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| <b>Meeting</b>       | The Scrutiny Committee                                                                                                                             |
| <b>Date and Time</b> | Tuesday, 12th November, 2024 at 6.30 pm.                                                                                                           |
| <b>Venue</b>         | Walton Suite, Guildhall, Winchester and streamed live on YouTube at <a href="http://www.youtube.com/winchestercc">www.youtube.com/winchestercc</a> |

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

A limited number of seats will be made available at the above named location however attendance must be notified to the council at least 3 working days before the meeting (5pm Wednesday, 6 November 2024). Please see below for details on how to register to attend. Please note that priority will be given to those wishing to attend and address the meeting over those wishing to attend and observe.

## AGENDA

### 1. **Apologies and Deputy Members**

To note the names of apologies given and deputy members who are attending the meeting in place of appointed members.

### 2. **Declarations of Interests**

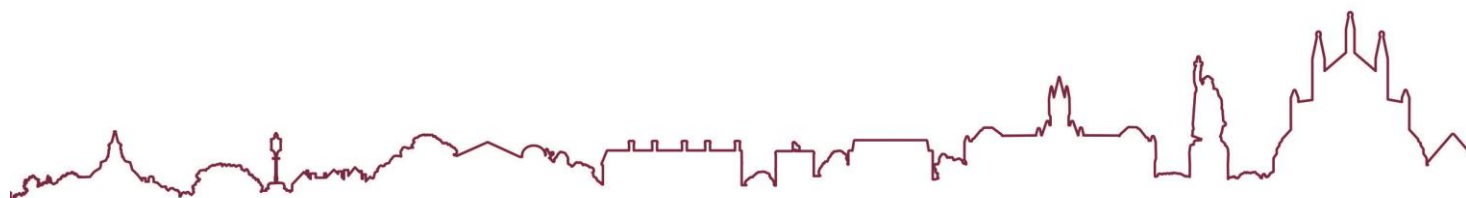
To receive any disclosure of interests from Members and Officers in matters to be discussed.

*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.*

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

### 3. **Chairperson's Announcements**

The Chairperson would like to advise committee members and the public that there is a substantial amount of business on this agenda. While it is planned that all items will be addressed during this meeting, in the unlikely event that the committee cannot conclude all of its business, the committee may decide to adjourn to another, suitable date.



4. **Minutes of the meeting of the 14 October 2024** (Pages 7 - 14)  
That the minutes of the meeting be signed as a correct record.

5. **Public Participation**

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

Members of the public and visiting councillors may speak at the committee, provided they have registered to speak three working days in advance.

Please complete [this form](https://forms.office.com/r/Y87tufaV6G) (<https://forms.office.com/r/Y87tufaV6G>) by 5pm on 6 November 2024 or call (01962) 848 264 to register to speak and for further details.

6. **General Fund Budget Options & Medium Term Financial Strategy** (Pages 15 - 48)

**RECOMMENDATION:**

It is recommended that the committee scrutinise and comment on the proposals within the attached draft cabinet report, ref CAB3483 which is to be considered by cabinet at its meeting on the 20 November 2024.

7. **Housing Revenue Account business plan & budget options** (Pages 49 - 76)

**RECOMMENDATION:**

It is recommended that the committee scrutinise and comment on the proposals within the attached draft cabinet report, ref CAB3478 which is to be considered by cabinet at its meeting on the 20 November 2024.

8. **Procurement of HRA Repairs and Maintenance Term Contract** (Pages 77 - 172)

**RECOMMENDATION:**

It is recommended that the committee scrutinise and comment on the proposals within the attached draft cabinet report, ref CAB3463 which is to be considered by cabinet at its meeting on the 20 November 2024.

9. **Acquisition of affordable homes at Kings Barton** (Pages 173 - 182)

**RECOMMENDATION:**

It is recommended that the committee scrutinise and comment on the proposals within the attached draft cabinet report, ref CAB3485 which is to be considered by cabinet at its meeting on the 20 November 2024.

**NOTE**

This report contains an exempt appendix, if members wish to discuss any part of the exempt paper, then the procedure under agenda item 9a applies.

- 9a **Acquisition of affordable homes at Kings Barton (Exempt Appendix)** (Pages 183 - 188)

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.

10. **Future of Waste and Recycling; New Food Waste Collections and recycling service.** (Pages 189 - 232)

**RECOMMENDATION:**

It is recommended that the committee scrutinise and comment on the proposals within the attached draft cabinet report, ref CAB3475 which is to be considered by cabinet at its meeting on the 20 November 2024.

11. **Q2 Finance & Performance Monitoring** (Pages 233 - 274)

**RECOMMENDATION:**

That the Scrutiny Committee:

1. Raises with the Deputy Leader or relevant Cabinet member any issues arising from the information in this report, ref CAB3476, which is being presented to Cabinet on the 20 November 2024 and considers whether there are any items of significance to resolve or to be drawn to the attention of Cabinet.

12. **To note the latest work programme for this committee** (Pages 275 - 276)

The latest version of the committee work programme can be found here:

<https://democracy.winchester.gov.uk/mgPlansHome.aspx?bcr=1>

13. **To note the latest Forward Plan of Key Decisions** (Pages 277 - 282)

To note the forward plan of key decisions for the period: 1 December 2024 – 28 February 2025.

**Laura Taylor**  
**Chief Executive**

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



4 November 2024

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

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

## **THE SCRUTINY COMMITTEE – Membership**

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

### **Committee Members.**

#### **Councillors:**

Achwal V  
Batho  
Clear  
Laming  
Pett  
Reach  
Bolton

**Quorum** = 3 Members

### **Relevant Cabinet Members**

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

### **Public Participation**

A public question and comment session is available at 6.30pm for a 15 minute period. There are few limitations on the questions you can ask. These relate to current applications, personal cases and confidential matters. Please contact Democratic Services on 01962 848 264 at least three days in advance of the meeting (5pm Wednesday, 6 November 2024) for further details. If there are no members of the public present at 6.30pm who wish to ask questions or make statements, then the meeting will commence.

### **Filming And Broadcast Notification**

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

**Voting**

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

**Terms Of Reference**

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

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## **THE SCRUTINY COMMITTEE**

**Monday, 14 October 2024**

Attendance:

Councillors  
Brook (Chairperson)

Wallace  
Achwal V  
Batho

Clear  
Laming  
Pett

### **Apologies for Absence:**

Councillors Reach and Bolton

### **Deputy Members:**

Councillor Power (as deputy for Councillor Reach) and Councillor Godfrey (as deputy for Councillor Bolton)

### **Other members in attendance:**

Councillors Cutler and Tod

[Video recording of this meeting](#)

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#### 1. **APOLOGIES AND DEPUTY MEMBERS**

Apologies for the meeting were noted as above.

#### 2. **DECLARATIONS OF INTERESTS**

Councillor Wallace declared a non-pecuniary interest concerning items upon the agenda that may be related to his role as a County Councillor.

#### 3. **CHAIRPERSON'S ANNOUNCEMENTS**

The Chairperson requested an update regarding the committee's previous discussion concerning fly-tipping. Councillor Cutler responded that he had received a detailed analysis from officers which was planned to be included as an appendix to the next quarterly performance report. Councillor Cutler offered to forward this information to the committee ahead of the report's publication. The Chairperson agreed and noted that the committee could then decide if further action was needed at its next meeting.

#### 4. **MINUTES OF THE MEETING OF THE 4 SEPTEMBER 2024**

RESOLVED:

That the minutes of the previous meeting held on 4 September 2024 be approved and adopted.

5. **PUBLIC PARTICIPATION**

Janet Berry and Emma Back addressed the committee regarding the agenda item: Bar End Depot, Bar End Road, Winchester - Disposal and a summary of their contributions were captured within the agenda item below.

6. **BAR END DEPOT, BAR END ROAD, WINCHESTER - DISPOSAL**

Councillor Martin Tod, Leader and Cabinet Member for Asset Management introduced the report, ref CAB3447 which set out proposals for the Bar End Depot, Bar End Road, Winchester - Disposal, ([available here](#)). The introduction included the following points.

1. The site had been listed for disposal for some time to enable its redevelopment and after a thorough and rigorous process, the Council now had a preferred bidder.
2. The report outlined the planning, policy, public engagement, marketing, and bidder selection process undertaken.
3. Moving the project to the next stage would deliver real benefits for the immediate area and the wider district. The redevelopment would end the blight of the depot site. It would bring new housing, including new affordable housing, a much-wanted convenience store, better pedestrian routes, and a new state-of-the-art care home.
4. The Highcliffe Community Plan had indicated that having a shopping facility was the highest priority out of a list of 22 factors that would most improve the area.
5. Councillor Tod was joined by Simon Hendy, Strategic Director, and Geoff Coe, Corporate Head of Asset Management, to take questions and answer any queries about the proposals.

Janet Berry on behalf of Highcliffe Community Forum for Action addressed the committee. She emphasised that she felt that the depot proposal did not fully respond to the Highcliffe Community Plan, which prioritised a community-run hub, shop, and activities for residents. She requested the publication of the full results from the depot consultations and inquired about the planned review of the Design Framework in 2023.

Emma Back addressed the committee, and provided the historic context to the depot redevelopment. She highlighted that initial plans included community facilities complementing the sport and leisure park, but these had been lost in the current development which focused on residential healthcare and a shop. She urged the committee to consider how the development would serve the wider neighbourhood and manage access and parking, particularly for the convenience store and leisure centre users.

The committee was asked to scrutinise and comment on the proposals within the attached cabinet report, ref [CAB3447](#), which was to be considered by cabinet at its meeting on the 15th October 2024.

The committee proceeded to ask questions and debate the report and after agreeing to move into private session (in accordance with the procedure set out on the agenda under item 6a) also considered the content of the exempt appendices contained under agenda item 6a. A number of questions were asked including the following:

1. A question was asked whether the proposed development aligned with the Regulation 19 allocation for the site.
2. Further clarification was sought on whether the proposal was considered mixed-use, given that it included senior living units, a care home, affordable housing apartments, and a convenience store, but lacked other facilities.
3. Clarification was requested on the safeguards in place to prevent developers from altering the agreed terms due to viability concerns, particularly in relation to room sizes and building heights.
4. A question was raised about the size of the proposed convenience store and the minimum acceptable size to major retailers and whether there was potential to make it larger to better serve the area.
5. Questions were asked about why the site had remained unused for seven years, and whether this was normal for such a development opportunity.
6. Clarification was sought on the assumption that the development would liberate family homes as older people moved into the new units, and whether there were any contractual obligations to ensure residents would be from the local district area.
7. A question was raised about the enforceability and likelihood of the long-stop date in the contract being effective in ensuring the development proceeded as planned.
8. Further clarification was sought on why the Council chose to take a capital receipt rather than renting out the land for recurring income, and whether this decision provided greater value to the Council.
9. A question was raised about why residents felt the King George V Pavilion was not meeting community needs for events.
10. Clarification was requested on whether the results of the 2022 consultations could be published, and whether they had been communicated back to residents.
11. A question was asked about how the climate emergency commitments would be implemented in the development, given that the Council could not enforce building standards beyond planning requirements, and whether the wording in the report should be adjusted to reflect this limitation.
12. Further clarification was sought regarding further consideration of community hub facilities for the Highcliffe area.
13. A question was raised about the access and parking for the convenience store, particularly how deliveries would be managed without impacting residential areas, given that access from Milland Road was limited.
14. Clarification was sought on whether GP practices had been consulted regarding the capacity to support a new care home.

15. A question was raised about whether a care home qualified as a healthcare facility, and how the proposal included essential healthcare provision as stated in the report.
16. Queries were raised about the potential impact on the hydrotherapy pool's capacity at the leisure centre, and whether the development would affect its usage or require expansion.
17. A question was asked about the unfinanced capital expenditure for the Winchester Sports and Leisure Park, and whether the capital receipt from the land disposal would benefit the wider district or be used solely for the leisure centre.
18. A question was raised about biodiversity considerations in the development, specifically whether a corridor for biodiversity linking with the South Downs Way, and if this was something that should be included.

During the exempt session a number of questions were asked regarding: access to the development, affordable housing, land contamination, biodiversity corridor, phosphate credits, and the treatment of VAT on purchase.

These points were responded to by Councillor Tod, Leader and Cabinet Member for Asset Management, Simon Hendey, Strategic Director, Geoff Coe, Corporate Head of Asset Management, Laura Taylor, Chief Executive, Councillor Cutler, Deputy Leader and Cabinet Member for Finance and Performance accordingly.

The committee moved back into open session to agree the following.

#### RESOLVED:

The committee agreed the following comments and recommended to cabinet:

1. That the results of the 2022 consultation be made available.
2. That further consideration be given to the parking access and provision related to the convenience store and potential of impact on nearby residents.
3. To review the climate section to ensure statements made relate to what the council is able to influence.
4. To review the wording of item 6 within the purpose statement, particularly the statement that the proposal will include essential healthcare provision for residents.

#### 7. **COUNCIL PLAN 2025-30 (PRESENTATION)**

The Chairperson advised that the scrutiny committee was given the opportunity to review this topic now and again at its November meeting. However, with only three weeks apart and noting that the item had already been presented to both policy committees, the Chair proposed to have the item tabled at this meeting only.

Councillor Martin Tod, Leader and Cabinet Member for Asset Management, introduced the report which set out proposals for the Council Plan 2025-30. The introduction included the following points:

1. The cabinet was keen to gather input from across the council for the Council Plan 2025-2030.
2. Discussions had been held with parish councils, Winchester Business Improvement District (BID), and policy committees.
3. The views of the Scrutiny Committee were now being sought and Councillor Tod welcomed questions, feedback, and insights to consider while developing the proposed Council Plan further.

Simon Howson, Senior Policy and Programme Manager, provided a further introduction which included the following points:

1. That the current Council Plan, adopted in January 2020, was in its final year, ending on 31 March 2025, providing an opportunity to review outcomes and set new priorities for the council and district.
2. The new priorities should be evidence-based, incorporating results from the recent resident survey, young people's views, parish councils, businesses, and staff engagement.
3. The new Council Plan would cover the period up to 31 March 2030 and support the council in delivering a balanced budget, aligning closely with the Medium-Term Financial Strategy and budget considerations.
4. It was essential that the Council Plan was affordable and reflected in the upcoming budget to be presented in February.
5. The current Council Plan priorities and enhanced practices were set out, including tackling the climate emergency, homes for all, living well, vibrant local economy, your services your voice, cost of living, greener faster, pride in place, and listening better.
6. Engagement activities undertaken included liaison with parish councils, resident and young person surveys, presentations to policy committees, engagement with Winchester BID and the voluntary sector, and the Scrutiny Committee meeting.
7. The draft plan would be considered by Cabinet on 11 December, with a recommendation for adoption by Council in January 2025.
8. Key questions were posed to the committee about changes in service demand since 2020 and anticipated changes over the next five years, inviting feedback to inform the development of the next Council Plan.

The Scrutiny Committee was asked to consider the priorities in the current Council Plan and review and comment on the direction of the new Council Plan, including the vision, themes, and priorities.

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

1. A question was raised about making Key Performance Indicators (KPIs) clear and understandable, using language that residents could easily comprehend.
2. Concerns were expressed about how the council could support communities with the restoration or establishment of community centres.
3. A suggestion was made to support community centres in improving heating facilities to help achieve climate emergency goals by 2030.

4. It was proposed that the council enable community facilities to learn from each other and make better use of grants through facilitating knowledge sharing and support.
5. A question was asked about allocating more space for allotments to promote self-sufficiency and support increased demand for outdoor spaces post-COVID-19.
6. Concerns were raised about the impact of COVID-19 on retail services in rural market towns, with facilities closing, and a request was made for more attention and support for rural areas, including transport issues.
7. A question was asked about providing grants to support community buses in rural areas.
8. Concerns were expressed about the progress in delivering projects and the need to consider this as an area of concern.
9. A suggestion was made to focus on reducing the need to travel rather than relying on rural bus services, by making amenities in rural areas more accessible and supporting initiatives that reduced congestion and pollution.
10. A question was asked about influencing digital connectivity in new housing developments through local planning, to support a reduced need for travel.
11. A question was raised about considering hydrogen as an alternative to electric vehicles in the council plan.
12. A question was asked about exploring additional recycling options, including learning from neighbouring councils, to enhance recycling efforts without transporting waste over long distances.
13. Concerns were raised about the usability of the Winchester City Council website, with some residents finding it challenging to navigate and access information or submit comments.
14. A concern was expressed that while there were many ideas for environmental initiatives, the council needed to progress them faster, focusing on efficient delivery.
15. Questions were raised about the council's cultural strategy, including the potential for history walking tours and the promotion of local heritage.
16. A suggestion was made that projects should focus on housing and energy efficiency, ensuring people had adequate homes and could access services and education.
17. A point was made emphasising the importance of financial planning and improving efficiency by 2030, to ensure the council could deliver its projects.
18. A concern was raised about the importance of updating cyber security to protect council services.
19. It was acknowledged that upgrading council homes to improve energy efficiency was a major project that needed to be addressed over the next few years.
20. It was suggested that the resident survey should be fully taken into account with regard to the council plan.

