnership with the voluntary sector**

The council continues its efforts to ensure any individuals found sleeping rough have an offer of accommodation in partnership with Winchester Churches Nightshelter, Two Saints and Trinity Winchester. In November the council recorded an annual rough sleeping count figure of 7. By the end of Q4 there were no individuals found to be sleeping rough.

Following its' initial use as a temporary hostel to support the 'Everyone In' directive, City Road project, leased from A2Dominion has provided 10 units of accommodation during the cold weather period. The ten bed unit is accommodating individuals with more complex needs, often excluded from all other housing provision in Winchester. The project is supported by the Temporary Accommodation Team and two Complex Needs Navigators hosted by Trinity Winchester, offering support and engagement opportunities, using a trauma informed approach to prevent the individuals from returning to sleeping rough.

A further grant of £6,400 is secured from MHCLG to enhance the Cold Weather Provision provided at City Road. To enable the council to provide short term hotel accommodation to anyone found to be sleeping rough.

During Q4 19 individuals were provided with accommodation through the above options and 9 individuals moved-on through the single homelessness pathway to more settled accommodation.

During 2020/21 the council accommodated an additional 68 individuals through various initiatives to provide emergency accommodation for those rough sleeping. 10 of these individuals are still in emergency accommodation awaiting move-on. 50 individuals have achieved a positive move on to settled accommodation.

Capital funding of £75k was provided to Trinity Winchester to support their new 12 bed housing project UnderOneRoof@Trinity which is due to open in June. This project will provide accommodation and support for those individuals with the most complex needs and multiple disadvantages. Providing a positive move-on option for the 10 individuals currently in council emergency homelessness provision

- **Move the energy efficiency of new and existing homes towards zero carbon**

Making Homes Carbon Neutral (CAB3293) was presented to cabinet on 11th March and the following recommendations were approved:-

That the 2021/22 budget (£1.587m) for additional energy efficiency works to council dwellings be committed as follows:-

- *£1,250m to fund additional insulation (mainly wall and floor insulation) to 100 properties currently subject to an Energy Performance Certificate (EPC) rating of D or below and that the programme focus mainly on void properties where possible.*
- *£150,000 set aside to support “match funding” bids for major retrofit programmes (such as the existing project to improve “Swedish timber” homes in Bramdean).*
- *£187,000 to address energy efficiency of communal areas in sheltered/communal housing schemes, including the installation of solar photovoltaic panels where appropriate.*
- *That a member/tenant/officer panel/forum be established to assess progress with national trials, review funding options and bring forward proposals for a long term programme to replace gas heating systems in Council homes, subject to consultation with tenants and the Business and Housing Policy Committee.*
- *That the Council join the “Net Zero Collective” partnership to support the work of the above Panel.*

Cabinet approved a revised Housing Development Strategy that highlights the council’s objective to provide all new affordable housing at highest thermal efficiency levels to help achieve the net zero carbon target.

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

Discussions continue with Cala Homes regarding an affordable extra care scheme at Kings Barton. The timing of this scheme will be dependent upon the developer progressing further phases of Kings Barton. Negotiations have taken place with developers at North Whitely regarding the purchase of a site for affordable housing.

PRIORITY - VIBRANT LOCAL ECONOMY

Winchester district is home to a host of successful businesses and enterprises with high levels of employment in both our urban and rural areas. As we look beyond the COVID-19 pandemic, it's vital we restore the vibrancy of our high streets, retain and develop our existing business base and make the Winchester district a place where new businesses want to be located. We also must begin the transition to a greener more sustainable economy.

What we want to achieve:

- Increased opportunities for high-quality, well-paid employment across the district
- A shift to a greener, more sustainable economy
- New offices and workspace meet changing business needs and are located in areas with sustainable transport links
- More younger people choose to live and work in the district
- Our city, market towns and rural communities recover well and have a compelling, competitive visitor offer.
- Winchester district attracts new and relocating businesses and enterprises

Over the last quarter we have achieved the following:

- **Working with our key stakeholders to position Winchester district as a centre for digital, creative, knowledge-intensive networks**

Winchester City Council has sponsored the Digital Innovation Award in the Winchester Business Excellence Awards 2021. The award encourages the use of innovative digital technology and digital ideas to increase business performance.

As part of the Government's and the European Development Fund (EDRF) Reopening High Street Safely Fund a new programme of support specifically for businesses on our High Streets and neighbourhood shopping areas across the District was launched in late January 2021. This service has provided COVID-19 support to businesses including:

- *79 businesses registered for on line support on the website <https://highstreet.winchester.gov.uk/>*
- *25 live online workshops with an audience of over 120 businesses including an on-line debate on the subject of 'How can local shops survive?' An audience of over 70 businesses and residents attended the debate increasing awareness of supporting High Street businesses*
- *13 businesses have booked a bespoke sessions with a business advisor seeking help on a range of issues from 'How can I open safely?' through to 'How can I set up an on-line shop?'*

- **Focusing on a ‘green economy’ post COVID-19 and providing tailored, sector specific business support**

Urban Foresight Consultants are preparing the next 10 year Green Economic Development Strategy with the Economy team. This will ensure that the Council is at the forefront of green economic development. The consultants have undertaken an extensive secondary research review available related documentation and strategies and are currently carrying out a programme of stakeholder engagement. It is envisaged that the strategy will be completed during this summer.

- **Supporting business in meeting the challenge of carbon neutrality and encouraging ‘green growth’**

The Sustainable Business network held a virtual meeting on 5 March 2021 on the subject of reducing food waste. The network has around 100 virtual members.

As part of a consortium bid, funding has been secured from Low Carbon Across the South & East (LoCASE) which will enable low carbon and energy efficiency adaptations to businesses. Once a final programme of activity has been confirmed with Kent County Council (the host funding partner) activity will commence throughout the coming months.

- **Prioritising the needs of younger people in the redevelopment of central Winchester**

The Economy team have submitted a bid with Eastleigh Borough Council, Test Valley Borough Council and New Forest District Council to the Department of Work and Pension’s Flexible Support Grant for funding for a Young Adults Employment and Learning Hub. The hub will provide specialist help and support to move young people from welfare benefits into work. The total project value £264,000 across all partners.

- **Working in partnership to strengthen the appeal of the Winchester district by promoting and developing our unique cultural, heritage and natural environment assets**

Festivals update

Engagement with the festivals sector has continued via the Festivals Networking events that are delivered in partnership with Winchester BID. Three editions of Arts News supporting the arts, culture and creative sectors aimed at both the industry and the consumer have been delivered in the last quarter. These provided up to date advice and support throughout this period. Key stories included showcasing virtual events on offer by members of the creative community including Hampshire artists’ Zoom calls, as well as Chesil Theatre’s extension plans, information on the Hardship Fund, grants available and Digital Winchester project, opportunity for exhibition space and retail in the Visitor Information Centre.

Consumer marketing and promotion.

The Tourism team have developed and are delivering a 'roadmap to reopening' COVID-19: Re-opening, Tourism Marketing campaigns and Promotion Plan that aligns with the governments 'steps' in their roadmap. Activity across digital channels commenced with Step 1 of the roadmap announced by government from the 29 March –promoting the 'outdoors' offer to the local resident market. The city council also partnered with Hampshire Chronicle's Love Local Business six week campaign (Feb-March). This included content for six dedicated full page features; five of which were editorial (featuring details of WCC support for businesses, case studies of local businesses) and included the 'Support Local, Shop Online advert. The city councils' "shop local" banner advert received over 10,000 impressions and the WCC logo featured on the Chronicle's main campaign page. This promotion along with supporting campaign activity has given rise to an increase of 176% traffic to VisitWinchester's support local campaign pages compared to the previous period. The team and partnered with Play to The Crowd and market town businesses to enable their participation in Knitted King Alf Trail. This trail aims to encourage local residents to support independent businesses across the whole district which launched on 14 April.

The COVID-19: Re-opening, Tourism Marketing campaigns and Promotion Plan is driving up results across all social media platforms including a steady rise in new followers. Facebook reach is up by 33% and engagement up 16%. Instagram reach up by 18.9% interactions up by 44.7%. Twitter impressions up 27.3% and profile visits up 26.1%.

Visit Winchester took part in Tourism South East's Virtual Excursions event for Group Travel Organisers and Tour operators. This included working with Tourist Guides to produce a 'virtual guided tour of Winchester' for a dedicated Visit Winchester webinar.

The Tourism team are monitoring and collecting local intelligence as businesses emerge from national restrictions. An accommodation survey to businesses at the end of March was undertaken to understand future demand for accommodation bookings. 20% of respondents from self-catering sector and 70% B&B/hotels. 70% said conversion rate from enquiry to booking was lower than a typical operating year, 10% responded as higher and 20% about the same. 70% of respondents said forward bookings were much worse than 2019, whilst 30% said better. Further monitoring will take place.

Regular B2B e-newsletters have kept businesses in the visitor economy updated regarding business support, the latest COVID-19 related guidance as well as national and regional initiatives alongside Visit Winchester updates. Engagement with the visitor attractions sector has been maintained via virtual group meetings sharing advice, experience, intelligence and recovery plans.

Winchester's visitor economy has been represented by the team at Visit England/Visit Britain/Tourism South East meetings throughout the period.

Business to Business Inward Investment Campaign

The Economy team are working with Hampshire County Council on a new satellite office campaign that will promote opportunities in Winchester to London based companies who have a significant number of employees that commute out of the district/county. The campaign includes mailshots and bespoke social media targeted promotion of the Winchester District and has already resulted in enquiries about vacant premises within the District.

A High Streets' Priorities Plan 2021 to 2022, a one year tactical plan to reinvigorate our Districts' high streets post COVID-19, to support our businesses to reopen and innovate and to enable people to enjoy social and cultural experiences again has been drafted. Stakeholders are currently being consulted and their views sought on the draft plan including the following areas:

- **Build on our high streets' brand** and build confidence.
- **Create a better connection** between residents and their local centres.
- **Maximise opportunities** and capitalise on key added value activity.
- Make more of our **places as a social and community hubs**.
- **Celebrate what we have** and our new successes - independent retail, festivals, events, attractions, creative and cultural venues.
- **Foster business resilience** so that our high street businesses survive, capitalise on change, grow and prosper.

The Economy team have been responsible for administering the government's discretionary grant funding through the Local Authority Discretionary Grant Fund and the Additional Restrictions Grant Fund. To date almost £3.5 million has been granted to businesses across the district most impacted by the COVID-19 pandemic. A Transformation, Adaptation and Diversification grant is currently operating as part of the Additional Restrictions Grant Fund.