These points were responded to by Councillor Tod, Leader and Cabinet Member for Asset Management, Simon Howson, Senior Policy and Programme Manager, and Councillor Cutler, Deputy Leader and Cabinet Member for Finance and Performance accordingly.

RESOLVED:

The committee agreed to ask the Cabinet Member to consider the points raised during the discussion on the item.

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

RESOLVED

That the latest Forward Plan of Key Decisions be noted.

9. **TO NOTE THE LATEST COMMITTEE WORK PROGRAMME.**

RESOLVED:

That the latest version of the work programme (which can be found here

<https://democracy.winchester.gov.uk/mgPlansHome.aspx?bcr=1> ) be noted.

The meeting commenced at 18:30 and concluded at 21:35

Chairperson

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## SCRUTINY COMMITTEE

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

12 NOVEMBER 2024

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

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

WARD(S): ALL

### RECOMMENDATION:

It is recommended that the committee scrutinise and comment on the proposals within the attached draft cabinet report, ref CAB3483 which is to be considered by cabinet at its meeting on the 20 November 2024.

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

20 NOVEMBER 2024

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

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

WARD(S): ALL

PURPOSE

Local Government continues to face significant financial challenges – particularly in the areas of social care, children’s services and temporary accommodation to prevent homelessness. Future funding remains very uncertain and local authorities are also facing significant challenges as demand increases for critical services.

Winchester City Council has been in the position to date of being less affected by these pressures than some other councils although there are increasing pressures from homelessness in the district. Alongside our careful and prudent financial management there have been several factors that have softened the impact of the pressures on the council; such as the retention of additional business rates from positive economic growth in the district and the previous government’s delay to the expected business rates reset; and extra revenue from the increased number of new homes. Despite these pressures, the council has delivered well against the Council Plan, particularly against the Greener Faster priority.

This Medium Term Financial Strategy (MTFS) forecasts the council’s likely income and expenditure position over the medium-term and reflects detailed analysis and advice from a range of specialist, external economic, treasury and policy advisers. However, in addition to several significant unknown variables such as inflation, interest costs, pay awards, service demand etc., forecasting exactly when and how much the council’s deficit may be is extremely difficult. The Medium Term Financial Plan (MTFP) in Appendix 1 shows projections of balanced budgets for 2025/26 and 2026/27. However, due to several years of single year funding settlements with annual delays to the expected business rates reset (which is expected to significantly reduce the council’s income from business rates as and when it occurs) the

projected budget deficits in the medium term have annually been pushed further away.

The election of a new government and their pledge to move towards multi-year funding settlements to provide long-term financial stability is expected to bring some more certainty to budget planning however, a review of local government finance is not anticipated to benefit Winchester. It is unlikely the overall funding envelope for local government will increase in real terms, and councils such as Winchester that are better off relative to others are expected to see their funding fall at the same rate as pressures continue to increase. The Government has made clear that future local government funding allocation will take a 'deprivation based' approach.

We are putting in place robust measures that seek to address the challenge. Cabinet has initiated an organisation-wide transformation programme to seek out and to deliver transformational changes to the way we deliver services which also targets an efficiency saving of £3m a year to meet future budget challenges. *'Transformation Challenge 2025' has secured* in the region of £850,000 of budget reductions as part of the first phase. Delivery of the remaining Transformation Challenge 2025 (TC25) programme is essential to meet the dynamic budget challenges in the medium term and details of this are set out in section 11 of this report.

As part of TC25, the council has strong ambitions for digital transformation. The goal is to provide our customers with intuitive and easy to use digital solutions to access our services at their convenience, and our officers to have the tools to support them to work efficiently and effectively. The council will support and encourage our customers to go "digital first" when making contact, enabling the prioritisation of face to face and telephone contacts for those who need them as part of the council's inclusive customer offering.

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

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

As noted above, projections used for the MTFP are subject to a high degree of uncertainty. As a result, this MTFS uses assumptions based on the best knowledge available at this time to set out proposals to address both the existing and emerging budget pressures set out in this report.

RECOMMENDATIONS:

That Cabinet:

1. Note the assumptions set out in respect of Government funding, council tax, inflation rates and fees and charges (set out in full in section 13 of this report) and the projections set out in Appendix 1.
2. Approve the Medium-Term Financial Strategy as set out in sections 13 to 17 of the report.
3. Approve that a detailed budget be prepared for consideration by Council in February 2025 based on the assumptions set out in this MTFS; final spending review announcements; and including the following options shown in Appendix 2 and Section 14 of the report:
  - a. That, in relation to Greener Faster and carbon reduction priorities:
    - i. An additional £135,000 per annum be included for the ongoing costs of providing the food waste collection service.
    - ii. An additional one-off budget of £460,000 be included to fund the phased roll out of the food waste service from October 2025, without government funding.
  - b. That, in relation to the Homes for All priority:
    - i. Additional estimates, shown in Appendix 2, of c£300,000 per annum be included to fund increased demand for temporary accommodation to prevent homelessness.
  - c. That, in relation to services:
    - i. A reduction of £300,000 per annum to the energy benchmarking budget in relation to the operation of the leisure centres.
    - ii. An additional £50,000 per annum be included to fund additional pressures on council contracts.
  - d. That, in relation to service income annual budgets, amendments be made as follows, in response to revised estimates:
    - i. An increase of £30,000 per annum to Garden Waste income to reflect increased subscriptions (although partly off-set by increased contract costs of delivering the service to more households, already assumed in the MTFS).
    - ii. A reduction of £200,000 per annum of planning fee income to reflect the current reduced levels of applications received.
  - e. In relation to management of the council's property assets:

- i. An additional £250,000 per annum be set aside into the Property Reserve for the maintenance of and investment in operational assets.
  - ii. A reduction of £500,000 per annum to reflect estimates of future rental income on investment properties.
4. Establish a risk reserve of £1m for homelessness prevention by transferring existing risk reserve funds from the Exceptional Inflation Risk Reserve.
5. Approve maintaining the concessionary price of the Garden Waste collection service at £29 and increasing the prices for small and large bin collections by the waste collection contract inflationary increase with effect from March 2024, resulting in charges of £46 for small bins and £70 for large bins.
6. Approve a capital budget of up to £190,000 to enable a grant of developer contributions, under 'Section 106' agreements monies to be made to Wickham Parish Council for a replacement pavilion at Wickham Recreation Ground.
7. Note the council's application to participate in the Hampshire Business Rates Pool for 2025/26.

IMPLICATIONS:1 COUNCIL PLAN OUTCOME

- 1.1 The budget approved in February 2024 (CAB3444 refers) directly supported the delivery of all outcomes set out in the Council Plan.
- 1.2 The Council Plan sets out five priority areas that the council wants to achieve over the five period to 31 March 2025. Underpinning the Your Services, Your Voice priority (focussed on providing high quality, good value, resilient services) the MTFS sets out the framework of guiding principles to enable the council to take financial decisions, to plan and manage budgets and use its financial resources to support delivery of all services and priorities in the Plan. Plans are currently being finalised in order to present a new Council Plan for adoption from 1 April 2025.
- 1.3 This report sets out a clear focus on the Council Plan priorities centred on tackling climate change. The council declared a climate emergency in June of 2019 and all work in the council has to consider its carbon impacts.
- 1.4 The MTFS also sets out how we will engage, communicate and consult on plans to bring financial sustainability to the council in the light of the enormous, sector-wide pressures on local government services and finances.

2 FINANCIAL IMPLICATIONS

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

3 LEGAL AND PROCUREMENT IMPLICATIONS

- 3.1 Under section 151 of the Local Government Act 1972 a local authority must make proper arrangements for the administration of its financial affairs. Under s28 of the Local Government Act 2003 a local authority must review its budget calculations from time to time during the financial year and take appropriate action if there is any deterioration of its budget.
- 3.2 The council is required under Chapter 3 of the Local Government and Finance Act 1992 to set a council tax for the forthcoming year along with its budget estimates. The decision must be made by 11 March of the preceding year. The council's prospective income from all sources must be equal to its proposed expenditure.

- 3.3 The council is also required to set a balanced budget, taking into account a range of factors, including consultation feedback and decisions must be taken in accordance with the council's duties in the Equality Act 2010.
- 3.4 The approval of the budget and setting of the Council Tax is a decision reserved to Full Council under the Local Government Act 2000 and the Local Authorities (Functions and Responsibilities) Regulations 2000 (as amended). Under these regulations, the Cabinet makes recommendations as to the setting of the council tax and budget to Full Council.

#### 4 WORKFORCE IMPLICATIONS

- 4.1 This MTFS details the organisational approach for managing financial resources to protect our core council services and enable delivery of the Council Plan priorities going forward. Employees are critical to the delivery of these services and priorities and at 31 March 2024 the council had a workforce of 408 FTEs.
- 4.2 The report sets out the current challenges in local government finances and proposals for the council to deal with these locally with a major transformation programme. Whilst there are no proposals in this report to amend any employee budgets, it is recognised that successful transformation of services will involve significant staff time.

#### 5 PROPERTY AND ASSET IMPLICATIONS

- 5.1 The council's General Fund has a property portfolio that was valued at £175m as at 31 March 2024 of which £68.9m is classified as investment properties (held solely for rental income and/or capital appreciation). A key strand of the Council's financial strategy is to maximise income from its assets, where possible, and seek to manage risk by achieving a balanced portfolio of assets. Options considered during the budget planning process may therefore involve investment in the refurbishment of or disposal of assets.
- 5.2 Based on recent expenditure and known future commitments it is clear that further contributions are needed into the property reserve. Currently a £300,000 revenue contribution is made into the reserve each year and this paper proposes a further £250,000, taking the total to £550k per annum.
- 5.3 Latest estimates of future rental income show that based on current contract end dates up to £800,000 is at risk in 2028/29 and 2029/30 and then falling back down to an at risk reduction of £500,000 from 2030/31.

#### 6 CONSULTATION AND COMMUNICATION

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

decisions; to plan and manage budgets; and to use its financial resources to support delivery of priorities.

- 6.2 Consultation principles including those of consulting in good time; being inclusive but with clear and appropriate limits; consulting using clear, simple information; and using responses to inform decision making are specified in and underpin the TC25 programme.
- 6.3 The 2025/26 budget consultation exercise was undertaken in October and the results are being analysed and will inform the 2025/26 budget.
- 6.4 Initial results show:
  - a) Strong support for the TC25 programme and transforming services.
  - b) Strong support for the use of technology to improve efficiency and online access (79% agreed in total).
  - c) Strong support for using reserves to balance deficits over 1 or 2 years (65% agreed in total).
  - d) Slight disagreement on reducing or stopping some non-essential services (46% disagreed).
  - e) Strong support for central government providing full funding for all additional costs of food waste collection (69% agreed in total).
  - f) Strong disagreement on higher council tax band properties paying additional, voluntary, council tax (78% disagreed).
  - g) Mixed feedback on increasing council tax but general disagreement on using this to fund new or enhanced services.
- 6.5 Additionally, consultation specifically for this MTFS and the 2025/26 budget will include:
  - a) A presentation to and discussion with parish council representatives at the November Parish Briefing meeting.
  - b) Discussion with local business representatives through the Chamber of Commerce and the Business Improvement District (BID) Winchester District Strategy Group business briefing in December 2024.
  - c) Scrutiny Committee consideration of proposals in this MTFS report and the Budget Report ahead of Cabinet decision making in November and February respectively. Scrutiny feedback will be summarised and presented to Cabinet for consideration with both reports.

## 7 ENVIRONMENTAL CONSIDERATIONS

- 7.1 The Council Plan recognises one of the main challenges facing the district as “the climate emergency and the pressing need to reduce the Winchester district’s carbon footprint.” In response, an enhanced focus has been given to going greener faster. The main areas of activity are reducing carbon

emissions; ensuring environmental resilience; reducing energy demand; and increasing renewable energy.

- 7.2 It is recognised that significant investment will be required to achieve carbon neutrality targets and that this must be balanced against the challenging budget conditions being faced by all local authorities.
- 7.3 The MTFS includes a £200,000 per annum baseline revenue budget to fund carbon programme delivery work.
- 7.4 As well as these revenue resources, a total budget of £1m over 4 years, funded by prudential borrowing, has been allocated in the capital programme for energy management projects that would cover their financing costs. These projects may, for example, include further provision of solar panels to council properties and local business; further EV charging infrastructure; and other interventions to reduce energy usage. Further proposals for investment in a significant energy generation project on Council land is also being investigated. In addition, projects within the capital programme that are not primarily for carbon reduction must consider the council's Greener Faster objective where possible; for example, the design of the new pavilion at KGV park completed earlier this year includes elements to ensure a sustainable and energy efficient building such as high-performance insulation and solar PV.

## 8 PUBLIC SECTOR EQUALITY DUTY

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

## 9 DATA PROTECTION IMPACT ASSESSMENT

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

10 RISK MANAGEMENT

| <b>Risk</b>                                                                                                                                                                                                                                            | <b>Mitigation</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <b>Opportunities</b>                                                                       |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|
| <p><i>Property</i><br/>Commercial tenants unable to pay rents or subject to business failure</p> <p>Slowdown in commercial property investment, meaning that the council's development schemes achieve less interest or less income than expected.</p> | <p>Close monitoring of rent position by property team with support to tenants through effective working relationships.</p> <p>The council's advisors are reviewing the property investment market and will provide advice as to timing of any marketing.</p>                                                                                                                                                                                                                               | <p>Potential to increase commercial property income when rent reviews are carried out.</p> |
| <p><i>Legal</i><br/>The council is unable to balance the revenue budget resulting in the issuing of a S114 notice.</p>                                                                                                                                 | <p>Proposals set out in this report, including the strategy for management of reserves mitigate against this.</p>                                                                                                                                                                                                                                                                                                                                                                          | <p>Present a balanced budget in difficult circumstances</p>                                |
| <p><i>Timescales</i><br/>Slower than projected economic recovery affecting income received by the council</p> <p>TC25 does not deliver the required level of savings.</p>                                                                              | <p>The council has set aside an Exceptional Inflation reserve of £1.9m to mitigate slower than expected recovery. Other uncommitted revenue reserves are available to support further increases to the projected deficit.</p> <p>The programme is governed by a Programme Board and progress (financially and in timescales) is being monitored through PAC Board as a tier-one corporate project. As a tier-one project, quarterly highlights are reported to the Scrutiny Committee.</p> |                                                                                            |

| <b>Risk</b>                                                                                                                                               | <b>Mitigation</b>                                                                                                                                                                                                               | <b>Opportunities</b>                                                                                                                    |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------|
| <p><i>Financial</i><br/>The council is unable to balance the revenue budget</p> <p>Risk of lower than projected demand for income generating services</p> | <p>Proposals set out in this report, including the strategy for management of reserves mitigate against this.</p> <p>The council has uncommitted revenue reserves available which can be utilised as a last resort as above</p> | <p>Streamlining of services and digitalisation provides opportunities to improve the customer experience as well as making savings.</p> |

## 11 SUPPORTING INFORMATION:

### Local government financial landscape.

- 11.1 The financial pressures faced by local authorities remain very challenging. Some additional funding for specific purposes (such as homelessness) has been announced in the Autumn budget, but the medium-term outlook continues to show that the baseline funding position is unlikely to improve and services will continue to be cut.
- 11.2 The new government have indicated that new and future funding will focus on 'need' and this will therefore benefit higher need, lower tax base authorities. However, this redistribution in funding will create significant challenges for authorities, such as Winchester, who have benefit from the current 'reward' based system.
- 11.3 Council chief financial officers (CFOs) must set a balanced budget for the financial year ahead. If the council's forecast income is insufficient to meet its forecast expenditure for the next year the CFO must issue a 'section 114 notice' to publicly indicate that it cannot meet its spending commitments. For many CFOs, despite managing to balance the budget 12 months ago, many councils are now 'running out of road' to prevent this financial insolvency.
- 11.4 Based on the expected review and redistribution of funding the MTFP (appendix 1) is showing a projected annual budget shortfall of £1.886m per annum in 2027/28, rising to a shortfall of £4.967m by 2029/30.

| General Fund Revenue (£m)                     | Forecast<br>2025/26 | Forecast<br>2026/27 | Forecast<br>2027/28 | Forecast<br>2028/29 | Forecast<br>2029/30 |
|-----------------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Budget Surplus / (Shortfall)</b>           | <b>0.590</b>        | <b>0.635</b>        | <b>-1.001</b>       | <b>-2.392</b>       | <b>-3.812</b>       |
| Unavoidable growth                            | -1.140              | -1.185              | -1.435              | -1.705              | -1.705              |
| Budget options                                | 0.550               | 0.550               | 0.550               | 0.550               | 0.550               |
| <b>Net budget growth</b>                      | <b>-0.590</b>       | <b>-0.635</b>       | <b>-0.885</b>       | <b>-1.155</b>       | <b>-1.155</b>       |
| <b>Revised general fund forecast deficits</b> | <b>0.000</b>        | <b>0.000</b>        | <b>-1.886</b>       | <b>-3.547</b>       | <b>-4.967</b>       |

*Table 1 – extract of the 2025/26 – 2029/30 MTFP showing the forecast budget shortfalls over the medium-term planning period.*

- 11.5 The MTFP is showing a sound and stable position for Winchester for the next two financial years through to April 2027. This gives us a limited window of opportunity to tackle the looming crisis forecast from 2027 onwards.

### **The council's approach to tackling the financial challenge**

#### **Transformation Challenge 2025 (TC25)**

- 11.6 The first signs of the extraordinary financial pressure faced by the council's General Fund and it's unsustainable medium term financial position were set out in the MTFS in November 2022 (CAB3374).
- 11.7 In a recent survey by the Local Government Association (LGA) of Chief Executives in England, over four in ten social care councils (44 per cent) said they were likely to apply for exceptional financial support (EFS) in the next couple of financial years. Decisions and budget cuts made by others such as the county council are likely to have significant downstream impacts on the City Council with additional pressures and demand.
- 11.8 It is clear that the long-term financial challenge for the council continues to be like no other and of a completely different magnitude to previous rounds of savings since the mid-2000s. Although the scale of the budget gap may not appear as significant as others in the sector, a £3m budget gap per annum represents approximately 7.5% of the gross general fund revenue budget or a c30% increase in council tax.
- 11.9 There is no doubt that the scale of financial pressures is extending beyond those councils responsible for social care with several district councils in receipt of a Best Value notice or having to declare a S114 notice. In order to take all steps to prepare for a more restricted budget situation an organisation-wide transformation programme was launched in 2023 to seek and deliver transformational changes to the way we deliver services in order to save £3m a year within 3 years.

- 11.10 Transformation Challenge (TC25) is a tier one strategic project sponsored by the Transformation Programme Board consisting of the Leader, Deputy Leader of the Council, the Chief Executive and the Director (Finance). The Board has clear terms of reference, setting out the transformation, financial, workforce and consultation principles of the programme. A Programme Lead and Programme Manager have been seconded to drive the programme and ensure success can be achieved and measured. Progress on TC25 work is monitored by the Programme and Capital Strategy Board and reported through the quarterly performance reports to The Scrutiny Committee.
- 11.11 To establish the first areas for action, 'Star Chamber' meetings with Corporate Heads of Services and their responsible Cabinet Members were carried out during November and December 2023 which resulted in £607K immediate budget efficiencies and a set of activity for action over the three subsequent years.
- 11.12 In addition, to this cross organisational approach all staff and Members were invited to submit proposals for service change and improved customer service, which are now collated into the following six themes:
- a) Digital redesign
  - b) Structural cost reduction through service change
  - c) Contract management change
  - d) External funding and partnerships
  - e) Income generation
  - f) Budget review
- 11.13 A core element of the TC25 programme is around digital transformation of council services. Delivering customer centred, data-driven digital solutions will streamline our internal operations, make us more efficient and elevate our customers' experience. The council is aiming to make intelligent use of data to optimise decision making; to reduce carbon emissions by printing and posting less; and to provide intuitive and easy to use digital solutions to access our services when it's convenient for customers.
- 11.14 Improving customer service is a founding principle of the TC25 work and three priority areas for action have been determined:
- a) Digitisation of planning - ensuring the service and processes are as efficient and automated as possible while remaining adaptive to national planning requirements.
  - b) Improving our customers' experience – aiming to building a legacy of 'digital first' and 'digital by choice'. We will enable customers to get what they need quickly, simply, and cost effectively, focussing face-to-face support for those who really need it and maintaining inclusivity for all.
  - c) Maximising income from the council's assets - driving income from our council properties.

- 11.15 A summary of the additional budget reductions, over-and-above those reported in the 24/25 General Fund Budget report (CAB3444) and already removed from the MTFS, is set out below:

| Review                                                                        | Budget Reduction |
|-------------------------------------------------------------------------------|------------------|
| Review of Mayoral transport                                                   | £6,000           |
| Building Control fee increase to reduce losses on chargeable service (part 2) | £50,000          |
| Weekend closure of City Offices                                               | £4,000           |
| Re-negotiation of contracts                                                   | £12,000          |
| City Lets scheme reduction                                                    | £47,900          |
| Review of City Centre Wi-Fi                                                   | £10,000          |
| Print & Graphics                                                              | £13,000          |
| Garden Waste additional uptake of service                                     | £30,000          |
| Utilisation of in-cab technology for the Garden Waste service                 | £20,000          |
| Review of premises licensing income                                           | £46,000          |
| Other minor savings and income generation                                     | £11,100          |
| <b>Total.</b>                                                                 | <b>£250,000.</b> |

- 11.16 In addition to the budget savings that have and will be removed from the MTFS, there has been cost reductions (that would otherwise have resulted in an overspend) as a direct result of TC25, totalling £173,000 as below:

| Cost reductions                           | All years        |
|-------------------------------------------|------------------|
| Energy Management                         | £103,000         |
| Goods Shed letting - income in perpetuity | £60,000          |
| Postage                                   | £10,000          |
| <b>Total</b>                              | <b>£173,000.</b> |

- 11.17 To date, TC25 has secured total budget reductions of £857,000 (£607,000 removed in the 2024/25 budget report in February 2024 and a further £250,000 identified in this report). This is a solid start to meeting the £3m target but further effort will be required to continue to meet the budget challenge. The recent Corporate Peer Challenge acknowledged the work to date and recognised that a step change is needed to move onto the wider implementation phase of TC25,
- 11.18 Whilst we could rely on the current TC25 programme to close the budget gap, given the 'known unknowns' and unavoidable budget pressures it is prudent that we take further pro-active measures and move to the next phase of our transformation programme. It is recognised that an ongoing transformation programme is required to deliver the service change and savings needed. The next phase of TC25 is being developed to ensure the council has a robust plan for dealing with the medium-long term budget shortfalls.

Government have been clear that they expect Local Authorities to take all reasonable steps to set, and maintain, a balanced budget.

- 11.19 A detailed review of the operating model for the delivery of all our services, including the HRA, is required if the transformation is to deliver the necessary savings and protect our services for those residents and customers in the greatest need.
- 11.20 This strategic review will give us an organisation-wide picture and will allow for a prioritisation exercise to inform a plan for deployment if and when needed. This is an approach endorsed by CIPFA and is similar to the approach taken by commissioners when authorities declare a s114. Feedback to authorities that have declared s114's, has been that had they of reacted faster and been bolder, the situation could have been avoided.
- 11.21 TC25 is also about transforming our organisation to become a digitally enabled council fit for the future, improving the experience of our customers and making services more accessible and efficient. We continue to work on this key strand alongside delivery of the £3m. Our Digital Vision and Strategy is being developed and a Digital Programme Manager was appointed in the summer to lead this. Recruitment for three Project Leads is underway for the Digitalisation of Planning, Customer Experience and Microsoft 365 implementation and adoption projects.
- 11.22 In addition, to support the organisation as it enters a period of significant change and transformation, a Change Specialist is being recruited to the TC25 team to deliver organisational and change management strategies and initiatives that fosters a high performance culture aligned to our values and support a culture of continuous improvement.

## 12 2024/25 Budget Update

- 12.1 The latest forecast for the 2024/25 general fund budget is a surplus of £1.260m and is due to be reported in the Quarter 2 Performance Report (CAB3476 refers). Out of the forecast surplus, £1.060m is related to the release of additional NNDR surplus gains from 2024/25 and reported in the General Fund 2023/24 Outturn (CAB3464). The forecast surplus is the net of a number of forecast favourable and adverse income and expenditure variances, relating to services.
- 12.2 Adverse service income variances relate to;
- a) Planning Fees - £200k
  - b) Homelessness B&B costs - £30k
- 12.3 Favourable service income variances relate to;
- a) Car Parking Income - £100k
  - b) Garden Waste Fees - £30k
  - c) WS&LP Energy Benchmarking - £300k

- 12.4 The forecast surplus for 2024/25 is assumed in the MTFP (appendix 1) as being transferred to the transitional reserve to support the transformation programme.

### 13 Preparing the budget - assumptions used in the MTFS

#### Government funding update

- 13.1 The Chancellor announced the Autumn Budget on 30 October 2024. Whilst detailed funding announcements won't be received until December, key announcements are set out below. The MTFP in appendix 1 does not include adjustments for these changes to government funding but as more information is received on the specific impact on Winchester, the new funding streams will be included in the budget brought forward to Council in February.
- a) Employers NI to increase from 13.8% above £9,100 to 15% above £5,000. The additional forecast baseline costs are approx. £380,000 per annum for the General Fund. Local government will receive additional compensatory funding but the distribution methodology is unknown so additional costs may not be covered in full.
  - b) National Living Wage to increase by 6.7% to £12.21 per hour.
  - c) New Homes Bonus – no update
  - d) Additional one-off specific funding for local authorities in 2025/26 of:
    - i. £230m additional homelessness funding
    - ii. £86m additional disabled facility grant
    - iii. £900m transitional UK Shared Prosperity Fund, (whilst this is a 40% reduction on 24/25 funding was due to end after the current year).
  - e) Extended producer responsibility (EPR) funding is estimated at £1.1bn but no breakdowns confirmed yet, especially for two tier areas. The payments are expected to commence in 2025/26 but to date there has been no clarity around how much Winchester may receive as a district Council. There is also a risk around whether there may be future expenditure demands tied to the EPR funding, which combined is why forecasts in Appendix 1 assume no EPR funding at this stage.
  - f) Funding reforms are targeting 2026/27 but timescales are tight. Business rates reform is on the way and devolution is on the agenda.
  - g) There is a strong focus on directing funding towards authorities with higher needs and also taking into account local revenues (business rates and council tax). This will start as soon as 2025/26 for additional funding.

- 13.2 Despite many years of uncertainty as to how and when a fair funding review will take place and how and when a re-set of business rates will occur, it is not expected there will be time for the new government to make any major changes ahead of 2025/26.
- 13.3 This Council has benefited from the short-term benefits of a major funding review which has had the effect of pushing out expected reductions into future years. Whilst this gives time to deliver cost efficiencies within the TC25 programme, it does create uncertainty within medium term forecasting and also a greater 'cliff-edge' as business rates retention continues to grow in the intervening period.
- 13.4 Forecasts of government funding in Appendix include significant 'damping payments' from government to ease authorities into their revised funding. Over four years this is currently estimated to total over £12m and whilst based on the best information available (including indications from the previous government) it is highly uncertain and a strong reason for the risk reserves set out within earmarked reserves below.

#### Other changes to Government funding

- 13.5 Winchester have been approached to become part of a **Business Rates (NNDR) Pool** for Hampshire in 2025/26. This would involve pooling NNDR gains with Hampshire County Council and a number of district councils within Hampshire. The result would be an in-year saving on the current 50% Levy payment to central government that is made on all NNDR gains above the baseline level. These savings would then be shared with Hampshire County Council on 50:50 basis. The pooling arrangements are being supported by experienced consultants LG Futures who have already been involved in setting up a number of successful pooling arrangements across the country.

#### Assumptions included in the MTFP

- 13.6 In line with advice from our advisors, a number of key assumptions have been made in the MTFS (shown in Appendix 1):
- a) New Homes Bonus will continue in 2025/26 and will be at the same level as in 2024/25.
  - b) A reset of business rates and changes to the current funding distribution system will not take place until 2026/27 (a further year on than in the previous MTFP).
  - c) Damping funding will be available to compensate for lost grant from 2026/27 and this will be phased out over a 4-year period.
- 13.7 The ongoing uncertainty around future government funding makes it very difficult to forecast and plan for the medium term. However, given that Winchester has benefited significantly from the current, mainly rewards-based system (New Homes Bonus and Retained Business Rates) then it is

necessary to plan for future funding which is more based around 'need'. Both the New Homes Bonus and Retained Business Rates rewards systems are both long overdue fundamental review and were only laid out in their current form for a fixed time period.

### Council Tax

- 13.8 There is uncertainty over Council tax referendum limits and other potential council tax changes for 2025/26. For forecasting purposes, it is assumed that these will remain at up to 3% (the previous £5 limit may remain but is now lower than 3%).
- 13.9 The MTFS assumes a general annual tax base increase of 1.2%. An increase of 1.2% will generate approximately an additional £0.1m p.a. of district Council Tax Income. However, there are additional costs associated with additional properties (Environmental Services Contract cost is specifically increased based on number of additional properties).
- 13.10 The MTFS currently assumes a council tax increase of 2.5% in 2025/26.
- 13.11 Any increase in council tax will need to bear in mind the interrelationship between the town and district precepts, which are subject to the same combined referendum limit.

### Inflation rates

- 13.12 While inflation has fallen in recent months with CPI falling below the BOE target of 2% in September, volatile items such as air fares and fuel prices were the primary drivers of the drop in that month, and there continues to be inflationary pressure in some areas such as the rise in the retail energy price cap. In addition, there are significant geopolitical risks in the Middle East and elsewhere that present a potential upside risk to inflation. It is also important to note that certain major contracts are uplifted by inflationary measures (such as salaries) which have historically often been at levels above CPI.
- 13.13 Agreement on a national staff pay award for 2024/25 has not yet been reached and given the risks around employment costs (such as potential changes to Employers NI) estimates include an uplift in budgets of 4% for 2025/26.
- 13.14 The forecasts in Appendix 1 take account of increased inflation, with assumptions of increases of 4% on contracts and pay for 2025/26. The forecast assumes inflation will fall in future years.

### Fees and charges

- 13.15 Following previous approval of the fees and charges policy framework (whereby fees and charges will be increased by the September CPI to address contractual increases, to achieve cost recovery or to bring a fee in

line with the market norm) the MTFP in appendix 1 assumes this continues to be the case. Additionally, that it continues to be the case that the Section 151 officer is authorised, in consultation with the Cabinet Member for Finance and the Cabinet Member responsible for the service, to approve a different fee where appropriate.

#### 14 Budget reviews and unavoidable growth

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

##### Homelessness Prevention temporary accommodation costs.

- 14.2 Demand is rising sharply at the same time as Hampshire County Council are considering reducing their support of short term accommodation within Hampshire. Projections in Appendix 2 show estimated budget pressures of £0.3m per annum but there is a risk that costs could be significantly higher than this should demand continue to rise. The government has announced an additional £233m in homelessness funding for local authorities. It is not yet known how much of this Winchester will receive but it will at least partially offset the increased pressure.
- 14.3 Given the uncertainties around demand for and funding of homelessness prevention services it is prudent to establish a risk reserve to mitigate the risk costs will be significantly higher than budgeted for. Risk reserves allow the council to set aside funding that can be triggered by one-off costs or fluctuating conditions rather than unnecessarily over-inflate the annual, baseline budget for a particular service.
- 14.4 A Homelessness Prevention Pressures Reserve of £1m can be established using some of the existing Exceptional Inflation Reserve which, following review, can be reduced by £1m and still provide prudent mitigation of financial pressures arising from contractual inflation and increased costs due to interest on the council's borrowing.

##### Investment Property – loss of income

- 14.5 The council generates income from tenancies across a portfolio of commercial properties. There is uncertainty over the income levels achievable from some properties as existing lease come to an end. The MTFS has been adjusted to reflect the latest forecasts with budget pressures of up to £800k by 2028/29.

### Service Income

14.6 Service income budgets have been reviewed and the following adjustments are recommended to reflect changes in service demand:

- a) **Garden Waste** Income (existing budget £1.4m per annum) – based on increased subscriptions in 2024 a budget increase of £30k is proposed. Whilst still not achieving full cost recovery, this does further close the current deficit.
- b) **Planning Fee** Income – a baseline reduction in the income budget of £200k is recommended whilst further work is undertaken in order to forecast expected levels over the medium term. Applications are down again significantly in 2024/25 which to a certain extent is expected towards the end of a local plan period.

### 14.7 Service Expenditure

- a) **Leisure Centres Energy Benchmarking** – budget provision of £400k per annum was approved towards the additional utility costs at Winchester Sport and Leisure Park and Meadowside Leisure Centre. Initial indications suggest that, following reductions in utility prices, there will be a significant reduction in costs in 2024/25 to below £100k per annum.
- b) **Homelessness Prevention** B&B costs – as above
- c) **Estates Property Reserve** – current projections based on an annual revenue contribution to reserves of £300k per annum is not sufficient to cover expected future expenditure. A further revenue contribution of £250k per annum to be considered (taking the total contribution to £550k).
- d) **Food Waste Collections** – additional cost estimates, relating mainly to the new depot provision, total a net £135k per annum from 2026/27. Commencing a phased service from October 2025, without government funding, is forecast to cost £460k in total for 2025/26, which is £320k above the existing budget provision.
- e) **Contract cost increases** – additional baseline costs of £50k per annum from 2025/26.