In addition to the above the Economy team have kept businesses informed of the latest support available along with advice during the national lockdown and relaxed restrictions as outlined in the government's roadmap via regular updates to dedicated business pages on Winchester.gov.uk and regular business bulletins. The business bulletins continue to serve as one of the "go to" places for latest information and since the beginning of the pandemic to April it has seen a 168% increase in subscribers.

- **Promoting our independent businesses and supporting start-ups.**

Our business support service provider Incuhive have provided 17 one to one mentoring sessions with independent businesses wishing to set up, expand, diversify or survive the pandemic. 79% of these have seen an increased turnover, improved efficiency or progression to a more sustainable business model. Eleven businesses also attended virtual workshops and 48 networking

events. This service is in addition to the High Street and Neighbourhood shopping areas support outlined in the previous section.

As part of the Government's and the European Development Fund (EDRF) Reopening High Street Safely Fund the city council has procured a provider of an e-commerce platform. This dedicated on-line shopping platform will offer independent businesses an alternative route to market to support their existing high street and on-line presence. The platform will offer consumers the opportunity to browse products across all participating independent businesses in one place and either go on to visit in person or make purchases on-line from any number of outlets in one transaction, receiving a single co-ordinated delivery. As part of the funded programme businesses will be offered a cost-free 6 month period on the platform and consumers will benefit from free transactions and deliveries during this period as well. It is anticipated that this platform will be launched in June.

YOUR SERVICES, YOUR VOICE

We will continue to provide high quality, good value, resilient services that are continuously improving to address the changing needs and expectations of residents, tenants, visitors, businesses and not-for-profit organisations across our district – and are accessible to all whatever their circumstances.

We will give all our residents the opportunity to make their voice heard and be able to understand how the council makes its decisions.

What we want to achieve:

- An open, transparent, inclusive and enabling council
- Improved 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:

- **Continuously improving process that:**

Involve the public, businesses, stakeholders and ward councillors earlier in the design, deliberation and decision making process

Effectively respond to and learn from complaints and feedback to driver service improvement

The new Customer Charter and refreshed Complaints Policy was introduced across the organisation in January 2021. The process of dealing with complaints is being reviewed and training will be delivered in Q1 21/22.

Embed effective partnership working with the community, voluntary groups and organisations, local businesses, our suppliers and other public bodies

We continue to develop effective partnership working with the Federation of Small Businesses (FSB) and the Procurement Team met with the FSB to discuss how procurement can work better with local businesses and suppliers.

The Procurement Team are also consulting with both the FSB and Winchester Fairtrade Network (WFN) on a draft guide to sustainable procurement.

The Winchester Health & Wellbeing Partnership was relaunched with key health and care stakeholders and will focus discussion around the Hampshire Hospitals Together consultation that takes place later in 2021.

Market town meetings continue to take place quarterly, with the main item of discussion at meetings in January 2021 being parking and access strategies for each of the towns.

- **Transparent and publicly visible performance measures which drive improved satisfaction and performance**

The member led Performance Panel reviews this performance report and the notes and actions from these meetings are presented to scrutiny.

The Strategic KPIs have been reviewed at the same time as corporate heads of service have updated their service plans for 2021/2 to ensure alignment with the annual refresh of the Council Plan.

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

The outbreak of COVID-19 continues to drive forward and accelerate the agenda in terms of digitalisation of services, seeing high volume services switch to online and phone service delivery as default, in the absence of opportunity to have face-to-face meetings.

In-line with the current national lockdown all pre-booked appointments in reception have been paused except for those critical to wellbeing and there is no alternative feasible option apart from face-to-face. All other contact is taking place via phone, e-mail and via the My Council Services (MCS) portal.

The new garden waste service sign-up launched in November has seen 25% of sign-ups occurring via telephone to the Customer Service Centre and 75% carried out by residents themselves on the My Council Services portal. The option of paying by direct debit is also now available which will assist with and simplify the re-registration process for the second year.

- **Focus on accessibility and inclusiveness to ensure our decision making and services are accessible to and usable by all**

The commitment to accessibility has been upheld during the response to the pandemic. All signage produced complies with good practice around legibility, and the language and tone of communications has been adapted in order to ensure we are inclusive and our messages are framed clearly to reach the broadest possible audience.

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

The council has continued to respond to COVID-19 by encouraging staff to play to their skills in supporting us with our emergency response and maintaining resilience. Following a staff survey employees have been given new on-line learning packages and IT kit on request to assist with working from home. Colleagues have been available for redeployment and cross cutting work to deliver new services such as the Local Response Centre – which has used redeployed staff from customer reception, sport management, Transformation, Housing and Council Tax and Benefits.

Strategic Key Performance Indicators

The following table presents an update against the strategic key performance indicators that were approved by cabinet on 21 May 2020 (report CAB3230 refers).

The availability of the data for each KPI is often from sources external to the council and varies from monthly, quarterly, annually and biennially. Where the data is available at annual intervals, this will usually be reported after the end of each financial year.

For ease of reading, the KPIs with either monthly or quarterly data or where annual data has become available in quarter, have been moved to the top of the table followed by KPIs with less frequently available data.

A column has been added to the table below to capture the impact and effect that the COVID-19 pandemic is having or will have on the performance data for the year.

Ref	What we want to achieve	KPI Definition	Cabinet Member	Polarity	Previously Reported Data	Q1 (where available)	Q2 (where available)	Q3 (where available)	Q4 (where available)	R A G Status	KPI Target 2020/21	Impact of COVID-19 - update
MONTHLY/QUARTERLY KPIs												
Tacking Climate Emergency												
TCE02	Reduced levels of waste and increased recycling	Percentage of household waste sent for reuse, recycling and composting	Economic Recovery	Higher = better	36.1% (2018/19) 41st out of 54 collection authorities in South East updates available on 1920 fig 38.1%	42.6% 43%	41.23% 41.20%	43.7% 40.4%	36.4%	Unaudited and subject to change but annual 40.3%	Increase against 2019/20 outturn	Main collection services maintained despite COVID-19. Volume of waste increased.
TCE03	Reduced levels of waste and increased recycling	Kgs of domestic residual waste collected per household	Economic Recovery	Lower = better	461kg (2018/19) /household 38 th out of 54 South East collection authorities updates available on 19 20 figs 449kg	118.90kg 118.27kg	116.46kg 116.91kg	N/A115,41kg	121.04kg	Unaudited and subject to change but 471.64 annually	Reduction against 2018/19 outturn	Main collection services maintained despite COVID-19. Volume of waste increased
TCE06	An increase in the proportion of journeys taken by walking, cycling and public transport	Proportion of visitors using parking sessions in each of three main areas of parking, central, inner, and outer	Economic Recovery	Higher = better	Centre 63.50% Inner 21.00% P&R 15.50%	Centre 76% Inner 16% P&R 8%	Centre 74% Inner 17% P&R 9%	Centre 73 inner 17 p & R 10	Centre 71 inner 16 P & R 13	Not applicable	To be developed	All parking patterns substantially affected and overall demand greatly reduced. Use determined by Tier/lockdown status.

Ref	What we want to achieve	KPI Definition	Cabinet Member	Polarity	Previously Reported Data	Q1 (where available)	Q2 (where available)	Q3 (where available)	Q4 (where available)	R A G Status	KPI Target 2020/21	Impact of COVID-19 - update
Homes for All												
HA06	Creating communities not just homes	No. of new homes started or in progress / completed	Housing & Asset Management	Higher = better	Started 121 Completed 21	No change Started 121 Completed 21	No change Started 121 Completed 21	No change	Started 121 Completed 28	Not applicable	Complete 121 Start 85	Completions delayed
Vibrant local economy												
VLE13 (a)	Grow opportunities for high-quality, well paid employment across the district	% of procurement spend with local suppliers – Revenue spend	Economic Recovery	Higher = better	21.99% (19/20)	20.14%	28.52%	22.21%	27.02% Q4 24.50% 20/21		Min 25% Revenue	No identified impact
VLE13 (b)	Grow opportunities for high quality, well paid employment across the district	% of procurement spend with local suppliers – Capital spend	Economic Recovery	Higher = better	46.60% (19/20)	25.85%	34.99%	39.18%	38.67% Q4 34.76% 20/21		Min 25% Capital	No identified impact
Your Services, Your Voice												
YSYV04	Improving satisfaction for our services	Percentage of upheld complaints	Finance & Service Quality	Lower = better	59% 2019/20	61%	54%	48%	41%		≤ 59%	No identified impact
YSYV05		No. of valid Ombudsman complaints	Finance & Service Quality	Lower = better	1 2018/19	2 2019/20	As Q1	As Q1	As Q1		0	No identified impact
YSYV06	Improving satisfaction for our services	Availability of WCC critical infrastructure services excluding planned downtime - email - storage - telephony - document management system(s)	Finance & Service Quality	Higher = better	Email 100% Storage 100% Telephony 99.5% DMS 100%	Email 100% Storage 100% Telephony 98.83% DMS 100%	Email 100% Storage 100% Telephony 98.21% DMS 100%	100% Storage 100% Telephony 97.93% DMS 100%	100% Storage 100% Telephony 97.76% DMS 100%		≥ 99.5%	No identified impact
YSYV07	Improving satisfaction for our services	Efficient waste collection services - missed bin collection report	Finance & Service Quality	Lower = better	AWC Q4 2019/20 68.89 per 100k bin collections	AWC 57.79 per 100k bin collections	AWC 52.98 per 100k bin collections	AWC 46.91 per 100k bin collections	March figures not yet available	Not applicable	Contract compliance	No identified impact

RAG Parameters:

This performance indicator is on target

This performance indicator is below target but within 5% of the target

This performance indicator is below target by more than 5%

Annual KPI's,

Ref	What we want to achieve	KPI Definition	Cabinet Member	Lead Strategic Director / CHoS	Frequency of reporting	Polarity	Previously Reported Data	Q1 (where available)	Q2 (where available)	Annual Data	KPI Target 2020/21	Impact of COVID-19
6 MONTHLY/ ANNUAL/ BIENNIAL KPIs												
Tacking Climate Emergency												
TCE01	Winchester City Council to be carbon neutral	WCC carbon emissions	Climate Emergency	Place / Engagement	Annual	Lower = better	4268 tCO2e 2019/20 figure (like for like reduction of 11.7%)	Data collected annually	Data collected annually	Due Q2 of 2021/22	3201 tCO2e (25% reduction)	Likely to be significant positive impact as staff work from home and leisure centre closed for several months
TCE04	Reduced levels of waste and increased recycling	Percentage of recycling waste contaminated	Economic Recovery	Services / Regulatory	Annual	Lower = better	13.33% contamination from 43 samples. 2 nd best performance of Hampshire authorities.	Data available annually	Data collected annually	Figures not yet available	Reduction against 2018/19 outturn	Main collection services maintained despite COVID-19. Volume of waste increased.
TCE05	An increase in the proportion of journeys taken by walking, cycling and public transport	No. bus users	Economic Recovery	Place / Head of Programme	Annual	Higher = better	4.2m passenger journeys in the year 2019 in Winchester and surrounding area (Stagecoach figures). NB 2020 patronage figs severely distorted	Data collected annually	Data collected annually	Figures not yet available	2019 baseline data – target to be considered in line with WMS and in Liaison with HCC	Significant impact as more people work from home and less visitors to the city
TCE07	An increase in the proportion of journeys taken by walking, cycling and public transport	Traffic movement into Winchester	Economic Recovery	Services / Head of Programme	Annual	Lower = better	Average daily traffic flows (HCC source) St Cross Rd 13,500 Stockbridge Rd 7,300 Andover Rd (N) 12,000 St Cross Rd 9300 NB 2020 traffic figs severely distorted	Data collected annually	Data collected annually	Figures not yet available	2019 baseline data – target to be considered in line with WMS and in Liaison with HCC	Significant impact as more people work from home and less visitors to the city
TCE08	The Winchester district to be carbon neutral by 2030	District carbon emissions - annual report - year on year reduction	Climate Emergency	Services / Engagement	Annual	Lower - better	617,000 tCO2e 2017/18 figure (1.9% reduction)	Data collected annually	Data collected annually	Due Q2 of 2021/22	565,583 tCO2e (8.5%	Significant impact as commuter travel reduces due to people working

Ref	What we want to achieve	KPI Definition	Cabinet Member	Lead Strategic Director / CHoS	Frequency of reporting	Polarity	Previously Reported Data	Q1 (where available)	Q2 (where available)	Annual Data	KPI Target 2020/21	Impact of COVID-19
											reduction)	from home
TCE09	The Winchester district to be carbon neutral by 2030	Produce Local Plan - plan adoption	Climate Emergency	Services / Regulatory	6 monthly	N/A	Evidence base being developed. Consultation on Strategic Issues and Priorities ran for 8 weeks and closed 12/4/21	Data collected six-monthly	Not yet available	Not yet available	Deliver Plan to adoption in accordance with Local Development Scheme.	No significant impact.
TCE10	Safeguard our district's extensive natural habitats and precious ecosystems by delivering the actions in our Biodiversity Action Plan	Deliver the actions in the approved Biodiversity Action Plan (BAP) - percentage completed	Climate Emergency	Services / Regulatory	Annual	Higher = better	Biodiversity Plan approved by cabinet January 2021 and launched in February 2021.	Data collected annually	Data collected annually	10% completed as at 31.03.21	Deliver 80% of actions included in BAP	No significant impact.
TCE11	Safeguard our district's extensive natural habitats and precious ecosystems by delivering the actions in our Biodiversity Action Plan	Number of trees planted per year	Climate Emergency	Services / Regulatory	Annual	Higher = better	Data not yet available	Data collected annually	Data collected annually	398 trees planted in 20/21 planting season	100 trees planted	No significant impact to date.
TCE12	Take a lead with partners and residents to deliver the Carbon Neutrality Action Plan throughout the district	Number and percentage of all parish councils (Inc. Town Forum) that have local carbon reduction action groups / campaigns	Climate Emergency	Place / Engagement	Annual	Higher = better	N/A – new indicator	Data collected annually	Data collected annually	4%	N/A – new indicator	No identified impact
TCE13	Take a lead with partners and residents to deliver the Carbon Neutrality Action Plan throughout the district	Number of people participating in carbon reduction event per year	Climate Emergency	Place / Engagement	Annual	Higher = better	N/A – new indicator	Data collected annually	Data collected annually	2457	N/A – new indicator	No identified impact
TCE14	Improve Air Quality within the Air Quality Management Area	Improvement trends in nitrogen dioxide and particulates, with the intent of complying with national mandatory standards	Climate Emergency	Services / Regulatory	Annual	Lower = better	St Georges St 2018: 41µg/m ³ 2019: 39µg/m ³ (First 6 months only) Chesil St & Romsey Rd 2018: 47.5µg/m ³ 2019: 47.2µg/m ³ (First 6 months only)	Data collected annually	Data collected annually	Figures not yet available	Review extent of AQMA in light of 2020 data as set out in CAB3217. NB: COVID-19 will impact this year's data set. Consultation on the draft Air Quality Supplemental Planning Document ran for 8 weeks closing on	Levels of traffic reduced with corresponding impact on air quality in the town centre (to be quantified).

Ref	What we want to achieve	KPI Definition	Cabinet Member	Lead Strategic Director / CHoS	Frequency of reporting	Polarity	Previously Reported Data	Q1 (where available)	Q2 (where available)	Annual Data	KPI Target 2020/21	Impact of COVID-19
											12/4/21.	
	Living Well											
LW01	Reduced health inequalities	Inequality in life expectancy at birth (male)	Communities & Wellbeing	Place / Engagement	Annual	Lower = better	2018 – 5.8 years	Data collected annually	Data collected annually	No update available	≤ 5.8 years	Early studies suggest that COVID-19 will have a negative impact on life expectancy
LW02	Reduced health inequalities	Inequality in life expectancy at birth (female)	Communities & Wellbeing	Place / Engagement	Annual	Lower = better	2018 – 6.4 years	Data collected annually	Data collected annually	No update available	≤ 6.4 years	Early studies suggest that COVID-19 will have a negative impact on life expectancy
LW03	Increase in physical & cultural activities	Number of users of the Winchester Sport & Leisure Park	Communities & Wellbeing	Place / Engagement	Annual	Higher = better	N/A – new indicator	Data collected annually	Data collected annually	Figures available after new centre opens	Not yet published	Difficult to predict the impact due to the centre not opening until 2021
LW04	Increase in physical & cultural activities	Percentage of adults participating in 150 minutes of sport or physical activity per week within the Winchester district	Communities & Wellbeing	Place / Engagement	Annual	Higher = better	November 2019 71.4%	Data collected annually	May 2020 70.5%	November 2020 71.0%	≥ 71.4%	Activity expected to decrease due to people being at home during lockdown
LW05	Increase in physical & cultural activities	Number of adults with long-term health conditions engaged with physical activity (Winchester City Council - Active Lifestyles Scheme data)	Communities & Wellbeing	Place / Engagement	Annual	Higher = better	2019/20 - 469	Data collected annually	Data collected annually	301	200	Numbers affected due to restrictions related to COVID-19
LW06	Increase in physical & cultural activities	Increase participation in the Cultural Network in order to strengthen engagement with and support of the arts and cultural sector working collaboratively to strategically develop the offer	Communities & Wellbeing	Place / Engagement	Annual	Higher = better	23 organisations	Data collected annually	Data collected annually	Figures not yet available	+10%	No identified impact

Ref	What we want to achieve	KPI Definition	Cabinet Member	Lead Strategic Director / CHoS	Frequency of reporting	Polarity	Previously Reported Data	Q1 (where available)	Q2 (where available)	Annual Data	KPI Target 2020/21	Impact of COVID-19
Homes for All												
HA01	All homes are energy efficient and affordable to run	% of all WCC homes achieving energy efficiency rating of C or above	Housing & Asset Management	Services / Housing	Annual	Higher = better	60%	Data collected annually	Data collected annually	61.45	62%	None identified
HA02		% all new homes achieving suitable energy standard	Housing & Asset Management	Services / Housing	Annual	Higher = better	80%	Data collected annually	Data collected annually	Figures not yet available	100%	None identified
HA03	Creating communities not just homes	No. of households in district (all tenures)	Housing & Asset Management	Services / Housing	Annual	Higher = better	54,017	Data collected annually	Data collected annually	Figures not yet available	Trend data for monitoring only	N/A
HA04	No one sleeping rough except by choice	No. of rough sleepers	Housing & Asset Management	Services / Housing	Annual	Lower = better	0	Data collected annually	Data collected annually	7	Trend data for monitoring only	Governments directive to get 'Everyone in' in response to COVID-19 meant anyone rough sleeping was offered accommodation. Financial implications - increased use of B&B, lease of a supported housing property.
HA05	Creating communities not just homes	No. of new homes planned (5 year supply)	Housing & Asset Management	Services / Regulatory	Annual	Higher = better	505	Data collected annually	Data collected annually	Figures not yet available	500	None detected to date, but economic downturn may impact housing delivery.
HA07	Creating communities not just homes	WCC housing stock, directly owned, housing company	Housing & Asset Management	Services / Housing	Annual	Higher = better	0	Data collected annually	Data collected annually	Figures not yet available	Complete 5 new houses	Completions delayed. Less general fund capital investment in the company.
Vibrant local economy												
VLE01	Grow opportunities for high-quality, well paid employment across the district	No. of business enterprises in professional / technical sectors	Economic Recovery	Place / Engagement	Annual	Higher = better	21.3%	Data collected annually	Data collected annually	21%	Trend data for monitoring only	Insufficient data available