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

## 15 Reserves

- 15.1 Reserves play a major role in the Council's overall financial stability. They ensure that funding is available over the medium term to support major one-off expenditure covering areas such as major projects, the repair and maintenance of Council assets, risk management, and for the management of certain government funding such as Homelessness.
- 15.2 The estimates shown in Appendix 1 assume there will be no draws from reserves in order to meet ongoing expenditure. However, risk reserves are available to support the TC25 programme where required and also could act as a temporary buffer against the risk of changes in government funding, such as a reset of business rates retention.
- 15.3 A summary of reserves is included as appendix 3. As we are awaiting detailed government funding announcements for 2025/26 and beyond it is planned to review reserve levels in more detail over the coming months, with a final report from the S151 officer on the robustness of reserves in February 2025. This review will include consideration of existing risks but also new risks such as Homelessness Prevention Bed and Breakfast accommodation costs.
- 15.4 The most significant reserve balance, outside of CIL, is the "Transitional Reserve" which was established 5 years ago. This reserve has an uncommitted balance of c£10m and has the dual purpose of supporting the critical transformation and digitalisation investment required in order to deliver the required future baseline budget savings; and also acting as a temporary buffer should savings take longer to deliver than had originally been planned.
- 15.5 It should be noted that major projects and regen work is usually funded from the Major Investment Reserve. With existing commitments, there is only just over £4.6m remaining in that reserve and all future business cases for regeneration work will need to take this into account (a clearer and stronger focus on financial viability). Whilst many costs can be capitalised and funded from borrowing if works proceed, upfront investment has been high for previous projects, arguably with insufficient focus on cost recovery.

## 16 General Fund Capital

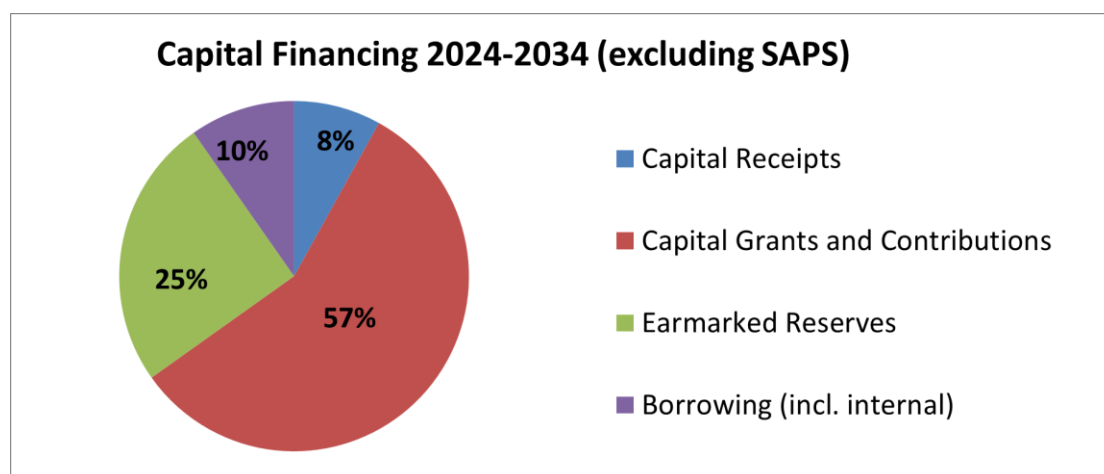
- 16.1 The council has a general fund capital programme totalling £40.3m over the next 10 years. Of this, £4m relates to the Strategic Asset Purchase Scheme (SAPS) which will only be spent if suitable assets are identified for purchase in line with the provisions of the scheme. Of the total programme around £25m has been approved for expenditure, with the remaining projects, including SAPS, subject to appraisal.
- 16.2 High inflation until recently and increased borrowing costs both present a challenge to the capital programme. However, by using the resources available to it and, where possible, maximising the use of external grants and contributions, the council still has an ambitious programme of works such as

the installation of an all-weather 3G pitch at Winchester City Football Club, a significant Disabled Facilities Grant programme, CIL funded community grants, refurbishments to play areas, investments in the council's car parks and public conveniences, and the creation of a Housing Company.

- 16.3 In the coming years it is anticipated that, in addition to the existing programme, capital budgets may be required in order to: create ongoing savings in respect of the TC25 programme; implement digitalisation to enhance the customer experience and deliver savings; and meet the council's carbon reduction objective such as investment in solar PV.
- 16.4 Ongoing careful asset management is essential and there are potential opportunities from asset sales where the capital receipt could be used to either finance projects that would otherwise be unaffordable or to reduce the council's outstanding borrowing need which translates to annual revenue cost savings.

#### Capital Financing

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



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

- Capital grants and contributions (e.g. Disabled Facilities Grant and Community Infrastructure Levy);
- Capital receipts (from asset sales);
- Earmarked Reserves (e.g. the Major Investment Reserve, the Property Reserve, the Car Parks Property Reserve, and the IMT Reserve);
- Revenue contributions; and

- Borrowing including internal (also known as the “Capital Financing Requirement”).

- 16.7 Where possible, the most restricted funding sources should be used before using earmarked reserves or revenue contributions. Capital grants and contributions typically are for either specific projects or types of expenditure, and capital receipts from the sale of assets can only be used to finance new capital expenditure or reduce unfinanced capital expenditure (borrowing) from prior years. Revenue reserves are not restricted to capital only and can therefore fund expenditure that is not capital in nature and can be used to fund day to day expenditure should there be either an unplanned shortfall in income or unexpected additional expenditure.
- 16.8 Local authorities may also incur borrowing for capital projects in line with the Prudential Code as long as the capital programme overall is “affordable, sustainable, and prudent”. General Fund capital projects funded by prudential borrowing will incur an annual revenue cost over the life of the asset – a minimum revenue provision (MRP), which is equivalent to the principal repayment, and external interest/opportunity cost. There is not a requirement to apply MRP in respect of the HRA. Where a project does not provide additional income or savings in excess of the annual borrowing cost, it may be necessary for the council to make further savings elsewhere. Typically, the council funds projects from borrowing where the income and/or savings exceed the cost of borrowing.
- 16.9 Where the council has existing resources (e.g. reserves) it is able to “internally” borrow and so delay the need to externalise its borrowing requirement; this reduces interest costs in the short term. The council's Capital Financing Requirement (CFR) up to 31 March 2024, which represents unfinanced capital expenditure in prior years, is shown in the table below. The CFR is increased when a new capital project isn't financed from other resources and is reduced by the annual MRP. The council can also elect to reduce the CFR by making a “voluntary” provision above the MRP. This will reduce the amount of MRP in future years and, if funded by a new capital receipt, will also reduce the need to externally borrow and therefore interest savings can be made. Overall

| <b>Capital Financing Requirement</b>                  | <b>General Fund<br/>£000</b> | <b>Housing Revenue Account<br/>£000</b> | <b>Total<br/>£000</b> |
|-------------------------------------------------------|------------------------------|-----------------------------------------|-----------------------|
| <b>Capital Financing Requirement at 1 April 2023</b>  | <b>71,653</b>                | <b>199,777</b>                          | <b>271,430</b>        |
| Unfinanced capital expenditure - in year              | 698                          | 12,856                                  | 13,554                |
| Minimum revenue provision (MRP)                       | (1,591)                      | 0                                       | (1,591)               |
| Voluntary provision for the financing of capital      | (600)                        | (87)                                    | (687)                 |
| <b>Capital Financing Requirement at 31 March 2024</b> | <b>70,160</b>                | <b>212,546</b>                          | <b>282,706</b>        |
| <b>Made up of:</b>                                    |                              |                                         |                       |
| External borrowing                                    | 0                            | 159,722                                 | 159,722               |
| Internal borrowing                                    | 70,160                       | 52,824                                  | 122,984               |

### Challenges and opportunities

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

#### *Inflation*

- 16.11 The September Consumer Prices Index (CPI) was 1.7% (compared to 6.7% a year earlier and 10.1% the year before). However, inflation differs between products and sectors. For example, overall, construction materials costs fell by 1.1% between August 2023 and August 2024 though it varies depending on different material types. It should be noted that this follows a period of very high construction inflation and that construction material prices remain 13.7% higher than 3 years ago and 37.7% higher than 4 years ago (source: Monthly Statistics of Building Materials and Components - data.gov.uk).

#### *Borrowing*

- 16.12 Local authorities can borrow from the Public Works Loans Board (PWLB) which is typically the cheapest and easiest source of borrowing. Lending rates are based on UK gilts (government borrowing) plus a margin of 0.8%. The council's treasury advisors expect longer term gilt yields to remain steady or fall slightly in the medium term but do not expect a return to the historically low rates that were available for several years. The 40-year annuity rate as at 14 October this year was 5.53% compared to 2.3% in February 2022.
- 16.13 Significant changes in the cost of borrowing can impact on the commercial viability of refurbishment or regeneration projects and on the affordability of the capital programme overall. For example, for a £5m project with a 30-year life the annual cost of borrowing (MRP (principal repayment) and interest) is £240,000 per annum (4.8%) at an interest cost of 2.5% and is £325,000 (6.5%) at an interest cost of 5%. The gross yield for commercial viability needs to be more than the total MRP and interest cost.

#### *Asset sales*

16.14 As well as refurbishing existing assets, the council considers the possible sale of assets as part of its asset challenge programme. While there may be reasons not to dispose of particular assets the benefit of a sale is that it produces a capital receipt that can be used to fund capital expenditure for which alternative funding is not available or where high borrowing costs would make a project unviable. It could be used to fund expenditure that would have been funded by revenue reserves thus releasing those reserves for other purposes.

16.15 A new capital receipt can also be used to reduce prior year unfinanced capital expenditure and deliver annual revenue savings by reducing MRP (principal repayment) and interest costs. The actual saving would depend on the life of the asset concerned and on the interest costs at the time. The following table illustrates the potential estimated annual saving made on an asset with a life of 40 years:

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

*New capital budget requirement - Wickham Parish Council capital grant.*

16.16 £160,000 was collected by the council in March 2020 in respect of a S106 financial contribution for the improvement of Wickham Recreation Ground, which is owned by Wickham Parish Council. At the time, discussions between the developer, parish council and city council concluded that whilst the financial contribution was intended for Wickham Parish Council's sports facilities, it would need to be paid to and held by the city council initially as the parish council were never party to the S106 legal agreement.

16.17 The Parish Council has commissioned drainage works and identified an architect to bring forward proposals for a replacement pavilion. A planning application is anticipated in January 2025 and work is expected to commence around April/May 2025. Interest continues to accrue on the sums held and a capital budget of up to £190,000 is required to enable the monies to be granted to the Parish Council (£25,000 in 2024/25 and the remainder in 2025/26). The final grant amount and basis of payment will be approved via an officer decision notice in line with Financial Procedure Rule 7.4.

*Emerging projects*

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

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

## 17 Adequacy of Reserves and Robustness of Estimates

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

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

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

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

## 18 OTHER OPTIONS CONSIDERED AND REJECTED

18.1 Scope for additional savings in 25/26 to reduce the use of reserves does exist but would have a significant and direct impact on service levels and service quality. With the uncertainty that exists regarding future funding, the recommended balance between savings and use of reserves to achieve a balanced budget is considered reasonable.

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

BACKGROUND DOCUMENTS:-

Previous Committee Reports:-

CAB3430 General Fund Budget Options & Medium-term Financial Strategy dated 21 November 2023

CAB3444 General Fund Budget 2024/25 dated 8 February 2024

CAB3443 Capital Investment Strategy 2024-2034 dated 8 February 2024

CAB3464 General Fund Outturn 2023/24 dated 11 September 2024

Other Background Documents:-

None

APPENDICES:

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

|                                                        |                |                 |              |                 |                 |                 |                 |                 |                 |                 |                 |                 |
|--------------------------------------------------------|----------------|-----------------|--------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Council Tax Base                                       | 2.2%           | 2.2%            |              | 1.2%            | 1.2%            | 1.2%            | 1.2%            | 1.2%            | 1.2%            | 1.2%            | 1.2%            | 1.2%            |
| Council Tax - Band D £                                 | 2.5%           | 2.5%            |              | 2.5%            | 2.0%            | 2.0%            | 2.0%            | 2.0%            | 2.0%            | 2.0%            | 2.0%            | 2.0%            |
| Contractual Inflation                                  | 6.7%           | 6.7%            |              | 4.0%            | 3.0%            | 3.0%            | 3.0%            | 3.0%            | 3.0%            | 3.0%            | 3.0%            | 3.0%            |
| Pay Inflation                                          | 4.0%           | 4.0%            |              | 4.0%            | 2.0%            | 2.0%            | 2.0%            | 2.0%            | 2.0%            | 2.0%            | 2.0%            | 2.0%            |
| <b>General Fund Revenue (£m)</b>                       | <b>Budget</b>  | <b>Forecast</b> |              | <b>Forecast</b> | <b>Forecast</b> | <b>Forecast</b> | <b>Forecast</b> | <b>Forecast</b> | <b>Forecast</b> | <b>Forecast</b> | <b>Forecast</b> | <b>Forecast</b> |
|                                                        | <b>2024/25</b> | <b>2024/25</b>  |              | <b>2025/26</b>  | <b>2026/27</b>  | <b>2027/28</b>  | <b>2028/29</b>  | <b>2029/30</b>  | <b>2030/31</b>  | <b>2031/32</b>  | <b>2032/33</b>  | <b>2033/34</b>  |
| <b>Funding</b>                                         |                |                 |              |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Council Tax (excluding Parish Precepts)                | 9.830          | 9.830           |              | 10.203          | 10.546          | 10.900          | 11.266          | 11.644          | 12.035          | 12.440          | 12.858          | 13.291          |
| Retained Business Rates                                | 7.459          | 7.459           |              | 7.959           | 4.394           | 4.706           | 5.034           | 5.375           | 4.893           | 4.991           | 5.091           | 5.192           |
| Revenue Support Grant                                  | 0.166          | 0.166           |              | 0.133           | -0.795          | -0.828          | -0.863          | -0.898          | -0.933          | -0.952          | -0.971          | -0.990          |
| New Homes Bonus                                        | 1.645          | 1.645           |              | 1.749           |                 |                 |                 |                 |                 |                 |                 |                 |
| Services Grant                                         | 0.014          | 0.016           |              | 0.016           |                 |                 |                 |                 |                 |                 |                 |                 |
| 3% Guarantee                                           | 1.182          | 1.193           |              | 0.866           |                 |                 |                 |                 |                 |                 |                 |                 |
| Damping Forecast                                       |                |                 |              |                 | 5.296           | 3.825           | 2.343           | 0.916           |                 |                 |                 |                 |
| Rural Services Delivery Grant                          | 0.063          | 0.063           |              | 0.063           | 0.063           | 0.063           | 0.063           | 0.063           | 0.063           | 0.063           | 0.063           | 0.063           |
| New Burdens Funding                                    | 0.335          | 1.242           | 0.907        | 0.335           | 0.335           | 0.335           | 0.335           | 0.335           | 0.335           | 0.335           | 0.335           | 0.335           |
|                                                        | <b>20.694</b>  | <b>21.614</b>   | <b>0.920</b> | <b>21.324</b>   | <b>19.839</b>   | <b>19.001</b>   | <b>18.178</b>   | <b>17.435</b>   | <b>16.393</b>   | <b>16.877</b>   | <b>17.376</b>   | <b>17.891</b>   |
| <b>Investment Activity</b>                             | 2.326          | 2.326           |              | 2.012           | 1.877           | 2.234           | 2.207           | 2.192           | 2.165           | 2.137           | 2.104           | 2.069           |
| <b>Resources available</b>                             | <b>23.021</b>  | <b>23.940</b>   |              | <b>23.336</b>   | <b>21.716</b>   | <b>21.235</b>   | <b>20.384</b>   | <b>19.627</b>   | <b>18.558</b>   | <b>19.014</b>   | <b>19.480</b>   | <b>19.960</b>   |
| <b>Baseline Net Expenditure</b>                        |                |                 |              |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Gross Income                                           | 17.458         | 17.688          | 0.230        | 17.893          | 17.854          | 17.905          | 17.955          | 18.007          | 18.057          | 18.109          | 18.144          | 18.181          |
| Gross Expenditure                                      | -36.433        | -36.463         | -0.030       | -37.661         | -38.552         | -39.319         | -40.106         | -40.913         | -41.741         | -42.596         | -43.474         | -44.375         |
| <b>Baseline resource requirements</b>                  | <b>-18.925</b> | <b>-18.725</b>  | <b>0.200</b> | <b>-19.768</b>  | <b>-20.498</b>  | <b>-21.414</b>  | <b>-22.150</b>  | <b>-22.906</b>  | <b>-23.683</b>  | <b>-24.487</b>  | <b>-25.330</b>  | <b>-26.195</b>  |
| <b>One-off budgets &amp; Reserve Related Movements</b> | <b>-4.095</b>  | <b>-5.215</b>   |              | <b>-2.978</b>   | <b>-0.583</b>   | <b>-0.822</b>   | <b>-0.626</b>   | <b>-0.533</b>   | <b>-0.430</b>   | <b>-0.428</b>   | <b>-0.625</b>   | <b>-0.625</b>   |
| <b>Total net resource requirements</b>                 | <b>-23.020</b> | <b>-23.940</b>  |              | <b>-22.746</b>  | <b>-21.081</b>  | <b>-22.236</b>  | <b>-22.776</b>  | <b>-23.439</b>  | <b>-24.114</b>  | <b>-24.915</b>  | <b>-25.955</b>  | <b>-26.820</b>  |
| <b>Budget Surplus / (Shortfall)</b>                    | <b>0.000</b>   | <b>0.000</b>    |              | <b>0.590</b>    | <b>0.635</b>    | <b>-1.001</b>   | <b>-2.392</b>   | <b>-3.812</b>   | <b>-5.555</b>   | <b>-5.901</b>   | <b>-6.475</b>   | <b>-6.860</b>   |
| <b>TOTAL UNAVOIDABLE GROWTH</b>                        |                |                 |              | <b>-1.140</b>   | <b>-1.185</b>   | <b>-1.435</b>   | <b>-1.705</b>   | <b>-1.705</b>   | <b>-1.405</b>   | <b>-1.405</b>   | <b>-1.405</b>   | <b>-1.405</b>   |
| BUDGET OPTIONS                                         |                |                 |              | 0.550           | 0.550           | 0.550           | 0.550           | 0.550           | 0.550           | 0.550           | 0.550           | 0.550           |
| <b>NET BUDGET GROWTH</b>                               |                |                 |              | <b>-0.590</b>   | <b>-0.635</b>   | <b>-0.885</b>   | <b>-1.155</b>   | <b>-1.155</b>   | <b>-0.855</b>   | <b>-0.855</b>   | <b>-0.855</b>   | <b>-0.855</b>   |
| <b>REVISED GENERAL FUND FORECAST DEFICITS</b>          |                |                 |              | <b>-0.000</b>   | <b>-0.000</b>   | <b>-1.886</b>   | <b>-3.547</b>   | <b>-4.967</b>   | <b>-6.410</b>   | <b>-6.756</b>   | <b>-7.330</b>   | <b>-7.715</b>   |