Ref	What we want to achieve	KPI Definition	Cabinet Member	Lead Strategic Director / CHoS	Frequency of reporting	Polarity	Previously Reported Data	Q1 (where available)	Q2 (where available)	Annual Data	KPI Target 2020/21	Impact of COVID-19
VLE02	Grow opportunities for high-quality, well paid employment across the district	Close the gap between workplace earnings and residents' earnings	Economic Recovery	Place / Engagement	Annual	Lower = better	£105.4	Data collected annually	Data collected annually	£52.9	Trend data for monitoring only	Economic downturn likely to have an impact
VLE03	Grow opportunities for high-quality, well paid employment across the district	Productivity measure – gross value added (GVA) per head	Economic Recovery	Place / Engagement	Annual	Higher = better	£39,714	Data collected annually	Data collected annually	Figures not yet available	Trend data for monitoring only	Insufficient data available
VLE04	New offices and workspace are located in areas with sustainable transport links or where they reduce the need to travel to work	Amount of floor space developed in market towns (planning approvals)	Economic Recovery	Services / Regulatory	Annual	Higher = better	Data not available	Data collected annually	Data collected annually	Figures not yet available	Refer to Planning team	Economic downturn may affect delivery of new floor space.
VLE05	More younger people choose to live and work here	Percentage of residents aged 25-35 years old	Economic Recovery	Place / Engagement	Annual	Higher = better	11.4%	Data collected annually	Data collected annually	12.5%	Trend data for monitoring only	May increase if fewer job opportunities exist for young people
VLE06	Businesses grasp opportunities for green growth	No. of businesses engaged on carbon reduction measures/projects	Economic Recovery	Place / Engagement	Annual	Higher = better	Data not yet available	Data collected annually	Data collected annually	Figures not yet available	Baseline to be set when data available	No identified impact
VLE07	Businesses grasp opportunities for green growth	Crowd funder grants offered for green projects	Economic Recovery	Place / Engagement	Annual	Higher = better	0	Data collected annually	Data collected annually	Figures not yet available	Launched 15/6/20	No identified impact
VLE08	The city, market towns and rural communities across our district have a compelling and competitive visitor offer (including festivals)	Visitor stay length increasing	Economic Recovery	Place / Engagement	Annual	Higher = better	2.6 days domestic 6.7 days overseas	Data collected annually	Data collected annually	Figures not yet available	Trend data for monitoring only	Likely to reduce due to a downturn in visitors staying overnight
VLE09	The city, market towns and rural communities across our district have a compelling and competitive visitor offer (including festivals)	Visitor spend increases	Economic Recovery	Place / Engagement	Annual	Higher = better	£263.4m	Data collected annually	Data collected annually	Figures not yet available	Trend data for monitoring only	May increase as more staycation visitors to the district
VLE10	The city, market towns and rural communities across our district have a compelling and competitive visitor offer (including festivals)	Value of tourism to the economy increases	Economic Recovery	Place / Engagement	Annual	Higher = better	£339m	Data collected annually	Data collected annually	Figures not yet available	Trend data for monitoring only	May increase as more staycation visitors to the district

Ref	What we want to achieve	KPI Definition	Cabinet Member	Lead Strategic Director / CHoS	Frequency of reporting	Polarity	Previously Reported Data	Q1 (where available)	Q2 (where available)	Annual Data	KPI Target 2020/21	Impact of COVID-19
VLE11	The city, market towns and rural communities across our district have a compelling and competitive visitor offer (including festivals)	Deliver tourism marketing activities alongside sector and key stakeholder engagement to influence Winchester's competitive position comparative with the South East and all of England, strengthening the number of trips to Winchester	Economic Recovery	Place / Engagement	Annual	Higher = better	5.05m trips	Data collected annually	Data collected annually	Figures not yet available	Trend data for monitoring only	No identified impact
VLE12	Grow opportunities for high-quality, well paid employment across the district	Business support service - percentage of businesses using the service seeing an increased turnover, improved efficiency or progression to a more sustainable business module. Service currently contracted to June 2021	Economic Recovery	Place / Engagement	Annual	Higher = better	New outcome based KPI for 2020/21. Previous data collected against different KPI, see Q4 report	Data collected annually	Data collected annually	Figures not yet available	50%	Increase in use of business support service during COVID-19 pandemic
Page 287												
Your Services, Your Voice												
YSYV01	Improving satisfaction for our services	Residents' Survey – satisfaction with the way the council runs things	Finance & Service Quality	Resources / Strategic Support	Biennial	Higher = better	79% (2019 survey)	N/A	N/A	Survey not carried out in 2021	≥ 79%	Insufficient information to predict what impact COVID-19 has had on residents' satisfaction
YSYV02		Tenants' Survey – satisfaction with the overall service provided by the council	Finance & Service Quality	Services / Housing	Biennial	Higher = better	87% (2019 survey)	N/A	N/A	N/A	≥ 87%	Insufficient information to predict what impact COVID-19 has had on residents' satisfaction
YSYV03	Good value compared to other similar authorities	Residents' Survey – percentage of residents who agreed the council provides value for money	Finance & Service Quality	Resources / Strategic Support	Biennial	Higher = better	65% (2019 survey)	N/A	N/A	Survey not carried out in 2021	≥ 65%	Insufficient information to predict what impact COVID-19 has had on residents' satisfaction

Programme and Project Management – Tier 1 project highlight reports

BAR END DEPOT

PROJECT HIGHLIGHT REPORT MAY 2021

Lead Cabinet Member: Cllr Kelsie Learney

Project Sponsor: Richard Botham

Project Lead: Geoff Coe

Project description and outcome:

Preparation for site disposal.

Project update summary:

Project RAG Status:	Timeline		Budget	
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This project is currently in Stage 1: Feasibility - with site due diligence and transport capacity planning for a mix of uses being undertaken. Tendering of the sale instruction will follow site due diligence and a delegated authority decision to proceed (granted to the Strategic Director of Finance in the Cabinet Report).

Project Gateways:

	Duration (months)	Start Date	Planned End Date	Projected / Actual End Date	Outcome of Stage incl comments – What will be achieved at the end of this stage?	Key Documents
Stage 0: Concept						
Stage 1: Feasibility	10	Nov 2020	September 2021	Sept 2021	Site conditions and constraints identified and an HCC Highways pre-application report obtained to establish site capacity. Mix of uses also identified.	
Stage 2: Design						
Stage 3: Plan for Delivery						
Stage 4: Delivery						
Stage 5; Handover & Review						

Budget Performance:

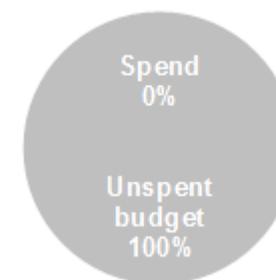
CAPITAL	Prior Years	2020/21	2021/22	2022/23	2023/24	2024/25	Total
	£000	£000	£000	£000	£000	£000	£000
Budget	0	0	0	0	0	0	0
Spend	0	0	0	0	0	0	0
Unspent Budget	0	0	0	0	0	0	0
Forecast	0	0	0	0	0	0	0
Variance to budget	0	0	0	0	0	0	0

Total Capital spend to date



REVENUE	Prior Years	2020/21	2021/22	2022/23	2023/24	2024/25	Total
	£000	£000	£000	£000	£000	£000	£000
Budget	0	10	8	0	0	0	10
Spend	0	2	0	0	0	0	0
Unspent Budget	0	8	8	0	0	0	10
Forecast	0	0	8	0	0	0	10
Variance to budget	0	8	0	0	0	0	0

Total Revenue spend to date



CARBON NEUTRAL PROGRAMME

HIGHLIGHT REPORT MAY 2021

Lead Cabinet Member: Cllr Lynda Murphy

Programme Sponsor: Richard Botham

Programme Lead: Susan Robbins

Programme description and outcome:

In June 2019, the Council declared a 'Climate Emergency' and to commit to the aim of making activities of the City Council carbon neutral by 2024, and the District of Winchester carbon neutral by 2030. In December 2019, the Council approved the [Carbon Neutrality Action Plan](#) that sets out a number of priority actions that will help address nearly all the Council's carbon emissions by 2024 and contribute to reducing emissions district-wide by 2030.

Programme update summary:

Programme RAG Status:	Timeline		Budget	
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Various works underway towards the aim of a carbon neutral council by 2024, including energy efficiency works to City Offices scheduled for later in 2021. Updated council carbon footprint report expected in coming months to show progress during the year to end of March 2021.

Further projects and research, some involving other stakeholders, towards the aim of a carbon neutral district by 2030. This includes the roll-out of additional EVCP, work to improve energy efficiency of council homes with the lowest energy rating, installation of solar PV at Winchester depot and Marwell Zoo and investigation of feasibility of solar farm on council-owned land.

The main risk to this programme is the timescales. The risk register and progress on the programme is regularly reviewed and managed by the Carbon Neutrality Programme Board and the Implementation Group.

Council Carbon Footprint:

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TRANSPORT

Priority	Project Name	Required carbon reduction (tCO2e)	Forecast carbon reduction (tCO2e)	Target	Target Date	Project Manager	Internal Resources	Upcoming Milestone	Comments
TRANSPORT	Introduce electric pool cars	1500		2	2020	TBC	TBC		Demand unknown until return of more staff to the office.
	Pilot use of electric refuse freighter and/or P&R bus		286	N/A	2022	Campbell Williams / Andy Hickman	TBC	Summer 2021 - recruitment of Travel Planner to support sustainable transport initiatives	Potential bus pilot project not progressed as result of COVID-19. In discussion with EBC to learn from their pilot with electric refuse vehicles.
	Ultra low or zero emission council vehicles		52	100%	2024	Sandra Tuddenham	TBC	See Air Quality Action Plan highlight report May 2021	2 of 5 Neighbourhood Services vehicles are fully electric - the others will be changed at lease expiry in 2024. Considering free trial of fuel conditioner to improve emission output from non-electric vehicles.
	Refuse and bus fleet		361	100%	COMPLETE	Campbell	TBC	Feb 2021 -	Bus fleet already all

Priority	Project Name	Required carbon reduction (tCO2e)	Forecast carbon reduction (tCO2e)	Target	Target Date	Project Manager	Internal Resources	Upcoming Milestone	Comments
	converted to minimum EURO6 standard					Williams /Andy Hickman		new waste contract commences	at Euro6 standard. New waste contract allows for trial of electric vehicle but full electric fleet won't be possible until the contract expires in 2028.
	Increased home working / remote working		197	N/A	2024	Jussi Vuorela / Robert O'Reilly	TBC	September 2021 – review of COVID home working arrangements	2021 staff travel survey results show staff working from home increased from 3% - 78% during 2021. Hope to see resulting 1/3 reduction (of 657 t CO2e) in 2020/21.
HOUSING / PROPERTY	Re:Fit programme to retrofit corporate property	420	600	N/A	2022	Graeme Todd	TBC	Summer 2021 – energy efficiency works to City Offices	£257k grant secured for decarbonisation of City Offices and public conveniences £22k grant secured for Guildhall and West Wing decarbonisation feasibility study. Re:Fit programme

Priority	Project Name	Required carbon reduction (tCO2e)	Forecast carbon reduction (tCO2e)	Target	Target Date	Project Manager	Internal Resources	Upcoming Milestone	Comments
									paused in favour of property-by-property, in-house approach.
	Energy efficiency measures in communal areas of council sheltered housing schemes			N/A	2021	Andrew Kingston	TBC		Cabinet approved £187k (March 21) to address energy efficiency of communal areas in sheltered/communal housing schemes, including the installation of solar photovoltaic panels.
ENERGY	Source electricity purchased by the council from renewable sources		898	100%	COMPLETE	Graeme Todd	TBC	N/A	New green energy tariff signed up April 2020.
	Solar panels on council owned sites	1780	66	N/A	22/23	Naomi Wise	TBC	May 2021 - Opening of WSLP Summer 2021 - Solar panels to be installed on the Biffa depot	£38k grant secured for solar panels at the Biffa depot - 11tco2e. Contractor appointed. 400 solar panels on WSLP will provide enough energy to power the main swimming pool hall for 21.5 hours a day - 55tco2e

Priority	Project Name	Required carbon reduction (tCO2e)	Forecast carbon reduction (tCO2e)	Target	Target Date	Project Manager	Internal Resources	Upcoming Milestone	Comments
	Purchase/lease only highly energy efficient / low carbon technologies/materials, electrical equipment and appliances		N/A	100%	ONGOING	Amy Tranah	TBC	See Procurement and Contract Management Strategy Action Plan 2020-21	Procurement and Contract Management Strategy 2020-25 requires a minimum of 10% to environmental and social value to be included in tender evaluation criteria.
			13.10	N/A	2022	Ellen Simpson	TBC	See Transformation highlight report Jan 2021	Positive climate change efficiencies as a result of the Transformation programme, however the programme has been cancelled because of budget constraints.
		3,700	2,473						

District Carbon Footprint:

Priority	Project Name	Required carbon reduction (tCO2e)	Forecast carbon reduction (tCO2e)	Target	Target Date	Project Manager	Internal Resources	Upcoming Milestone	Comments
TRANSPORT	Expanded network of EV charging points	287,000		34	2024	David Ingram	TBC	<p>May 2021 - completion of programme to install 34 electric vehicle charging points (EVCP) on Council car parks</p> <p>May 2021 – Findings of UoS research mapping current network of EV charging points.</p>	All 34 council EVCP now in, except for Alresford Station car park and St Peter’s car park, both of which should be installed before the end of May.
	Private charging facilities in new commercial and housing developments					Adrian Fox	TBC	<p>Summer 2021 - 4 EVCP in new scheme at The Valley in Stanmore.</p>	<p>All new council housing developments will have EVCPs</p> <p>Possible changes to Building Regs requiring private charging facilities in new developments from 2025.</p>

Priority	Project Name	Required carbon reduction (tCO2e)	Forecast carbon reduction (tCO2e)	Target	Target Date	Project Manager	Internal Resources	Upcoming Milestone	Comments	
	Winchester Movement Strategy					Andy Hickman	TBC	See Winchester Movement Strategy highlight report May 2021		
	Require buses and taxis to be low emission / alternative fuel vehicles			100%		Dave Ingram	TBC	N/A	Nov 2020 - Taxi licensing policy approved by Cabinet to encourage uptake of EV taxis (and reducing emissions).	
	Increase Park & Ride capacity			300	2021	Andy Hickman / Dan Lowe	TBC	See Vaultex highlight report May 2021		
	Smart mobility projects especially at Park & Ride sites and key gateways			N/A	2021	Andy Hickman	TBC		E-scooter and e-bike scheme was not taken forward by HCC. New cycle lockers installed at park and ride sites.	
	Implement differential charging for low emission vehicles in council car parks						Campbell Williams	TBC	See Air Quality Action Plan highlight report - May 2021	New 'pay by phone' contract makes this possible.
	Expand and enhance public transport services						Andy Hickman	TBC	Sumer 2021 - recruitment of Travel Planner to support	Not presently active, this was to be funded through the parking and access strategy.

Priority	Project Name	Required carbon reduction (tCO2e)	Forecast carbon reduction (tCO2e)	Target	Target Date	Project Manager	Internal Resources	Upcoming Milestone	Comments
								sustainable transport initiatives	Income levels very low at present compared to pre-COVID-19.
HOUSING / PROPERTY	LEAP programme to facilitate energy efficiencies in homes	193,400				Naomi Wise	TBC	2021 - 3 council homes (identified) and 10 private sector homes (tbc) to be retrofitted using BEIS funding. May 2021 - PSH renewal strategy to Cabinet	£115k ring-fenced from BEIS to enable energy efficiency works to homes with the lowest energy rating and experiencing fuel poverty. LEAP / LAD - 21 referrals / 5 home visits prior to first lockdown (private sector). Likely Phase 1A to roll into Phase 1B - so Sept 2021 not March deadline
	Deliver campaigns to inspire people to reduce energy consumption				Ongoing	Naomi Wise	TBC	May 2021 – Recruitment of Campaigns Officer May 2021 – Findings of UoS research into listed building retrofit	CSE started work with WINACC on 12-month programme of parish engagement and fuel consumption mapping. Sustainability conference in October 2020 achieved 260 attendees over 4

Priority	Project Name	Required carbon reduction (tCO2e)	Forecast carbon reduction (tCO2e)	Target	Target Date	Project Manager	Internal Resources	Upcoming Milestone	Comments
									sessions. Formed part of wider Winchester Green Week programme, with 30+ events and activities.
	Local groups to provide support in communities			N/A	Ongoing		TBC		WinACC hosted community engagement event with 60+ attendees. Hambledon signed up to Greening Campaign.
	Develop a council led pilot Passivhaus housing scheme			N/A	2022	Andrew Palmer / Derek Steele	TBC	Sep 2021 – Planning decision expected on scheme at Southbrook Cottages in Micheldever.	
	All new council homes will be built to the highest efficiency standards			100%	ONGOING	Andrew Palmer	Not needed		New Homes Employers Requirements (ER's) amended to reflect no gas heating with immediate effect. All new homes

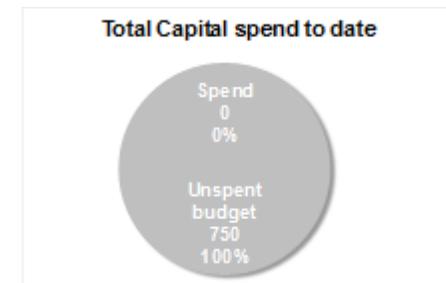
Priority	Project Name	Required carbon reduction (tCO2e)	Forecast carbon reduction (tCO2e)	Target	Target Date	Project Manager	Internal Resources	Upcoming Milestone	Comments
Page 300									schemes reviewed and gas heating systems removed from designs.
	Local Plan update with an emphasis on low carbon housing development			N/A	2021	Adrian Fox	Not needed	See Local Plan highlight report May 2021	
	Retrofit of council housing stock to EPC standard C			100%	2027	Andrew Kingston	TBC		<p>£10M over 10 years made available in HRA business plan for works to 2030.</p> <p>£1.25m approved for additional insulation in 21/22 to 100 properties currently subject to an EPC rating of D or below.</p> <p>Member/tenant/officer panel/forum established to assess progress and Council joined the “Net Zero Collective” partnership.</p>

Priority	Project Name	Required carbon reduction (tCO2e)	Forecast carbon reduction (tCO2e)	Target	Target Date	Project Manager	Internal Resources	Upcoming Milestone	Comments
ENERGY	Solar PV panels on Trinity Centre new housing	172,000		N/A		Gillian Knight	TBC	Bradbury View scheme due to open July 2021	October 2020 - £25k ; additional capital grant provided (further to £50k grant in March 2020)
	Undertake research into suitable alternatives to natural gas especially in relation to local generation potential			N/A		Naomi Wise	TBC	May 2021 – Findings of UoS research into low carbon energy hub / sites for alternative fuel generation.	Potential for bids to the Rural Community Energy Fund and/or Community Renewal Fund.
	Build or invest in large scale renewable generation project(s)			N/A		Naomi Wise	TBC	July 2021 - feasibility report into potential for solar farm at Littleton Triangle.	
	Explore the feasibility of developing a hydrogen generating plant			N/A		Naomi Wise	TBC		Would require large scale investment and countywide collaboration.
	Engage with the district's largest businesses to reduce energy use			N/A		Naomi Wise	TBC	Summer 2021 - installation of solar PV panels at Marwell Zoo.	£119k secured from Enterprise M3 LEP Marwell Zoo

Priority	Project Name	Required carbon reduction (tCO2e)	Forecast carbon reduction (tCO2e)	Target	Target Date	Project Manager	Internal Resources	Upcoming Milestone	Comments
	or generate renewable energy							Summer 2021 – commencement of LoCASE 3 programme of business energy audits.	£28.5k applied for from ERDF for business engagement and energy audits.

Budget performance:

CAPITAL	Prior years	2020/21	2021/22	2022/23	2023/24	2024/25	Total
	£000	£000	£000	£000	£000	£000	£000
Budget	0	279	500	250	250	0	1,279
Spend	0	6	0	0	0	0	6
Unspent budget	0	273	500	250	250	0	1,273
Forecast	0	6	163	280	0	0	449
Variance to budget	0	273	337	(30)	0	0	830



REVENUE	Prior years	2020/21	2021/22	2022/23	2023/24	2024/25	Total
	£000	£000	£000	£000	£000	£000	£000



Budget	0	200	300	340	0	0	840
Spend	0	66	17	0	0	0	83
Unspent budget	0	134	283	340	0	0	757
Forecast	0	66	341	36	0	0	443
Variance to budget	0	134	(41)	304	0	0	397

CENTRAL WINCHESTER REGENERATION

PROJECT HIGHLIGHT REPORT MAY 2021

Lead Cabinet Member: Cllr Kelsie Learney

Project Sponsor: John East

Project Lead: Veryan Lyons

Project description and outcome:

Project description and outcome:

Central Winchester Regeneration is a major regeneration project in the centre of the city. The Central Winchester Regeneration Supplementary Planning Document was adopted in June 2018. The vision is for the delivery of a mixed use, pedestrian friendly quarter that is distinctly Winchester and supports a vibrant retail and cultural/heritage offer which is set within an exceptional public realm and incorporates the imaginative re-use of existing buildings.

Development within the Central Winchester Regeneration area should meet the following objectives:

1. Vibrant mixed use quarter
2. Winchesterness
3. Exceptional Public Realm
4. City Experience
5. Sustainable Transport
6. Incremental Delivery
7. Housing for all
8. Community
9. Climate change and sustainability

Project update summary:

Project RAG Status:	Timeline		Budget	
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Coitbury House is brought back into use in the short term as affordable accommodation targeting younger generations whilst plans for the wider scheme are progressed. A Public Realm strategy will be set out showing design principles for the hierarchy of routes, includes typical street sections, indicative palette of materials precedents for street furniture, public art, lighting and landscape concept strategy.

The biggest current risk is that Development proposals arising from the SPD are not financially viable resulting in development not going ahead as set out in the SPD. To mitigate this as far as possible we are undertaking high level testing of viability, engaging specialist consultants where required and continuing to engage with WCC members and other key stakeholders.