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## Baseline Revenue Proposals

| <u>General Fund Revenue (£m)</u>                                 | Forecasts     |               |               |               |
|------------------------------------------------------------------|---------------|---------------|---------------|---------------|
|                                                                  | 2025/26       | 2026/27       | 2027/28       | 2028/29       |
| <b>Unavoidable Growth</b>                                        |               |               |               |               |
| Homelessness Prevention - B&B cost estimates                     | -0.220        | -0.350        | -0.300        | -0.270        |
| Estates Property Reserve (to cover existing properties)          | -0.250        | -0.250        | -0.250        | -0.250        |
| Loss of Commercial Income                                        | -0.100        | -0.200        | -0.500        | -0.800        |
| Planning Fee Income                                              | -0.200        | -0.200        | -0.200        | -0.200        |
| Food Waste - new depot & revised contract estimates (net)        | -0.320        | -0.135        | -0.135        | -0.135        |
| Increased Contract expenditure                                   | -0.050        | -0.050        | -0.050        | -0.050        |
|                                                                  | <b>-1.140</b> | <b>-1.185</b> | <b>-1.435</b> | <b>-1.705</b> |
| <b>Budget Options</b>                                            |               |               |               |               |
| Total TC25 Savings (in addition to those identified for 2024/25) | 0.250         | 0.250         | 0.250         | 0.250         |
| Leisure Centre Energy Benchmarking adjustment (Saving)           | 0.300         | 0.300         | 0.300         | 0.300         |
|                                                                  | <b>0.550</b>  | <b>0.550</b>  | <b>0.550</b>  | <b>0.550</b>  |
| <b>Baseline Budget Proposals</b>                                 | <b>-0.590</b> | <b>-0.635</b> | <b>-0.885</b> | <b>-1.155</b> |

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### **GENERAL FUND EARMARKED RESERVES (£000)**

## OPERATIONAL RESERVES

- Major Investment Reserve
- Community Grants & Commissions
- Cost of Living / Living Well (Supporting People)
- Digital Transformation
- Greener Faster
- Flood Support Schemes
- Future of Waste
- Landscape Mitigation
- Local Development Framework (LDF)
- New Burdens - Ukraine
- New Burdens
- Pride in Place
- Regeneration

## ASSET RESERVES

Property - Asset Management Reserve  
Car Parks Property  
Information Management and Technology

**RESTRICTED RESERVES**

\$106 (Interest)  
Community Infrastructure Levy - General Fund  
Community Infrastructure Levy - Winchester Town  
Winchester Town Reserve

## RISK RESERVES

Municipal Mutual Insurance  
Transitional Reserve  
Exceptional Inflation Pressures  
Homelessness Prevention B&B  
Business Rates Retention

### Total General Fund Earmarked Reserves

## General Fund Balance

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## SCRUTINY COMMITTEE

REPORT TITLE: HRA BUSINESS PLAN AND BUDGET OPTIONS

12 NOVEMBER 2024

REPORT OF CABINET MEMBER: CLLR CHRIS WESTWOOD – CABINET MEMBER FOR HOUSING

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

WARD(S): ALL

### RECOMMENDATION:

It is recommended that the committee scrutinise and comment on the proposals within the attached draft cabinet report, ref CAB3478 which is to be considered by cabinet at its meeting on the 20 November 2024.

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REPORT TITLE: HRA BUSINESS PLAN AND BUDGET OPTIONS

20 NOVEMBER 2024

REPORT OF CABINET MEMBER: CLLR CHRIS WESTWOOD – CABINET MEMBER FOR HOUSING

Contact Officer: LIZ KEYS   Tel No: (01962) 848226  
Email [Lkeys@winchester.gov.uk](mailto:Lkeys@winchester.gov.uk)

WARD(S): ALL

PURPOSE

Despite continuing budget challenges faced by the council's housing service, this report offers budget options to maintain the council's policy objectives to go greener faster, address the cost-of-living crisis and maintain the commitment to deliver 1000 new homes.

Continuing inflationary building supply and construction pressures, and stubbornly high Public Works Loan Board (PWLb) interest rates mean that new homes viability remains challenging. To address this significant rise in building costs and maintain the commitment to delivering 1000 new homes, the previous business plan was rebalanced with a new homes acquisition strategy to prioritise purchase of new homes from developers, where costs are currently significantly lower, and to continue to develop schemes where the business case is proven to be viable and demand for the new homes exists.

Further budgetary pressures arising, particularly around repairs & maintenance, have put further pressure on the HRA budget.

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

To achieve these policy objectives and set a viable and sustainable HRA business plan, several budget options have been identified for consideration, development and consultation with customers. Subject to the development and consultation those options will be decided by Cabinet when the Housing Revenue Account budget is considered in February 2025.

RECOMMENDATIONS:

1. Note the draft HRA Business 30-year Plan for 2024-25 to 2053-54 metrics shown in Appendix 3 and current 5 year projection at Appendix 1
2. To note the business plan pressures identified in the 2024/25 business planning exercise as outlined in paragraphs 11.26 and 11.36, totalling £1.986m
3. To approve the budget options outlined within this report and detailed at Appendix 2 as a basis for consultation to inform the February budget setting.
4. To approve the reallocation of £0.25m from the one off investment budget set in the previous business plan to meet actions arising from our self assessment of our consumer standards compliance and service improvements identified.
5. Note the continuing strategy for New homes based upon a mixture of actively acquiring s106 affordable housing directly from developers alongside future development with grant funding and using Right to Buy resources.
6. Note the current financial viability assessment for new build from para 11.15 to 11.25
7. Note that a revenue savings target of £2m has been set to assist with bridging the forecast gap in financing future capital expenditure.
8. Note the proposed timescale for asset disposals, and that Barnes House disposal has been reconsidered for proposed use as Temporary Accommodation
9. Note that based on the September 2024 CPI figure of 1.7% that the average formula rent increase for 2025-26 for all affordable and social housing will be 2.7%
10. Note that the budget in October announced a consultation for future rent settlement between now and December, which indicates preference for CPI+1 for 5 years into the future, and approve the application of this principle in the business plan model to mitigate the cost of new build developments and reduce long term debt burden to the HRA once the outcome of the consultation is known.
11. To approve continuing full cost recovery in tenant service charges in 2025/26 and note that charges will generally reduce following a softening of energy prices,
12. Note that there is an ongoing workstream on the re-procurement of the repairs and maintenance contract. The Business plan provides for this to happen over the following two years at a provisional one-off cost of £0.4m in 2024/25, and estimated £0.3m in 2025/26.

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

IMPLICATIONS:1. COUNCIL PLAN OUTCOME

- 1.1. 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 ensuring tenant satisfaction in relation to their home and community.

- 1.2. Tackling the Climate Emergency and Creating a Greener District

Carbon reduction measures will be accelerated across the existing housing stock and included within the design and construction of new properties and included within the feasibility assessment when considering the purchase of properties. This includes the council's retrofit programme for existing properties, for which £40.2m is allocated between 2024/25 and 2030/31 within this year's plan.

- 1.3. Homes for all

Assist with the increase of affordable housing property stock across the Winchester district and meet the council's objective to provide a range of tenures to meet demand.

- 1.4. Vibrant Local Economy

Deliver affordable accommodation which allows people to live and work in the district and contribute to the local economy.

- 1.5. Living Well

The wellbeing of residents is considered within the design of new properties and new homes are designed to be both energy efficient and to meet tenants' needs. Any substitute properties are assessed according to these criteria.

- 1.6. Your Services, Your Voice

Housing tenants are directly involved in decisions regarding service provision, both through the work of Tenants and Council Together (TACT), the council's tenant involvement group and through regular tenant and leaseholder digital surveys, capturing wider tenant views. The service continues to review options to provide an improved customer experience, increase opportunities for engagement, and to ensure satisfaction with services provided by the council.

2. FINANCIAL IMPLICATIONS

- 2.1. Financial implications are detailed within section 11 of the report and in the accompanying appendices

### 3. LEGAL AND PROCUREMENT IMPLICATIONS

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

### 4. WORKFORCE IMPLICATIONS

- 4.1. There are potential staffing implications in the proposed budget options including the deletion of vacant posts in the New Homes delivery team, and potential invest to save proposals.

### 5. PROPERTY AND ASSET IMPLICATIONS

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

### 6. CONSULTATION AND COMMUNICATION

- 6.1. A meeting of the new TACT board took place on the 21st October to review the budget gap and savings proposals. Subject to the decision of cabinet on If the savings proposals within this report are accepted, they will be subject to consultation with all engaged tenants through a variety of means. The results of that consultation will be reported to Cabinet to take into consideration when agreeing the HRA budget at their meeting in February.

## 7. ENVIRONMENTAL CONSIDERATIONS

- 7.1. This year's proposed 30 year business plan ensures sufficient provision of resources to fund the fabric-first retrofit programme of works, with funding of £44m over the next 7 years. During 2023/24, a total of 358 houses were completed, with a further 48 completed during the first quarter of 2024/25; and delivery of the overall planned investment could lead to a reduction of 1666.22tCO<sub>2</sub> from customers' homes by 2030.
- 7.2. The Business Plan also funds the provision of five dedicated retrofit officers responsible for the delivery of the retrofit programme.
- 7.3. The Housing Service considers environmental factors when preparing and developing major projects e.g., working closely with Planning and Landscape Officers when considering new build developments to meet the required codes for sustainable housing.

## 8 PUBLIC SECTOR EQUALITY DUTY

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

## 9 DATA PROTECTION IMPACT ASSESSMENT

- 9.1 All proposals set out in this report and the Capital Programme will be subject to individual data protection impact assessments.

## 10 RISK MANAGEMENT

| <b>Risk</b>                                                                                                                                                | <b>Mitigation</b>                                                                                                                        | <b>Opportunities</b>                                                                                                |
|------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------|
| <i>Property</i><br>That Council owned dwellings fail to meet Decent Home standards for the condition of social houses set out by the government.           | An effective programme of future works and sound financial planning ensures that the Decent Homes standards are met and then maintained. | Self-Financing provides certainty around future resource allocations and facilitates better supply chain management |
| <i>Community Support</i><br>Lack of consultation will affect tenant satisfaction and cause objections to planning applications for new build developments. | Regular communication and consultation is maintained with tenants and leaseholders on a variety of housing issues.                       | Positive consultation brings forward alternative options that may otherwise not have been considered.               |

| <b>Risk</b>                                                                                                                                                                                                                                         | <b>Mitigation</b>                                                                                                                                                                    | <b>Opportunities</b>                                                                                                                                         |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                                                                                                                                                                     | The Council consults with local residents and stakeholders on proposed new build schemes.                                                                                            |                                                                                                                                                              |
| <p><i>Timescales</i></p> <p><i>Delays to new build</i> contracts may result in increased costs and lost revenue.</p>                                                                                                                                | New build contracts contain clauses to allow the Council to recover damages if the project is delayed due to contractor actions.                                                     |                                                                                                                                                              |
| <p><i>Project capacity</i></p> <p>The HRA can borrow funds in addition to utilising external receipts and reserves, but it must be able to service the loan interest arising.</p>                                                                   | Regular monitoring of budgets and business plans, together with the use of financial assessment tools enables the Council to manage resources effectively.                           | The Council monitor's government announcements on the use of RTB receipts and potential capital grant funding.                                               |
| <p><i>Deliverables</i></p> <p>Risk that the council cannot deliver the programme of new build and meet the objective of 1000 homes in 10 years because of the lack of sites, the cost of development or the cost of financing this development.</p> | The new homes is monitored on a regular basis and if appropriate could be delayed or re-profiled in light of the availability of these resources                                     | Review the deliverable shape of the programme and its profiled delivery considering available resources and risk appetite                                    |
| <p><i>Staffing resources (not always in Housing) reduce the ability to push forward new schemes at the required pace.</i></p>                                                                                                                       | Staffing resources have been reviewed to support the delivery of the new build programme.                                                                                            | Given the challenging nature of the delivery targets it may be necessary to review the resourcing requirements needed to successfully deliver this programme |
| <p><i>Financial / VFM</i></p> <p>Risks, mitigation, and opportunities are managed through regular project monitoring meetings.</p>                                                                                                                  | New build Schemes are financially evaluated and must pass financial hurdles and demonstrate VFM. Total Scheme Costs contain provision for contingency on build costs and on fees for | In addition, the HRA holds annual minimum levels of reserves based upon 5% of operating turnover and 10% new build costs.                                    |

| Risk                                                                                                                                                                                                                                          | Mitigation                                                                                                                                                                                                                            | Opportunities                                                                                                                                                                              |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Insufficient new build sites are identified to assign RTB 1-4-1 receipts financing to and RTB receipts are required to be repaid to Central Government with up to an estimated compounded 55% interest penalty based on current rates.</p> | <p>new build developments that take account of potential residual development and sales risk.</p> <p>RTB 1-4-1 are closely monitored so in-year targets for new builds are known.</p>                                                 |                                                                                                                                                                                            |
| <p><i>Financial Assessment</i></p> <p>Risk that the cost of developing new homes projects will fail to meet the financial hurdles required to be financially viable to develop/acquire within the HRA</p>                                     | <p>The measures identified within this paper will help to mitigate against the increased costs of new homes by increasing the income available to fund increased borrowing costs and reducing the overall cost of delivery.</p>       |                                                                                                                                                                                            |
| <p><i>Interest rate volatility</i></p> <p>Risk of volatile economic and fiscal environment for borrowing contributing to making external borrowing decisions difficult to take.</p>                                                           | <p>The HRA has cash reserves that allow it in the short term to effectively borrow from internal resources giving a period for interest rates to stabilise and reset and the fiscal environment to be more benign.</p>                | <p>The use of internal borrowing can help to reduce the short-term cost of borrowing as well as delay the need to seek external finance and delivers better overall returns to the HRA</p> |
| <p><i>Future Social Rent Policy</i></p> <p>Uncertainty about long term rental income streams because of the end of the current agreement on rent setting in April 2025.</p>                                                                   | <p>Rental income accounts for 93% of all the HRA annual income, and future potential uncertainty, government intervention or constraint has a significant impact on the future capacity of the HRA and deliverability of the plan</p> | <p>Sectorial lobbying of Government to seek future certainty will help to support better decision making. Engagement in government consultation process between now and Dec 2024</p>       |
| <p><i>Legal</i></p> <p>The provision of social housing is a statutory requirement. Changing Government priorities place a greater emphasis on</p>                                                                                             | <p>Government statutory requirements and policy changes are being monitored to identify any</p>                                                                                                                                       | <p>To create new housing developments within new guidelines and drawing on innovative thinking.</p>                                                                                        |

| <b>Risk</b>                                                                                                                                                                     | <b>Mitigation</b>                                                                                                              | <b>Opportunities</b> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|----------------------|
| social housing which must be monitored and considered within planning of future new build projects.                                                                             | new risks or opportunities that they may bring.                                                                                |                      |
| <i>Reputation</i><br>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. | Business planning tools with regular updates are utilised to make sure resources are available to complete projects.           |                      |
| <i>Other</i><br>– Environmental regulation such as that by Natural England on mitigating Phosphates                                                                             | This delays the ability to bring forth schemes with planning permission and delays increase the cost and viability of schemes. |                      |

## 11 SUPPORTING INFORMATION:

### Executive Summary:

- 11.1 The HRA Business planning process is completed annually and all assumptions are revisited and undertaken a fresh every year. To set a viable and sustainable business plan for the next 30 years has been extremely challenging this year.
- 11.2 The key challenges in the HRA specifically in 2024/25 arises from the increased cost of repairs and maintenance, following the determination that cumulative RPI was not being applied correctly and subsequent assessment on costs, combined with increasing demand for repairs, driving an increase in R&M costs of £1.1m. In addition to this:
- Service pressures of £0.3m,. The key service pressures include the cost of regulation £0.045m, increased cost of services charged by the General Fund £0.15m, anticipated additional cost of insurance, and other minor service pressures.
  - An additional £0.36m estimate of the required transfer from revenue to the Major Repairs Reserve, based on depreciation. While the HRA does not lose this sum, it restricts its use to capital purposes and therefore reduces flexibility.
  - The significant increases in cost of construction seen since 2020 are now baked in and continue to increase broadly in line with inflation in 2024/25.

- Interest on borrowing remains high and is not expected to decrease significantly in the near term.
- Potential pressures of £0.25m arising from to meet actions arising from our self assessment of our consumer standards compliance and service improvements identified.
- The October budget confirmed an increase in National Insurance employers contributions, which would generate additional pressure on staffing costs from April 2025. The budget indicates that the public sector would be reimbursed, however it is not yet clear how this will be calculated or allocated. The potential impact cannot yet be quantified therefore, and has not yet been factored into the business plan.

If no action were to be taken to address these pressures, there would be insufficient resources within the business plan. Accommodating these pressures would require an overall reduction in the CFR of £42m to reduce borrowing costs over the next 5 years to maintain minimum working balances over the life of the business plan.

The business plan has therefore been built up to identify the level of savings needed to meet the pressures identified and deliver commitments of 1000 homes and retrofit programmes by 2031/32, and build sufficient capacity to repay debt after 2031/32.

The level of saving required to maintain current spending plans and working balance in the short term, and increase capacity in the long term, is £2m.

Further rent increases after 2027/28, if allowed, will support future housebuilding beyond 2031/32, additional investment in the housing stock or opportunity to redeem debt.

#### Economic Outlook and cost pressures:

- 11.3 The Budget for 2024-25 was set against a background of high interest rates designed to tackle inflationary pressures. CPI inflation has since fallen and reached 1.7% at September 2024, below the Bank of England's target of 2%. However, this does not mean that costs have fallen, it means that the pace of increase has slowed down, and key cost drivers to the HRA such as energy and building materials continue to remain significantly high.
- 11.4 Bank of England base rate rises continued into the early part of 2024/25 and stabilised through the spring, prior to a small reduction in base rate in August and maintained at 5% in September. Although further base rate reductions are likely, it is unlikely that interest rates will be as low as they were prior to 2021. Measures were taken in the 2023/24 business plan to increase capacity for borrowing in the business plan, but with no allowance to reduce debt overall.

### Cost of construction

- 11.5 The investment required for new homes continued to increase in 2024/25. Construction cost inflation during 2024 to date have been in line with inflation, and costs identified through the development of business cases for new build have varied from £4,800 to £5,100 per square metre (including 15% allowance for oncosts); making the cost of construction (excluding land) for an average 90sqm 3-bedroom property now in excess of £430,000. At the same time the cost of borrowing that the council can access remains high, whilst new affordable rents have increased only in line with inflation plus 1% in recent years.

### Rent Increases

- 11.6 The council must set its rents in line with the Rent Standard and central Government's Regulator of Social Housing's rent setting guidelines. The current basis of rent setting is CPI+1% for 2025/26. The October budget confirmed the government's intention to consult on future social rent policy between now and December 2024. The indication within the consultation would be for CPI + 1% for 5 years. The business plan currently assumes that the current level of CPI+1% will continue into 2025/26, 2026/27 and 2027/28. Based on September CPI of 1.7%, the rent increase in 2025/26 would be 2.7%.

### Repairs and maintenance

- 11.7 Annually the council looks at the capital costs of maintaining the existing housing stock at decent homes standard and its investment here is based upon an asset management plan. This identifies the investment requirement profiled over the thirty-year plan based upon the lifecycle replacement costs of key components. To bring the housing stock up to the required energy efficiency standard of EPC C identified by 2030-31, the business plan allows for £40.2m on capital works. The Council continues to see pressure on reactive and cyclical maintenance in the revenue budget and this is expanded on at para 14.2.

### Interest on borrowing

- 11.8 Interest rates are a key cost driver in the HRA business plan and as at 31 March 2024 the HRA had a Capital Financing requirement of £215m, of which £159m is external debt (fixed at PWLB interest rates averaging 3.2%) and the balance of £55.8m is internally borrowed (offset against reserve balances and working capital). PWLB rates are not directly linked to the Bank of England base rate but are set at a margin over government gilt yields, which analysts believe are likely to fall slightly in the medium term but remain higher than the period of historically low rates following the 2008 financial crisis. The current cost of financing this external debt is £5.5m per annum.
- 11.9 This debt largely came about through self-financing and was originally taken out in 2012. A proportion of this existing external debt (£100m) will need to be

refinanced over the next 15 years, with a need to refinance £30m of it within the next five years. The HRA, unlike the General Fund, has no requirement to set aside funding for debt repayment, albeit that the depreciation charge is set aside to finance capital expenditure. In previous versions of the business plan, all underlying debt is refinanced. However, where there is capacity, the model assumes repayments to reduce debt burden in the long term, and in the current iteration, £90m debt would be repaid by the end of the period.

- 11.10 In addition, the proposed plan will see HRA funding the building or acquisition of additional affordable homes, funded through a mixture of Right to Buy (RTB) 1-4-1 capital receipts; shared ownership sales; other discretionary asset disposals; grants and affordable housing s106 contributions; and borrowing. This will require additional prudential borrowing of £178m to finance this delivery. At present the cost of long-term government borrowing remains elevated and stands at circa 5% for 50 year borrowing at the time of writing. In the decade before 2006/07 the PWLB long term interest rate peaked at 9.42% but averaged 5%, and therefore the model continues to assume that the cost of borrowing in the plan will be 5% for the duration of the planning period.
- 11.11 The October budget confirmed that the preferential rate for HRA borrowing, which was due to expire on 30 June 2025, will be extended to the end of 2025/26. The impact of this has not been factored into the business plan at this stage but will be considered as part of the February budget report.

#### Management of the HRA

- 11.12 There is a need to modernise the provision of services to customers through the introduction of better digital access. The previous HRA business plan earmarked provisional revenue sums of up to £2m over the next two years to facilitate investment in systems to enable this objective to be achieved.
- 11.13 A feasibility study is ongoing to review whether the existing housing management system is still fit for purpose and to assess how well it will be able to facilitate the council's aspiration of improving digital services for customers. To date, investment requirement of £0.15m has been identified.
- 11.14 In addition, work on the re-procurement of the repairs and maintenance contract is ongoing as the current contract expires in 2026, and is subject to a separate report (CAB3473). The business plan allows for additional associated cost committed of £0.4m in 2024/25, and a further £0.3m estimated commitment in 2025/26.

#### Continuing High Costs of New Build Housing

- 11.15 Under the self-financing regime, the HRA is a purpose made vehicle for delivering new affordable homes and when both interest rates were low and stable and construction costs more affordable it was able to build, construct

and acquire properties; financing this with rents at 70% of market rent or the Local Housing Allowance, whichever was the lower.

- 11.16 In delivering an ambitious programme of 1,000 new homes, the HRA business plan is now operating with much higher average build costs than in previous years, and no longer has the advantage of borrowing at historically low interest rates under self-financing from the government.
- 11.17 As at the beginning of 2024/25 a total of 268 properties had been completed out of the 1000 homes target for 2031/32; a further 4 LAHF purchases completed in July 2024, and 4 Council Tax buybacks were agreed in July 2024.
- 11.18 As a result of the ongoing high costs, the Council has followed a strategy of acquisition, and as a result been able to add to its housing supply between 2024/25 and 2028/29 through targeted acquisitions, including a number of buybacks (agreed by Cabinet in July 2024), and acquisitions of s106 affordable homes new build at Twyford (10 homes) and Kings Barton (147 homes), (currently to be agreed by Cabinet in November). In addition, business cases and negotiations on a further 212 properties for commissioning or acquisition are underway as at the time of writing.
- 11.19 The remaining 520 properties are currently included as an assumption in the business plan; No further new build is currently assumed in the business plan at this point in time.
- 11.20 Currently within the business plan, based on existing new build, and assuming the level of saving outlined in this report can be achieved, there is sufficient balance within the Major Repairs reserve to allocate to new build, reducing the level of initial debt build up and allowing sufficient capacity within the HRA business plan to allow for future debt repayment.
- 11.21 The primary financial assessment in the evaluation of new homes is a Net Present Value (NPV) calculation of all future income and expenditure over a typical 35-year period, discounted to current prices. This calculation uses the current cost of capital and a risk margin as the discount factor. In addition, the council's standard model includes the residual social value of the housing at year 35 on the basis that the asset has been well maintained and has a future use and value. There are other criteria such as gross income covering the interest cost of borrowing, but the NPV calculation is the key criteria. If it is positive then the scheme or development is worth undertaking as it adds value, if negative then it requires additional subsidy from within the HRA over and above external grant funding or available capital receipts.
- 11.22 Since the election of the Labour government a number of restrictions have been lifted from the use of Right to Buy receipts with a view to improving the viability of new builds. Examples of restrictions lifted include removing the 50% cap on the use of RTB to finance new build and acquisitions; temporarily removing the cap on acquisitions that RTB can be used to finance. Existing

schemes are currently being reviewed in light of this and revised business cases to be taken forward.

- 11.23 The October budget statement has stated that RTB discounts will revert to pre-2021 levels, that Councils will be able to retain all RTB receipts to finance affordable housing and an additional £500m is to be made available to the existing 2021-2026 Affordable Homes Programme to finance new affordable housing provision. Further information on new investment to succeed the 2021 – 2026 programme will be forthcoming in the next government spending review.
- 11.24 In addition to the reduction in discounts, the cost floor applied to RTB sales of new build (which ensures purchase price does not fall below construction costs) will be extended from the current 15 years to 30 years. The impact of these changes is expected to reduce the number of sales in the longer term, however this has not yet been modelled. A wider consultation on the future of the RTB scheme is expected to take place in the near future.
- 11.25 Subject to the proposals in this report, the HRA business plan has capacity to fund delivery of 1,000 homes by 2032/33. At this stage the business plan does not assume further homes are delivered in the period between 2032/33 and the end of the business plan.

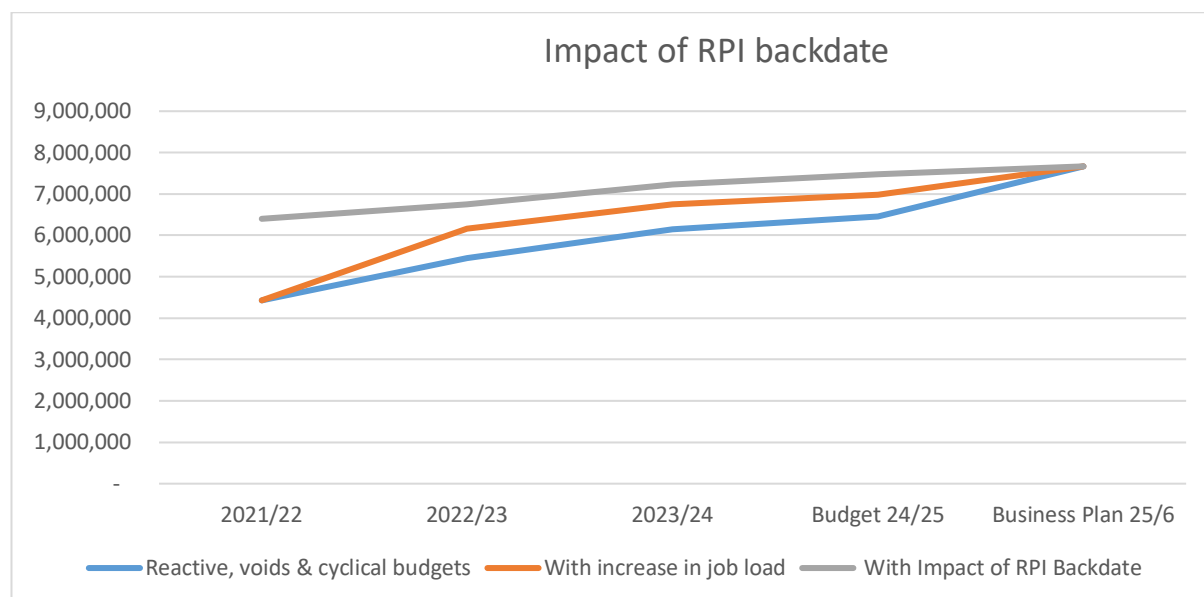
#### Revenue Pressures

- 11.26 In the process of closing the Council's 2023/24 HRA accounts, and through the standard monitoring processes, a number of revenue pressures have been identified and, where these are unavoidable, have built into the HRA business plan. The table below summarises the pressures facing the HRA currently:

| <b>Issue</b>                                                                                     | <b>Pressure<br/>£'000</b> |
|--------------------------------------------------------------------------------------------------|---------------------------|
| Increase in R&M Expenditure accounting for historic RPI adjustment and growth in repairs volumes | 1,076                     |
| Contribution to Major Repairs reserve - increased assumption based on 2023/24 outturn            | 365                       |
| Service pressures                                                                                | 295                       |
| Self assessment of consumer standards compliance and service improvements                        | 250                       |
| <b>Total pressures</b>                                                                           | <b>1,986</b>              |

- 11.27 The key pressure is the ongoing impact of repairs and maintenance costs. During the 2023/24 closedown, a historic issue was identified whereby RPI increases set out in the contract had not been cumulatively applied, resulting in an overspend of £2m on repairs. At that point in time, the impact of this on future years was not fully understood.

- 11.28 The cumulative nature of the RPI adjustment effectively means that the repairs budgets have been under-provided for a number of years. The diagram below demonstrates the existing budget trajectory and the corrected trajectory had RPI been correctly applied.



- 11.29 The correction of the cumulative RPI in year for 2024/25 was estimated to be £0.7m over and above the increases already budgeted for. The table below demonstrates how the budget has increased, and the actual increase required had the RPI calculation been implemented correctly. The budgets therefore require rebasing to allow for this, in addition to the standard RPI uplift assumption.
- 11.30 In addition to RPI adjustment, the Council has seen growth in demand for repairs over the last two years. Across the entire HRA, the volume of jobs completed and including work-in-progress has increased by approximately 30%; however this can be broken down across reactive repairs, cyclical maintenance, disabled adaptations and the capital programme, and more accurately assessed by taking only financially complete jobs as demonstrated in the following table:

|                                                                                   | No of Financially Completed jobs |
|-----------------------------------------------------------------------------------|----------------------------------|
| Increase in Reactive repairs Main contractor                                      | 8.23%                            |
| Increase in Voids                                                                 | 5%                               |
| Increase in cyclical maintenance                                                  | 23.82%                           |
| Decrease in Disabled Adaptions revenue repairs (commensurate increase in capital) | -14.59%                          |
| Increase in Capital programme                                                     | 50.59%                           |
| <b>Increase in financially complete across HRA</b>                                | <b>18.13%</b>                    |

- 11.31 The level of reactive repairs completed and paid for in 2023/24 increased by approximately 8% in 2024/25. This is equivalent to 1,089 jobs at an average cost of £275; equating to £0.3m additional cost.
- 11.32 The repairs and maintenance contract is subject to a procurement exercise (report CAB3463 refers). The business plan does not make any allowance for any changes to the repairs and maintenance budget that may arise from the outcome of the procurement, however there is a risk that this may impact the estimates.
- 11.33 The Capital programme will invariably see changes in the number of jobs dependent on the level of planned repairs in a given year. The increase in capital jobs can largely be attributed to the increasing volume of work on retrofit.
- 11.34 Depreciation: The depreciation charge is notoriously difficult to estimate accurately, as the actual charge for the year is calculated based on both component cost of assets and valuation of properties. As the valuation for 2025/26 depreciation charge will not be undertaken until 31st March 2025, it is not possible to provide a perfectly accurate figure. However, recognising that depreciation charges have been significantly higher in recent years, the charge in the business plan has been increased accordingly.
- 11.35 The key service pressures include the cost of regulation following the introduction of a charge to registered providers to finance the increasing cost of regulation by the Regulator for Social Housing (RSH); increases in the cost of services provided by the general fund, and other minor service cost increases.
- 11.36 The business planning process has identified a need to increase capital resource for reactive capital compliance work. It is impossible to forecast this need as it will be reliant on the outcomes of risk assessments or changing regulation. Given this pressure, the business plan has built in £0.2m capital resource per annum for future years, recognising that this will need reprofiling as works are identified.