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Project Gateways:

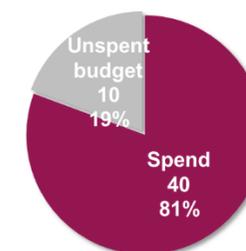
	Duration (months)	Start Date	Planned End Date	Projected / Actual End Date	Outcome of Stage incl comments – What will be achieved at the end of this stage?	Key Documents
Stage 1: Roadmap Review	5	Jun 19	Sept 19	Nov-19	"Review of CWR project to inform: - Land uses / mix - Delivery options and associated timeline - Key risks, constraints and opportunities"	Central Winchester Regeneration Project Board Terms of Reference CWR Project Board Meeting Minutes 30 03 21
Stage 2a; Scheme Options	6	Sept 10	Jan 20	Mar 20	Test different land uses / mix to determine priorities	Cabinet 10 March 2021
Stage 2b: Development Framework	3	Jan 20	Jan 20	Apr 20	Generate development framework (preferred option)	CWR Programme - 17 05 21
Stage 2c: Development Framework & Delivery Strategy	5	Mar 20	Jul 20	Nov 20	Agree solution for bus operations and carry out soft market testing to further inform the development proposals and delivery strategy	CWR Risk Register
Stage 2d: Development	13	May 20	Dec 20	July 21	"Assessment of delivery models and	

Framework & Delivery Strategy					appetite for risk and control, refinement of development proposals Approval of development proposals and delivery strategy
Preparation for Disposal (dependent on preferred route to market)	16	July 21	July 22	July 22	"Dependent on the preferred route to market: Planning permission Market preparation Market launch"

Budget performance:

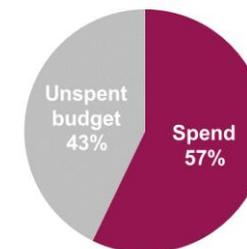
CAPITAL	Prior Years	2020/21	2021/22	2022/23	2023/24	2024/25	Total
	£000	£000	£000	£000	£000	£000	£000
Budget	0	50	700	0	0	0	750
Spend	0	40	0	0	0	0	40
Unspent Budget	0	10	700	0	0	0	710
Forecast	0	50	700	0	0	0	750
Variance to budget	0	0	0	0	0	0	0

Total Capital spend to date



REVENUE	Prior Years	2020/21	2021/22	2022/23	2023/24	2024/25	Total
	£000	£000	£000	£000	£000	£000	£000
Budget	372	170	616	0	0	0	1,158
Spend	372	170	10	0	0	0	552
Unspent Budget	0	0	606	0	0	0	606
Forecast	372	170	61	0	0	0	1,158
Variance to	0	0	0	0	0	0	0

Total Revenue spend to date



Comments

Please note any spend relating to prior to 2021/22 JLL is not included - this is was managed from a separate budget..

CAPITAL -

Approved October 2020 - Cabinet Member Decision Day.

£50,000 - to bring forward the LOWE Property Guardians proposal for Coitbury House.

Approved March 2021 - Cabinet

£200,000 - to bring forward immediate short term improvements to Kings Walk ground floor and surrounding public realm.

£700,000 - to demolish the old Friarsgate Medical Centre and replace with interim public space.

REVENUE –

£2m from revenue reserves was set aside at Council in Feb 2021. In March 2021 Cabinet approved £390,000 from this revenue reserve for the next stage of the project - to further investigate potential delivery options and produce a supporting business case for Cabinet approval in summer 2021.

A request for budget to take the project to the next stage will be included in this report for Cabinet.

DURNGATE FLOOD ALLEVIATION SCHEME

PROJECT HIGHLIGHT REPORT MAY 2021

Lead Cabinet Member: Cllr Russell Gordon-Smith

Project Sponsor: Richard Botham

Project Lead: Darren Lewis

Project description and outcome:

The Durngate scheme is the second phase of the North Winchester Flood Alleviation Scheme and will focus on the area around the Durngate Bridge, the Trinity Centre and Durngate Terrace and is jointly funded by the City Council and the Environment Agency.

When completed the scheme will provide various flood defences along the River Itchen and will support the council to control and maximise the flow of water safely through the city, and as a result will help multiple residential and commercial properties throughout the city centre.

Project update summary:

Project RAG Status:	Timeline		Budget	
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The infrastructure for the scheme is now complete, however there are off-site mitigation works to be done and the signing-off of the planning conditions.

Delivery of the scheme is supported by HCC engineers/project managers with regular virtual meetings and site visits to keep us apprised of the schemes progress.

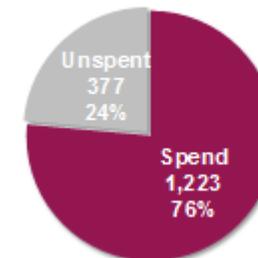
Project Gateways:

	Duration (months)	Start Date	Planned End Date	Projected / Actual End Date	Outcome of Stage incl comments – What will be achieved at the end of this stage?	Key Documents
Stage 0: Concept						
Stage 1: Feasibility						
Stage 2: Design						
Stage 3: Plan for Delivery						
Stage 4: Delivery	5	Jun-20	Jan-21	Nov-20	Infrastructure works have been completed, however there are off-site mitigation works to be done, and the signing-off of the planning conditions.	
Stage 5; Handover & Review	1	Dec-20	Jan-21	Jan-21	Handover of completed project to WCC. Cost review and communications i.e. press/release and photo shoot will take place when planning conditions have been fully discharged.	

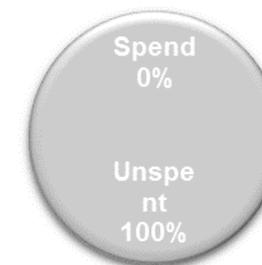
Budget Performance:

CAPITAL	Prior Years	2020/21	2021/22	2022/23	2023/24	2024/25	Total
	£000	£000	£000	£000	£000	£000	£000
Budget	314	1,055	231	0	0	0	1,600
Spend	314	1,042	0	0	0	0	1,356
Unspent Budget	0	13	231	0	0	0	244
Forecast	314	1,042	150	0	0	0	1,506
Variance to Budget	0	13	81	0	0	0	94

Total Capital spend to date



Total revenue spend to date



REVENUE	Prior Years	2020/21	2021/22	2022/23	2023/24	2024/25	Total
	£000	£000	£000	£000	£000	£000	£000
Budget	0	0	0	0	0	0	0
Spend	0	0	0	0	0	0	0
Unspent Budget	0	0	0	0	0	0	0
Forecast	0	0	0	0	0	0	0
Variance to budget	0	0	0	0	0	0	0

Comments:

Additional Funding of £248k from EA via HCC has been received
 Additional £200k of Local Levy funding authorised by EA
 Additional £177k of funding for COVID compensation authorised not yet received

ENVIRONMENTAL SERVICES (WASTE) CONTRACT

PROJECT HIGHLIGHT REPORT MAY 2021

Lead Cabinet Member: Cllr Martin Tod

Project Sponsor: Richard Botham

Project Lead: Campbell Williams

Project description and outcome:

This project relates to the contract renewal of the council's waste contract and roll-out of an improved garden waste scheme for the district.

Project update summary:

Project RAG Status:	Timeline		Budget	
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The garden waste service was launched in February 2021 with garden waste bins of 140l and 240l available for resident's to purchase either online or via the CSC, with Biffa delivering them to households.

The new contract commenced and is operating well. Over 20,000 subscriptions to the garden waste service has been achieved (well in excess of original targets).

The Project Board has overseen the implementation of the new contract and will now focus on performance management.

Project Gateways:

	Duration (months)	Start Date	Planned End Date	Projected / Actual End Date	Outcome of Stage incl comments – What will be achieved at the end of this stage?	Key Documents
Stage 0: Concept						
Stage 1: Feasibility						
Stage 2: Design						
Stage 3: Plan for Delivery	4	Jun-20	Oct-20	Feb 21	Prepare to launch chargeable garden waste. All payment options live by Oct 20. Have external communications support in place, should receive detailed proposals mid Oct 20. Begin communications around new services that will commence Feb 21. Progress contract negotiations with Biffa re lease + bin delivery. Sign documents and begin 4 month contract extension (as set out in 22 07 20 Cabinet report). Agree first amount of bins to purchase and use ESPO framework. Prepare, produce and successfully deliver new 12 month calendar.	
Stage 4: Delivery	4	Oct-20	Oct/Feb-2028		4 month extension underway, service does not change. Garden Waste bins procured and stored.	

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					Comms and marketing strategy implemented. Residents can purchase 140l / 240l Garden Waste bin. 8yr contract and lease signed with Biffa and the council.	
Stage 5; Handover & Review	-	Feb-21	Oct/Feb-2028		Continuous improvement.	

Budget Performance

CAPITAL	Prior Years	2020/21	2021/22	2022/23	2023/24	2024/25	Total
	£000	£000	£000	£000	£000	£000	£000
Budget	0	400	100	0	0	0	500
Spend	0	444	0	0	0	0	444
Unspent Budget	0	(44)	100	0	0	0	56
Forecast	0	444	56	0	0	0	500
Variance to budget	0	(44)	44	0	0	0	0

REVENUE	Prior Years	2020/21	2021/22	2022/23	2023/24	2024/25	Total
	£000	£000	£000	£000	£000	£000	£000
Budget	0	150	0	0	0	0	150
Spend	0	150	0	0	0	0	150
Unspent Budget	0	0	0	0	0	0	0
Forecast	0	150	0	0	0	0	150
Variance to budget	0	0	0	0	0	0	0

LOCAL PLAN/ CIL

PROJECT HIGHLIGHT REPORT MAY 2021

Lead Cabinet Member: Cllr Russell Gordon-Smith

Project Sponsor: Richard Botham

Project Lead: Adrian Fox

Project description and outcome:

In accordance with planning legislation, the council must review its Local Plan every 5 years. The Plan is a key corporate document, as it is a statutory requirement under planning legislation to have an up to date development plan with the objective of sustainable development and setting out detailed planning policies for the management and development of land and buildings.

Project update summary:

Project RAG Status:	Timeline		Budget	
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Consultation on the Strategic Issues & Priorities Document took place between 11th February and midnight on the 12th April 2021. The consultation period was extended to 8 weeks in recognition that the public consultation was taking place during a national lockdown. Despite the fact that the consultation took place during a national lockdown, there was a really excellent response to the public consultation.

All of the feedback that has been received from the Strategic and Priorities consultation is now being analysed and will be used to help inform and develop the new draft Local Plan ('Regulation 18' stage) which will be published for consultation on the new LP website that is also now live www.localplan.winchester.gov.uk A revised Local Development Scheme (the timetable for preparing the new Local Plan) is due to be discussed at Cabinet in July 2021.

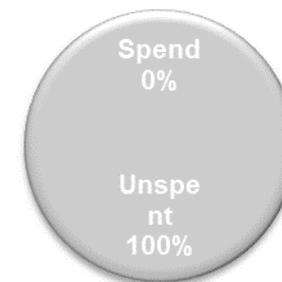
Project Gateways:

	Duration (months)	Start Date	Planned End Date	Projected / Actual End Date	Outcome of Stage incl comments – What will be achieved at the end of this stage?	Key Documents
Stage 0: Concept	28	Jul-18	Oct-20		Produce the new Local Plan Evidence base	https://www.winchester.gov.uk/planning-policy/winchester-district-local-plan-2018-2038-emerging
Stage 1: Feasibility	2	Feb -21	April -21		Consultation takes place on the Strategic Issues and Priorities document during Feb/March/April for 8 weeks	https://www.winchester.gov.uk/planning-policy/winchester-district-local-plan-2018-2038-emerging/local-development-scheme
Stage 2: Design	2	Jan – 22 (TBC)	Feb – 22 (TBC)		Regulation 18 consultation on the draft Local Plan	
Stage 3: Plan for Delivery	2	Jan -23 (TBC)	Jan-23 (TBC)		Consultation on the Submission version of the LP (Reg 19)	
Stage 4: Delivery	TBC	Dec -23	TBC		Adoption of the Local Plan	
Stage 5; Handover & Review	TBC	Feb-23	TB		Monitoring the Local Plan and start the review process at the appropriate time	

Budget Performance:

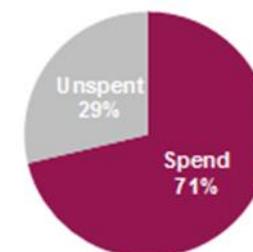
CAPITAL	Prior Years	2020/21	2021/22	2022/23	2023/24	2024/25	Total
	£000	£000	£000	£000	£000	£000	£000
Budget	0	0	0	0	0	0	0
Spend	0	0	0	0	0	0	0
Unspent Budget	0	0	0	0	0	0	0
Forecast	0	0	0	0	0	0	0
Variance to budget	0	0	0	0	0	0	0

Total Capital spend to date



REVENUE	Prior Years	2020/21	2021/22	2022/23	2023/24	2024/25	Total
	£000	£000	£000	£000	£000	£000	£000
Budget	0	170	239	69	35	54	567
Spend	0	172	0	0	0	0	172
Unspent Budget	0	(2)	0	0	0	0	(2)
Forecast	0	172	239	69	35	90	605
Variance to budget	0	(2)	0	0	0	0	(2)

Total Revenue spend to date



NEW HOMES DELIVERY PROGRAMME
HIGHLIGHT REPORT MAY 2021

Lead Cabinet Member: Cllr Kelsie Learney
Project Sponsor: Richard Botham
Programme Lead: Andrew Palmer

Project description and outcome:

The cost and affordability of housing in Winchester District is a serious problem and there is a genuine shortage of affordable properties in Winchester. Providing affordable housing can help tackle these problems and delivering new homes is a Council priority.

The Council is constructing new affordable Council Homes and also working with Registered Providers (sometimes known as Housing Associations) to provide new affordable housing across the District.

Housing will not be built for profit; it will be to meet the needs of Winchester people who cannot afford a home of their own.

Programme update summary:

Updated summaries are provided against each project below.

The main risks to the programme are workforce productivity and availability, the supply of materials along with property values and economic outlook, all due to COVID-19. Both are being closely monitored.

Project Updates:

Project Name	No. new homes	Current Project Gateway*	Start Date	Projected End Date	Project Manager	Upcoming Milestone	Comments
The Valley, Stanmore	77	Delivery	Apr-19	Aug-21	Denise Partleton	Completion	On-programme for completion
Rowlings Road, Weeke	7	Delivery	Jan-19	Mar-21	Sarah Charlton		completed
Dolphin Road, Twyford	2	Delivery	Jun-19	Sept.-20	Derek Steel		Completed
Southbrook Cottages	6	Design	Nov-19	Mar-22	Derek Steel	Submission of planning application	Member approval for outline business case received , awaiting outcome of car park survey before submitting planning application
Woodman Close, Sparsholt	5	Design	Oct-19	Aug-22	Helen Farnham	Submission of planning application	Awaiting outcome of drainage survey and ground condition survey
Burnet Lane, Kings Worthy	35	Delivery	June 2019	Jul-21	Denise Partleton	Completion	On-programme , marketing of shared ownership properties has commenced
Winnall Flats	75 (approx.)	Design	Apr-20	Apr-23	Debbie Rhodes	Outcome of planning application	Planning application submitted Dec 20.
Dyson Drive, Abbots Barton	8	Design	Jan-20	Dec-21	Deborah Sunly	Outline Business Case	TVGA preventing planning application being made. HCC have started formal consideration of TVAG.
Corner House	6	Design	Jan-20	Dec-21	Duncan Faires	Outline Business Case	Final design being prepared in advance of community consultation. Progress effected by staff vacancy
Witherbed Lane	4	Design	Sep-19	Oct-22	Derek Steel	Outline Business Case	Ecology complete moving to community consultation stage

Programme Budget Performance:

Quarter 4

<u>COSTS</u>	Budgeted:	Revised :	Forecast:	Actual:
	£000's	£000's	£000's	£000's
Interest Costs	NA	NA	NA	NA
Total Scheme Costs	36,014	19,917	15,689	11,974

<u>INCOME</u>	Budgeted:	Revised :	Forecast:	Actual:
	£000's	£000's	£000's	£000's
Grants - Homes England	1,611	-	-	-
Grants - Other MRA	-	-	-	-
Capital Receipts	8,357	2,378	2,378	2,378
RTB 1-4-1	950	2,012	2,012	2,012
Borrowing	3,188	3,268	1,999	1,999
Sales Income	17,358	10,436	7,475	-
S106/Other Income	4,300	275	275	275
Total Income	250	1,548	1,548	1,548
	36,014	19,917	15,689	8,212

WINCHESTER MOVEMENT STRATEGY

PROJECT HIGHLIGHT REPORT MAY 2021

Lead Cabinet Member: Cllr Martin Tod

Project Sponsor: John East

Programme Lead: Andy Hickman

Project description and outcome:

The City Council and Hampshire County Council are working together to deliver the aims of a long term Movement Strategy for Winchester designed to improve all forms of movement in and around the city.

Programme update summary:

Phase 1 and 2 summary reports have now been issued and approved with summary reports by the WMS Board.

The study work has included stakeholder involvement and has reflected the impact of Covid-19. The City Council has been working in conjunction with HCC on transport recovery measures in Winchester and the market towns.

A members briefing will be organised shortly.

Programme details

WMS - Phase 1 - Identify Options; Phase 2 - Detailed Assessment; WMS - Phase 1 - Identify Options; Phase 2 - Detailed Assessment;

Project Name	Phases	Current Project Gateway*	Start Date	Projected End Date	Project Manager	Internal Resources	Upcoming Milestone	Comments
Cycling and Walking Improvement Plan	Phase 1	Phase 1 study completion	Aug-19	Feb-20	Currently vacant post	Next stage contained in transport team	Phase 2 study completion Sept	Completed. Phase 1 Summary Report Issued.
	Phase 2	Completion of phase 2	May-20	Nov-20	Currently vacant post	None required	Review of designs based on engagement with HCC engineers, the walking group and the cycling groups	Completed. WMS Board has approved. Summary Report to be issued as part of members briefing.
Freight & Delivery	Phase 1	Phase 1 study completion	Aug-19	Jan-20	Currently vacant post	Next stage contained in transport team	Phase 2 study completion Sept	Completed. Phase 1 Summary Report Issued.
	Phase 2	Completion of phase 2	May-20	Oct-20	Currently vacant post	None required	Comments on Draft Freight and Delivery Plan to be provided	Completed. WMS Board has approved. Summary Report to be issued as part of members briefing.
Bus Station Relocation	Phase 1	Phase 1 study completion	Sep-19	Mar-20	Currently vacant post	Next stage contained in transport team	Phase 2 study completion Sept	Completed. Phase 1 Summary Report Issued.

Project Name	Phases	Current Project Gateway*	Start Date	Projected End Date	Project Manager	Internal Resources	Upcoming Milestone	Comments
	Phase 2	Completion of phase 2	Jun-20	Jan-21	Currently vacant post	None required	Continued coordination with CWR as design developed	Comments on draft completed. WMS Board has approved. Summary Report to be issued as part of members briefing.
Movement and Place	Phase 1	Phase 1 study completion	Sep-19	Mar-20	Currently vacant post	Next stage contained in transport team	Phase 2 study completion Sept	Completed. Phase 1 Summary Report Issued.
	Phase 2	Completion of phase 2	Jun-20	Dec-20	Currently vacant post	None required	Engagement with walking and cycling groups	Comments on draft completed. WMS Board has approved. Summary Report to be issued as part of members briefing.
Park & Ride	Phase 1	Phase 1 study completion	Jul-19	Mar-20	Currently vacant post	Next stage contained in transport team	Phase 2 study completion Sept	Completed Phase 1. Summary Report Issued.
	Phase 2	Completion of phase 2	May-20	Jan-21	Currently vacant post	None required	Review of designs based on engagement with HCC engineers	Comments on draft completed. WMS Board has approved. Summary Report to be issued as part of members briefing.

BUDGET PERFORMANCE

CAPITAL	Prior Years	2020/21	2021/22	2022/23	2023/24	2024/25	Total
	£000	£000	£000	£000	£000	£000	£000
Budget	0	0	0	0	0	0	0
Spend	0	0	0	0	0	0	0
Unspent Budget	0	0	0	0	0	0	0
Forecast	0	0	0	0	0	0	0
Variance to budget	0	0	0	0	0	0	0

Total Capital spend to date



REVENUE	Prior Years	2020/21	2021/22	2022/23	2023/24	2024/25	Total
	£000	£000	£000	£000	£000	£000	£000
Budget	250	375	0	0	0	0	625
Spend	125	173	0	0	0	0	298
Unspent Budget	125	202	0	0	0	0	327
Forecast	0	50	0	0	0	0	50
Variance to budget	240	325	0	0	0	0	575

Total Revenue spend to date



Comments:

In addition to the approved budget, £250,000 has been allocated from CIL and this is subject to eligible proposals being bought forward and approved.