#### Revenue Savings Proposals

- 11.37 The previous business plan introduced a number of savings in order to increase the capacity of the HRA to finance the additional investment in retrofit. In order to maintain this borrowing capacity, and to ensure the HRA does not fall into deficit in the medium term, savings are therefore required to achieve this outcome.
- 11.38 A savings target of £2m per annum has been established in order to mitigate the pressures outlined above. Officers have been meeting on a regular basis during 2024/25 to identify and quantify potential opportunities. The table at appendix 2 provides the detailed list of proposed savings, of which £1.6m is

ongoing into future years and £0.4m one-off for 2025/26, and includes a current RAG rating against their current expected achievability.

- 11.39 Savings proposals have been designed to; reduce the cost of maintenance where possible without impacting on the quality of repairs; to reduce budgets for which there are no statutory requirements to provide; and to improve cost recovery where possible and to reduce budgets where historic underspend exists.
- 11.40 The scale of savings to be made inevitably means that there is a degree of associated risk. Savings proposals have been risk rated accordingly. Potential mitigations, if savings cannot be made immediately, are:
- Reducing the proposed investment budget (with potential consequences for service improvement)
  - Reducing working balance (a one off increase is expected in 2024/25 due to capitalisation of EOT claim of £0.8m in 2024/25)
  - Reducing the capital programme.

#### Asset disposals

- 11.41 Barnes House is vacant and has been used previously to provide temporary accommodation in the HRA. Cabinet agreed to the disposal of this asset in February 2024. However, this is being reconsidered at present as to whether to retain and use for TA to relieve pressure on homelessness prevention options. A viability assessment of costs of works required against the net rent generated shows that the property would not pay for itself. As homeless provision is not an HRA service it would not be appropriate for the HRA to subsidise the costs of works. Further consideration is required as to whether the Council's general fund should appropriate the property as a means of offsetting temporary accommodation costs or if disposal takes place by year end.
- 11.42 The business plan also assumed two further strips of development land per year for the next eight years will be disposed. These sites, that are considered too small and uneconomic to develop within the HRA, have already been identified. These assets will be proceeding to auction during in late 2024/25.
- 11.43 Lastly, the business plan assumes that the HRA will identify and dispose of further surplus social housing assets every year for the following eight years. These assets will be identified by looking at their long-term fit in terms of demand/cost to maintain and suitability to retro fit to required standards, and work has commenced via a project group on identifying suitable assets. This is estimated that it will create additional capital receipts of £500k per year, but will be reprofiled within the business plan as and when specific sites and timescales are identified.

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

#### Sewage treatment works

- 11.45 The HRA is responsible for the operation of a number of small sewage treatment works, septic tanks, and cesspools, which provide private sewage treatment connections for 394 council tenants and 367 private homes. The Sewage Treatment Works encompass 36 small sewage treatment works (including septic tanks), 19 pumping stations (9 are isolated and 10 within curtilage of treatment works) and 21 cesspools. The sewage treatment works range in size from small works serving 4 properties to larger works serving 85 properties. The septic tanks and cesspools serve between 1 and 8 properties.
- 11.46 There is currently an under-recovery by the HRA of the annual cost of operating these treatment plants.
- 11.47 The council should be seeking to fully-recover the total cost of providing sewage treatment services to private residents, so that these services are not subsidised by council tenants. The council is also taking action to reduce the running cost by investing in sites with high operating costs. This will reduce the cost to the HRA in the long term; the impact of this will be reflected in the plan when savings can be quantified.
- 11.48 The proposal for 2025/26 is to increase sewerage charges in line with proposed water charge increases to be confirmed by OFWAT, currently expected at 10% in 2025/26 and 44% by 2029, while further work takes place on options to move to full cost recovery. This will reduce subsidy in 2024/25 by £10k, increasing to £50k by 2029/30.

#### Rent increases and charges in 2025-26 and beyond

- 11.49 The current rent setting regime is based on annual rent increases of CPI+1% and this applies to 2025-26. The Government is launching a consultation on rent increase policy from 2026/27, to run until December 2024, but has indicated in the October budget statement that there is an intention to agree CPI plus 1% increases for at least the next five years.
- 11.50 The business plan currently assumes that the current rent policy will continue until 2027/28.
- 11.51 A CPI+1% rent increase would mean the average weekly social rent for existing tenants will be £126.87 a week, an increase of £3.48 per week. The average weekly affordable rent for existing tenants will be £197.63 a week. Although the average rent has gone up in line with CPI, the overall average has fallen and this is a result partially due to new homes coming onstream since 2023/24, and the impact of service charges (which forms part of the rent calculation for affordable rents). The impact of the increases is shown in table 1 below.

**Table 1- indicative weekly rents in 2024-25 compared to 2023-24 for existing tenants**

**Social Rents**

| Size                     | Bedsit | Bedroom 1 | Bedroom 2 | Bedroom 3 | Bedroom 4 | Bedroom 5 | Bedroom 6 | Total  |
|--------------------------|--------|-----------|-----------|-----------|-----------|-----------|-----------|--------|
| Avg Wkly Rent 2024-25    | 90.52  | 107.61    | 123.79    | 140.25    | 150.87    | 174.45    | 171.47    | 123.39 |
| Avg Wkly Rent 2025-26    | 91.31  | 110.75    | 127.53    | 144.08    | 155.13    | 179.16    | 176.1     | 126.87 |
| increase per week @ 2.7% | 0.87%  | 2.92%     | 3.02%     | 2.73%     | 2.82%     | 2.70%     | 2.70%     | 2.82%  |

**Affordable Rents**

| Size                     | Bedsit | Bedroom 1 | Bedroom 2 | Bedroom 3 | Bedroom 4 | Bedroom 5 | Bedroom 6 | Total  |
|--------------------------|--------|-----------|-----------|-----------|-----------|-----------|-----------|--------|
| Avg Wkly Rent 2024-25    |        | 168.4     | 199.33    | 234.11    | 258.03    | 252.27    | 247.91    | 199.45 |
| Avg Wkly Rent 2025-26    |        | 160.32    | 198.43    | 233.37    | 266.86    | 259.08    | 254.6     | 197.63 |
| increase per week @ 2.7% |        | -4.80%    | -0.45%    | -0.32%    | 3.42%     | 2.70%     | 2.70%     | -0.91% |

- 11.52 The average HRA social rent for new tenants from April 2024 will be different and this reflects the fact that new tenants pay the formulae rent and that this wasn't capped in 2023-24. Indicative average weekly rents for new social tenants are shown below in table 2. It is proposed that the rents for new affordable rent tenants will be let provisionally at 80% of market rent if the property meets the required minimum energy efficiency requirements.

**Table 2 – Average formula rents for new tenants**

**Formula Rents**

| Size                     | Bedsit | Bedroom 1 | Bedroom 2 | Bedroom 3 | Bedroom 4 | Bedroom 5 | Bedroom 6 | Total  |
|--------------------------|--------|-----------|-----------|-----------|-----------|-----------|-----------|--------|
| Avg Wkly Rent 2024-25    | 96.85  | 111.98    | 129.96    | 145.94    | 159.17    | 182.39    | 177.85    | 128.84 |
| Avg Wkly Rent 2025-26    | 97.97  | 116.23    | 133.94    | 151.53    | 165.11    | 187.32    | 182.65    | 133.37 |
| increase per week @ 2.7% | 1.16%  | 3.80%     | 3.06%     | 3.83%     | 3.73%     | 2.70%     | 2.70%     | 3.52%  |

**Service charges**

- 11.53 In 2023/24, alongside the capped rent increase, the council approved a one-off discretionary limit on tenant service charge increases of 7%. Considering the budget pressures that the HRA investment programme faces and to align it with the general fund and the outcome of ongoing savings programmes, it is proposed to revert to full cost recovery from 2024-25, where this is possible.
- 11.54 The cost recovery exercise indicated a number of charges that would increase significantly, where this is the case it is proposed to phase or cap the increase to ensure increases are acceptable.

**Shared ownership rents**

- 11.55 The HRA business plan assumes that 30% of all future new homes development will be delivered as shared ownership. The Government have prescribed that any new shared ownership development that is either s106 or Homes England grant funded should have leases that base annual rent reviews on CPI+1% (where previously these were upward-only based on RPI+0.5%). The proposed changes will have a floor of 0% if the CPI is minus

1% or lower. It was agreed in 2024/25 that this methodology will be applied to all shared ownership properties.

## 12 OTHER OPTIONS CONSIDERED AND REJECTED

- 12.1 The council could consider investing less in customers' homes than is required to achieve the regulatory requirement of EPC C by 2030. This is not recommended as it would breach the regulatory requirements and in addition would not support the council's policy objective of being greener faster.
- 12.2 The council could also seek increased revenue savings than those identified in this report so as to provide investment capacity in the HRA. At this time the level of revenue savings identified are achievable and will not lead to a reduction in the quality of service delivered. Investment in improving the digital access to services may generate efficiencies in the future that can be realised without detriment to services. Therefore, increased revenue savings are not recommended at this time.

### BACKGROUND DOCUMENTS:-

CAB3477 (EXEMPT) Acquisition of affordable homes Hazely Rd Twyford

CAB3485 Acquisition of affordable homes at Kings Barton Winchester

CAB3473 Procurement of Repairs & Maintenance term contract

CAB3465 HRA Outturn 2023/24

CAB3445 HRA Budget 2024/25

CAB3432 HRA Business Plan and Budget Options – November 2023

### Other Background Documents:-

None

### APPENDICES:

Appendix 1 Summary Business Plan

Appendix 2 Savings Proposals

Appendix 3 Business Plan Metrics



**Appendix 1****Summary Business Plan**

|                                                            | 2024.25           |                           | 2025/26                   | 2026/27                   | 2027/28                   | 2028/29                   | 2029/30                   |
|------------------------------------------------------------|-------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
|                                                            | Budget<br>£       | HRA<br>Business Plan<br>£ | HRA<br>Business Plan<br>£ | HRA<br>Business Plan<br>£ | HRA<br>Business Plan<br>£ | HRA<br>Business Plan<br>£ | HRA<br>Business Plan<br>£ |
| <b>Income</b>                                              |                   |                           |                           |                           |                           |                           |                           |
| Net Dwelling Rents                                         | 34,481,320        | 34,502,857                | 34,957,908                | 36,687,507                | 39,770,669                | 42,039,681                | 43,847,531                |
| Non Dwelling Rents                                         | 400,799           | 234,437                   | 242,217                   | 247,061                   | 252,002                   | 257,042                   | 262,183                   |
| Charges, contributions for services and facilities         | 2,140,979         | 2,595,942                 | 2,825,792                 | 2,892,955                 | 2,961,806                 | 3,032,389                 | 3,104,749                 |
|                                                            | <b>37,023,098</b> | <b>37,333,236</b>         | <b>38,025,917</b>         | <b>39,827,523</b>         | <b>42,984,477</b>         | <b>45,329,112</b>         | <b>47,214,463</b>         |
| <b>Expenditure</b>                                         |                   |                           |                           |                           |                           |                           |                           |
| Repairs and maintenance                                    | -6,579,400        | -7,554,078                | -7,815,589                | -8,066,446                | -8,313,534                | -8,542,179                | -8,773,798                |
| Supervision and management                                 | -10,213,008       | -10,433,053               | -10,755,187               | -10,989,590               | -11,229,261               | -11,474,321               | -11,724,897               |
| Special services                                           | -3,125,237        | -2,375,609                | -2,353,918                | -2,439,560                | -2,529,377                | -2,664,601                | -2,786,002                |
| Sewerage                                                   |                   | -504,583                  | -568,370                  | -567,693                  | -587,565                  | -608,003                  | -629,024                  |
| One off investments                                        | -1,000,000        | -1,000,000                | -1,470,927                | -295,437                  | -275,565                  | -278,159                  | -280,805                  |
| (Increase)/decrease in provision for bad or doubtful debts | -111,000          | -111,000                  | -111,599                  | -115,216                  | -119,266                  | -125,383                  | -132,824                  |
| Depreciation and impairment of fixed assets                | -9,973,000        | -10,317,000               | -10,573,633               | -10,887,541               | -11,245,612               | -11,764,832               | -12,199,372               |
| Debt management costs                                      | -9,243            | -6,615                    | -6,654                    | -7,665                    | -9,150                    | -10,692                   | -11,576                   |
| <b>Net cost of services</b>                                | <b>6,012,210</b>  | <b>5,031,298</b>          | <b>4,370,040</b>          | <b>6,458,375</b>          | <b>8,675,147</b>          | <b>9,860,942</b>          | <b>10,676,165</b>         |
| Net interest cost/Item 8                                   | -7,716,520        | -5,265,835                | -6,346,419                | -6,519,654                | -7,737,791                | -9,576,640                | -10,561,442               |
| Provision for repayment of loans                           |                   | -230,944                  | -230,944                  | -230,944                  | -230,944                  | 0                         | -230,944                  |
| <b>Surplus / (deficit) for the year</b>                    | <b>-1,704,310</b> | <b>-465,480</b>           | <b>-2,207,323</b>         | <b>-292,222</b>           | <b>706,412</b>            | <b>284,302</b>            | <b>-116,221</b>           |
| <b>Current capital shortfall</b>                           |                   |                           | <b>17,624,000</b>         | <b>16,784,950</b>         |                           |                           |                           |
| <b>HRA Balance Brought Forward</b>                         | <b>14,095,000</b> | <b>14,095,000</b>         | <b>13,629,520</b>         | <b>11,422,196</b>         | <b>11,129,974</b>         | <b>11,836,386</b>         | <b>12,120,688</b>         |
| <b>HRA Balance Carried Forward</b>                         | <b>12,390,690</b> | <b>13,629,520</b>         | <b>11,422,196</b>         | <b>11,129,974</b>         | <b>11,836,386</b>         | <b>12,120,688</b>         | <b>12,004,467</b>         |