WINCHESTER SPORT & LEISURE PARK

PROJECT HIGHLIGHT REPORT MAY 2021

Lead Cabinet Member: Cllr Angela Clear

Project Sponsor: John East

Project Lead: Andy Hickman

Project description and outcome:

The Winchester Sport and Leisure Park is a fantastic new facility being constructed at Bar End in Winchester and will provides users with 50m pool, treatment rooms, 200 gym stations, four squash courts and two large studios. The aim for the building is to be one of the greenest of its kind in the UK and is on track to achieve a BREEAM rating of excellence.

Project Update Summary:

Project RAG Status:	Timeline		Budget	
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The new Sport and Leisure Park is currently under construction having reached a significant milestone recently with more than 400 Photovoltaic (PV) solar panels installed on the roof of the fitness suite and sports hall.

The impact of the COVID-19 pandemic has posed one of the greatest risks to this project and has led to slower progress than scheduled and delays to the opening of the new sport and leisure park. However, the contractor has maintained a presence on site, albeit with reduced numbers of operatives.

The new site opened on 29 May 2021.

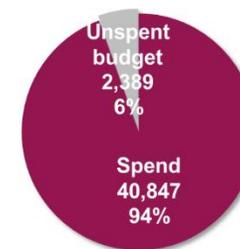
Project Gateways:

	Duration (months)	Start Date	Planned End Date	Projected / Actual End Date	Outcome of Stage incl comments – What will be achieved at the end of this stage?	Key Document SharePoint Links
Stage 0: Concept	-	-	-	-		
Stage 1: Feasibility	-	-	-	-		- Business Case
RIBA Stage 2: Concept Design	4	May-17	Sep-17	Sep-17	Architectural concept approved by the client and aligned to the Project Brief.	- Risk Register (generated via Wrike on a monthly basis)
RIBA Stage 3: Developed Design	5	Nov-17	Apr-18	Apr-18	Architectural concept tested and validated via design studies and engineering analysis.	- Budget
RIBA Stage 4: Technical Design	4	Apr-18	Aug-18	Aug-18	All design information required to manufacture and construct the project completed. This includes: Responsibility Matrix, Information Requirements, Design Programme, Procurement Strategy, Building Regulations Application, Planning Conditions, Cost Plan, and Building Contract.	- Communications Plan Reports/Minutes - Latest Cabinet report 11/02/19
RIBA Stage 5: Construction	24	Mar-19	Dec-20	May-21	Manufacturing, construction and commissioning completed, in accordance with the Construction Programme agreed in the Building Contract.	- Latest Project Board report (January 2021 – actual meeting not held)
RIBA Stage 6: Handover and Close Out	2	Feb-21	Apr-21	May-21	Building handed over, aftercare initiated and Building Contract concluded.	- Latest Project Board minutes (December 2020)
RIBA Stage 7: In Use	1	May-21	Jun-21	Jun-21	Building used, operated and maintained efficiently.	

Budget Performance:

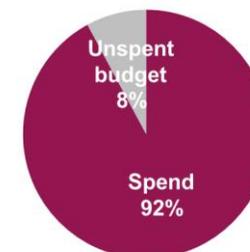
CAPITAL	Prior Years	2020/21	2021/22	2022/23	2023/24	2024/25	Total
	£000	£000	£000	£000	£000	£000	£000
Budget	18,078	23,620	1,538	0	0	0	43,236
Spend	18,078	23,620	148	0	0	0	41,846
Unspent Budget	0	0	1,390	0	0	0	1,390
Forecast	18,078	23,620	1,667	0	0	0	43,365
Variance to budget	0	0	(129)	0	0	0	(129)

Total Capital spend to date



REVENUE	Prior Years	2020/21	2021/22	2022/23	2023/24	2024/25	Total
	£000	£000	£000	£000	£000	£000	£000
Budget	670	29	60	0	0	0	759
Spend	670	29	0	0	0	0	699
Unspent Budget	0	0	60	0	0	0	60
Forecast	670	29	10	0	0	0	709
Variance to budget	0	0	50	0	0	0	50

Total Revenue spend to date



NOTES: *Totals in italics are a 'running total' / 'point in time' amount only
From Mid November 2020, LRSG & Restart Grants replaced the previous grants

SERVICE AREA	MEASURE	2020									2021			TOTAL
		APRIL	MAY	JUNE	JULY	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	
Business Rate Relief and Grants (running total)	All Retail, Hospitality & Leisure Relief (RHL)	£26.02m	£26.67m	£26.77m	£27.34m	£27.79m	£27.88m	£27.88m	£27.88m	£27.88m				£27.88m *
	Small Business Rate Relief	£4.84m	£4.89m	£4.81m	£4.83m	£4.84m	£4.87m	£4.89m	£4.89m	£4.89m				£4.89m *
	Other Reliefs	£5.39m	£5.40m	£5.48m	£5.48m	£5.48m	£5.47m	£5.44m	£5.44m	£5.44m				£5.44m *
	RHL - £10k grants	£1.24m	£2.18m	£2.23m	£2.27m	£2.38m	£2.39m	£2.40m	£2.40m	£2.40m				£2.40m *
	RHL - £25k grants	£8.15m	£9.30m	£9.45m	£9.65m	£9.95m	£9.98m	£9.98m	£9.98m	£9.98m				£9.98m *
	Small Business Grants - £10k	£12.44m	£13.91m	£14.49m	£14.75m	£15.25m	£15.33m	£15.33m	£15.33m	£15.33m				£15.33m *
	(LRSG & Restart) Rateable value £15k or less										£2.65m	£3.21m	£4.38m	£4.38m *
	(LRSG & Restart) Rateable value £15,001 to £50,999										£2.42m	£2.73m	£3.67m	£3.67m *
	(LRSG & Restart) Rateable value £51k or over										£1.23m	£1.46m	£2.23m	£2.23m *
Local Resource Centre / Community Support	Total New Referrals from HCC	347	132	57	20	0	3	3	31	8	25	8	9	643
	Referrals passed to Voluntary Support Groups	125	65	8	7	3	0	0	5	0	7	1	3	224
	Prescriptions delivered	49	49	48	40	0	1	2	9	7	21	9	7	242
	Food parcels delivered	22	33	22	28	0	0	1	5	3	3	0	3	120
	Shopping purchased/delivered	15	4	11	9	0	0	0	2	1	3	0	0	45
	Council tenants contacted by phone to offer support	1650	11	4	1	0	0	0	0	8	6	3	5	1,688
Housing	Total Arrears (running total)	£500k	£535k	£571k	£580k	£592k	£553k	£562k	£557k	£632k	£585k	£580k	£526k	£526k *
	% of Housing tenants in arrears (running total)	31.00%	21%	22%	23%	24%	23%	23%	22%	47%	23%	21%	22%	22% *
	% claiming Universal credit (running total)	14.50%	16%	16%	17%	18%	18%	18%	19%	19%	20%	20%	20%	20% *
	% claiming UC in arrears (running total)	64.00%	55%	55%	57%	58%	54%	54%	48%	65%	51%	48%	46%	46% *
	% current debt due to UC claimants (running total)	58.00%	60%	61%	65%	65%	67%	66%	64%	64%	64%	64%	65%	65% *
	Residents in B&B (number at month close)	13	10	9	3	3	2	1	0	1	6	2	1	1 *
	Rough Sleepers in Council units (no. at month close)	12	10	6	3	0	0	0	6	12	13	13	13	12 *
	Tenancy Support Caseload (weekly new referrals)	58	27	22	22	14	19	16	15	11	11	15	13	243
Waste / Env / Licensing	Planning – Decisions issued (including. SDNP)	225	181	196	199	182	199	243	216	249	246	221	245	2,602
	Bonfires reported	30	21	17	8	13	9	4	3	1	3	2	3	114
	Fly-tipping - reported	139	183	195	181	190	243	193	205	130	235	168	280	2,342
	Waste Collection – Missed Bin reports (cases closed)	260	288	222	278	324	372	288	118	163	211	145	270	2,939
	Garden Waste Bags - New / Replacement bag request	1068	1096	963	808	510	421	290	200	87	75	n/a	n/a	5,518



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website www.winchester.gov.uk

Forward Plan of Key Decisions

August 2021

The Forward Plan is produced by the Council under the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012. The purpose of the Plan is to give advance notice of Key Decisions to be made by the Cabinet, Cabinet Members or officers on its behalf. This is to give both Members of the Council and the public the opportunity of making their views known at the earliest possible stage.

This is the Forward Plan prepared for the period **1 - 31 August 2021** and will normally be replaced at the end of each calendar month.

The Plan shows the Key Decisions likely to be taken within the above period. 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 Members or Officers in accordance with the Officers Scheme of Delegation, as agreed by the Council (a list of Cabinet Members used in the Plan is set out overleaf).

The Plan has been set out in the following sections:

Section A – Cabinet

Section B - Individual Cabinet Members

Section C - Officer Decisions

Anyone who wishes to make representations about any item included in the Plan should write to the officer listed in Column 5 of the Plan, at the above address. Copies of documents listed in the Plan for submission to a decision taker are available for inspection on the Council's website or by writing to the above address. 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 or by writing to the above

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The Government Standard



Regulation 5 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 refers to the requirement to provide notice of an intention to hold a meeting in private, inclusive of a statement of reasons. 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 or by writing to the above address. **Please follow this link to definition of the paragraphs** (Access to Information Procedure Rules, Part 4, page 32, para 10.4) detailing why a matter may be classed as exempt from publication under the Local Government Acts, and not available to the public.

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

Cllr Lucille Thompson

Leader of the Council

1 July 2021

Cabinet Members:	Title
• Cllr Lucille Thompson	Leader & Cabinet Member for Partnerships
• Cllr Neil Cutler	Deputy Leader & Cabinet Member for Finance & Service Quality
• Cllr Angela Clear	Communities & Wellbeing
• Cllr Russell Gordon-Smith	Built Environment
• Cllr Kelsie Learney	Housing & Asset Management
• Cllr Lynda Murphy	Climate Emergency
• Cllr Martin Tod	Economic Recovery

	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
Section A										
Decisions made by Cabinet										
1	None									
Section B										
Decisions made by individual Cabinet Members										
1	None									
Section C										
Decisions made by Officers										
3	Treasury Management - decisions in accordance with the Council's approved strategy and policy	Deputy Leader and Cabinet Member for Finance and Service Quality	Expenditure > £250,000	All Wards	Designated HCC Finance staff, daily	Designated working papers	Designated HCC Finance staff, daily	Aug-21	Aug-21	Open

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

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