**Appendix 2 Proposed revenue savings 2025/26 onwards**

| Proposal                                                                                                                                                                                                                                                                                                                                 | 2025/26 Saving | Potential future year savings | One/off or ongoing | Risk rating |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|-------------------------------|--------------------|-------------|
| Review of General Fund recharges to the HRA                                                                                                                                                                                                                                                                                              | 150            |                               | Ongoing            | Amber       |
| Sewage charges subsidy reduction. If OFWAT allow water utility bills to increase above inflation then Council policy is to mirror any increases and as such the subsidy provided will reduce commensurately                                                                                                                              | 10             | 45                            | Ongoing            | Amber       |
| Review of Voids contracts provision<br>Detailed review of voids costs suggests that in some cases costs can be reduced by procurement outside basket rates                                                                                                                                                                               | 350            |                               | Ongoing            | Amber       |
| Implementation of Repairs recharge policy. This is subject to implementation of repairs recharge policy which supports the repair and maintenance contract procurement. To be considered at the February cabinet committee housing                                                                                                       | 50             |                               | Ongoing            | Amber       |
| Damp and mould in house service - increase capacity. This is a nil cost proposal to set up an inhouse service to undertake mould wash and associated work rather than contract out. This will be costed and presented as part of February budget setting                                                                                 | 0              |                               | Ongoing            | Red         |
| Discontinue Tenants incentive budget. This is a budget to reward customers for moving from a larger to smaller property. Many customers decide to make such a move without the incentive of payment and thus this budget can be withdrawn. If tenants face hardship in moved discretionary housing payments exist to help fund the move. | 65             |                               | Ongoing            | Green       |
| Reduce Tenant involvement budget. This will reduce the funding for activity and events to involve tenants and residents                                                                                                                                                                                                                  | 40             |                               | Ongoing            | Green       |
| Reduce Training budget. The training budget is regularly underspent by this level and as such existing training requirements can be met from the reduced budget                                                                                                                                                                          | 50             |                               | Ongoing            | Green       |

|                                                                                                                                                                                                                                                                         |     |    |         |       |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|----|---------|-------|
| To employ a Quantity Surveyor to drive cost control savings. This saving is the net after employment costs of a Quantity surveyor is employed to challenge contractors costs of works when invoiced.                                                                    | 100 |    | Ongoing | Red   |
| Reduce consultancy budget from New Homes. This will reduce the budget for feasibility on new development to be undertaken by the Council. This is consistent with the strategic move to acquisition of new homes and reducing direct development activity.              | 100 |    | Ongoing | Amber |
| New Homes deletion of vacant posts. This is the deletion of funded vacant posts.                                                                                                                                                                                        | 120 |    | Ongoing | Amber |
| Discontinue white goods budget. This budget was used to purchase new white goods for tenants when they moved into homes if they were unable to finance themselves. In future customers facing this issue will be supported with recycled or white goods from charities. | 25  |    | Ongoing | Green |
| Disrepair process review. This reflects a more proactive approach to achieving agreement to disrepair cases early on so as to mitigate costs of fees for the Council.                                                                                                   | 0   | 50 | Ongoing | Amber |
| IT contingency budget reduction. This is reduction in budget due to the repair and maintenance contract procurement intending to seek IT solutions from suppliers as part of the contract.                                                                              | 400 |    | One-off | Green |
| Voice scale end contract 2025/6 half year. This contract supports income recovery and the performance achieved to date does not require on going use of this service                                                                                                    | 20  |    | Ongoing | Red   |
| Service charge full cost recovery review. This reflects the costs of ensuring that full costs of service charges are recovered from those customers who enjoy them.                                                                                                     | 250 |    | Ongoing | Amber |
| Increased charges for catering at Chesil Lodge. At present the HRA provides a significant subsidy to the cost of meals for those who enjoy them at Chesil lodge. This proposal aims to reduce that subsidy by passing more costs onto the Chesil lodge residents        | 20  |    | Ongoing | Red   |
| Rent convergence updated budget assumption. This reflects the modelling of                                                                                                                                                                                              | 100 |    | Ongoing | Green |

|                                                                                                                                    |              |           |         |       |
|------------------------------------------------------------------------------------------------------------------------------------|--------------|-----------|---------|-------|
| the turnover of properties next year that will be let at formula rent levels.                                                      |              |           |         |       |
| Reduction in postage. As the service moves towards digital communications with customers this budget can be reduced commensurately | 20           |           | Ongoing | Amber |
| <b>Total</b>                                                                                                                       | <b>1,870</b> | <b>95</b> |         |       |

### Appendix 3 Key metrics in the business plan

| Financial year | External Debt | Capital Finance requirement | Capital Charges | Debt repayment | Net Income | Revenue Expenditure | Capital programme | New Build | Capital funding shortfall | Working Balance |
|----------------|---------------|-----------------------------|-----------------|----------------|------------|---------------------|-------------------|-----------|---------------------------|-----------------|
| 2024.25        | 185,912       | 170,067                     | 5,272           | 231            | 37,223     | 32,185              | 17,389            | 8,130     |                           | 13,630          |
| 2025.26        | 140,379       | 168,836                     | 6,353           | 231            | 37,914     | 33,538              | 17,368            | 15,749    | 17,624                    | 11,422          |
| 2026.27        | 169,148       | 188,143                     | 6,527           | 231            | 39,690     | 33,224              | 17,571            | 23,687    | 16,785                    | 11,130          |
| 2027.28        | 203,455       | 235,414                     | 7,747           | 231            | 42,865     | 34,181              | 17,641            | 54,718    |                           | 11,836          |
| 2028.29        | 250,726       | 251,954                     | 9,587           | -              | 45,204     | 35,332              | 16,608            | 23,793    |                           | 12,121          |
| 2029.30        | 268,035       | 273,568                     | 10,573          | 231            | 47,082     | 36,394              | 16,627            | 28,385    |                           | 12,004          |
| 2030.31        | 289,649       | 298,277                     | 11,732          | 231            | 49,910     | 37,555              | 13,931            | 35,355    |                           | 12,397          |
| 2031.32        | 314,358       | 300,682                     | 12,590          | 231            | 50,858     | 38,520              | 9,136             | 15,905    |                           | 11,914          |
| 2032.33        | 316,763       | 300,451                     | 12,877          | 292            | 52,299     | 39,508              | 8,857             | 11,404    |                           | 11,537          |
| 2033.34        | 316,532       | 300,220                     | 12,719          | 231            | 53,309     | 40,341              | 8,813             |           |                           | 11,555          |
| 2034.35        | 316,301       | 299,989                     | 12,479          | 279            | 54,334     | 41,208              | 9,956             |           |                           | 11,923          |
| 2035.36        | 316,070       | 298,980                     | 12,461          | 1,580          | 56,383     | 42,095              | 11,083            |           |                           | 12,172          |
| 2036.37        | 315,061       | 298,187                     | 12,215          | 985            | 56,376     | 43,002              | 12,269            |           |                           | 12,346          |
| 2037.38        | 314,268       | 297,251                     | 12,139          | 1,139          | 57,399     | 43,931              | 12,292            |           |                           | 12,537          |
| 2038.39        | 313,332       | 296,008                     | 11,842          | 1,472          | 58,440     | 44,881              | 9,225             |           |                           | 12,783          |
| 2039.40        | 312,090       | 294,394                     | 11,580          | 1,875          | 59,501     | 45,853              | 16,704            |           |                           | 12,976          |
| 2040.41        | 310,475       | 292,445                     | 11,302          | 2,241          | 60,581     | 46,848              | 10,115            |           |                           | 13,166          |
| 2041.42        | 308,526       | 289,021                     | 10,944          | 3,741          | 62,804     | 47,865              | 15,263            |           |                           | 13,419          |
| 2042.43        | 305,102       | 286,403                     | 10,767          | 2,982          | 62,800     | 48,907              | 14,274            |           |                           | 13,563          |
| 2043.44        | 302,485       | 283,464                     | 10,406          | 3,344          | 63,941     | 49,973              | 13,052            |           |                           | 13,781          |
| 2044.45        | 299,545       | 280,120                     | 9,999           | 3,794          | 65,103     | 51,064              | 13,369            |           |                           | 14,027          |
| 2045.46        | 296,201       | 276,324                     | 9,538           | 4,289          | 66,286     | 52,181              | 11,960            |           |                           | 14,304          |
| 2046.47        | 292,405       | 272,032                     | 9,053           | 4,836          | 67,491     | 53,324              | 14,294            |           |                           | 14,582          |
| 2047.48        | 288,114       | 266,110                     | 8,672           | 6,508          | 69,966     | 54,493              | 13,853            |           |                           | 14,875          |
| 2048.49        | 282,191       | 260,839                     | 8,100           | 5,924          | 69,968     | 55,691              | 11,925            |           |                           | 15,128          |
| 2049.50        | 276,920       | 255,012                     | 7,625           | 6,514          | 71,241     | 56,916              | 18,132            |           |                           | 15,314          |
| 2050.51        | 271,093       | 248,674                     | 7,190           | 7,060          | 72,538     | 58,171              | 15,923            |           |                           | 15,431          |
| 2051.52        | 264,755       | 241,905                     | 6,677           | 7,558          | 73,858     | 59,455              | 15,312            |           |                           | 15,599          |
| 2052.53        | 257,986       | 233,409                     | 6,259           | 9,343          | 76,566     | 60,769              | 16,983            |           |                           | 15,794          |
| 2053.54        | 249,490       | 225,685                     | 5,682           | 8,657          | 76,546     | 62,089              | 17,166            |           |                           | 15,911          |

## SCRUTINY COMMITTEE

REPORT TITLE: HOUSING PROCUREMENT OF HRA REPAIRS AND  
MAINTENANCE TERM CONTRACT

12 NOVEMBER 2024

REPORT OF CABINET MEMBER: Cllr Chris Westwood, Cabinet Member for Housing

Contact Officer: Gillian Knight Tel No: 01962 848 577 Email  
gknight@winchester.gov.uk

WARD(S): ALL

### RECOMMENDATION:

It is recommended that the committee scrutinise and comment on the proposals within the attached draft cabinet report, ref CAB3463 which is to be considered by cabinet at its meeting on the 20 November 2024.

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REPORT TITLE: HOUSING PROCUREMENT OF HRA REPAIRS AND  
MAINTENANCE TERM CONTRACT

20 NOVEMBER 2024

REPORT OF CABINET MEMBER: Cllr Chris Westwood, Cabinet Member for Housing

Contact Officer: Gillian Knight Tel No: 01962 848 577 Email  
gknight@winchester.gov.uk

WARD(S): ALL

PURPOSE

This report seeks consideration of an approach to the procurement of the repair and maintenance of the Council's housing stock that will drive improvements in customers' satisfaction and efficiency of delivery.

It is proposed to include a number of budgets into one contract over a 10 year period so as to reduce procurement costs whilst generating a volume of work that will attract significant interest from the market. The Council will be able to rely upon that procurement process for work over the life of the contract but will not be obliged to use it for all elements. It is recommended that the Council seeks a lead contractor who will directly employ staff as well as sub contract some elements. It is expected that contractors will be able to bring digital solutions to the customer experience so that it will be possible to provide a better service to customers. The form of contract recommended between the Council and contractor will encourage and support continuous improvement and partnership working. Nevertheless, the Council's and customers interest are protected in the contract by the ability of the Council to terminate the contract with six months notice in the face of contract failures or twelve months by the Contractor. Reflecting the importance of this service to customers it is recommended that the proposals from contractors are assessed on the basis of 60% quality and 40% cost.

RECOMMENDATIONS:Cabinet is asked to agree

- 1) To procure, award and enter into a contract / contract(s) to undertake retrofit, cyclical, planned, voids and reactive works to Winchester City Council owned housing properties within the parameters set out in this report and to delegate authority to the Strategic Director to conduct the procurement exercise and to finalise and agree the terms of the contract(s).
- 2) To incorporate and design a dialogue phase(s) within the procurement procedure as permitted under the Public Contract Regulations 2015 (PCR 2015).
- 3) To use the Competitive Dialogue Procedure under PCR 2015 to carry out the procurement.
- 4) To ensure best value, adopt a 60:40 (quality:price) evaluation model with a quality bias (60%) as endorsed by the Cabinet Member for Housing
- 5) To commission following the satisfactory completion of the procurement exercise a Term Alliance Contract to be awarded to a single provider for an initial term of up to 10 years with an option to extend for a further 5 years.
- 6) To agree to evaluate tendered prices using the Optimum Price model rather than a lowest price model.
- 7) To approve the use of the Term Alliance Contract TAC-1 (as amended) form of contract for the HRA repairs and maintenance contract.

IMPLICATIONS:1 COUNCIL PLAN OUTCOME

- 1.1 Tackling the Climate Emergency and Creating a Greener District
- 1.2 Greener Homes' is one of the key strategic objectives within the Housing Strategy 2023 to 2028 and will help develop and support a greener district and address the climate emergency. A key driver is to improve thermal performance of existing council homes through planned works and the retrofit carbon reduction programme to aid residents with maintaining warm homes.
- 1.3 Homes for all
- 1.4 Repairs and maintenance has a direct influence on the quality of the Council's housing stock and the wellbeing of residents. Homes are improved and repaired to increase the lifespan of a property's fabric whilst ensuring that residents' homes meet decency standards and comply with the Housing Health and Safety Rating system (HHSRS)
- 1.5 Vibrant Local Economy
- 1.6 The term alliance contractor will seek to enhance Localism and enable inclusivity for smaller contractors. The terms of the contract will ensure that the council monitors the approach to Localism. Additionally, the term alliance contractor will consider the recruitment of people from the community. Aspects of social value will promote the local economy.
- 1.7 Living Well
- 1.8 The term alliance contract(s) supports the priority of Living Well which seeks to maintain and enhance the council's housing stock and support good mental and physical health for all residents. The term alliance contractor will be required to comply with the council's Safeguarding Policy.
- 1.9 Your Services, Your Voice
- 1.10 The planned and completed engagement process prior to procurement allows the council to be open, transparent, inclusive and enabling, providing good value. The emphasis of the term alliance contract is to establish a resident centric ethos and deliver the service 'With and For' residents and not 'To'.
- 1.11 It is the intention for the new contract to implement digital functionality to improve the customer experience of reporting issues, booking appointments and monitoring repairs. Improved communications between residents and the contractor is a critical aspect of digitalisation.
- 1.12 Residents have been engaged throughout the research phase and will be represented during the bid evaluation and dialogue phases. Residents will

continue to be involved as attendees of the monthly core group throughout the entire term of the contract.

- 1.13 Delivering a quality repairs service is essential. Residents often view how well the repairs service is run as representative of the performance of the Council as a whole. The views of residents will therefore be a key driver in designing and setting the new service standards.

## 2 FINANCIAL IMPLICATIONS

- 2.1 The contract(s) will encompass retrofit, cyclical, planned, voids and reactive works to the council's housing stock across the district. It will include works within tenanted dwellings and works to the communal areas of blocks and building curtilage. The potential total value of works over the 10 years of the contract(s) is estimated to be in the region of £200m. However, this could increase to £300m if the contract was extended by 5 years. A 5-year contract extension would require cabinet approval. The procurement strategy isn't about securing the lowest possible price but that the intention is for quality of service at fair price.
- 2.2 The HRA Business plan allows for assumed cost of repairs and maintenance over the life of the proposed contract. This estimate is based on existing schedules of rates, repairs volumes and includes assumed growth in repairs volume and inflation. The business plan estimates will need to be reviewed and updated based on the proposed pricing methodology as part of the 2025/26 business planning process. However, repairs and voids works are reactive by nature; should existing annual budgets prove insufficient or a project is significant to warrant a further paper, this will be brought back to Cabinet for decision making and, if necessary, additional budget provision. Provision will be made in the procurement process to allow maximum efficiency in establishing compliant arrangements without the need to re-engage in officers in further lengthy procurement activity, as is allowed under applicable public procurement law.
- 2.3 The budgets & business plan assumptions will be based on existing SoR contract rates and repairs volumes. WCC will need to model a 'should be' cost based on accurate data to both inform the OPM and to ensure future business plan estimates are accurate. This will assist to mitigate the risk that the new contract will be more expensive than the current arrangements.
- 2.4 During the 10 years that this contract will operate, the HRA business plan agreed in February 2024 has a total revenue and capital budget of £212m to invest in the current stock. This value includes forecasted CPI. There may be a requirement for future budget provision should the 5-year contract extension be invoked. This value is unknown at this time but will be reviewed as part of the annual business plan review.

- 2.5 Leaseholders and Shared Owners must pay towards the cost of any services or work to the building or the estate their home is on. Under Section 20 of the Landlord and Tenant Act 1985 (amended by section 151 of the Commonhold and Leasehold Reform Act 2002), the council must consult about work and services that Leaseholders and Shared Owners are required to pay for. Failure to do so means that they cannot be required to pay.
- 2.6 The contract /s will extend beyond 12 months hence it is deemed to be a Qualifying Long-Term Agreement (QLTA) and Leaseholders and Shared Owners will be consulted as per the requirements of Section 20.
- 2.7 The Programme will be priced by way of a fixed Price per Repair for Repairs & Maintenance, a Price per Void through a range of basket rates, and a Three Star rate for gas servicing, supported by open book pricing of those exceptional repairs not included in the fixed rates.
- 2.8 Open book pricing for repairs and planned works will be conducted through the National Housing Federation, Schedule of Rates, current version.
- 2.9 Planned capital investment to replace roof coverings, windows and doors, kitchens, bathrooms etc will be priced at tender stage using a series of all-in basket rates. Subsequent pricing activity will be supported by open book supply chain tenders led by the Provider

### 3 LEGAL AND PROCUREMENT IMPLICATIONS

- 3.1 The procurement process will involve awarding a Term Alliance Contract or contracts, in line with the council's Contract Procedure Rules and the PCR 2015.
- 3.2 The HRA will recruit a Quantity Surveyor as a permanent post to manage the commercial and contractual activities, ensure that accurate payments are reconciled and invoiced and act as a conduit between the repairs service and WCC finance officers.
- 3.3 Due to the mandated timescale needed to prepare for and re-procure complex regulated tenders, it was deemed not possible to conclude a robust exercise in time before the originally announced implementation date of 28 October 2024 for the Procurement Act 2023. However, the very recent postponement of that implementation date to 24 February 2025 means that this procurement and the management of the resulting contract(s) will be regulated by the PCR 2015 regime.
- 3.4 .Consideration has been given to the procurement procedures available under PCR2015 and the Competitive Dialogue (CD) procedure is the most appropriate for this opportunity. The CD procedure may be used where "the contract cannot be awarded without prior negotiation because of specific circumstances related to the nature, the complexity or the legal and financial make-up or because of risks attaching to them".

- 3.5 This procurement procedure enables the opportunity to hold constructive dialogue with Tenderers around the more complex and developing areas of service delivery, particularly in respect of ICT and digitalisation, and residents' access to the service. Tenderers are then able to refine and improve their proposals before making final submissions. The procurement route is discussed in more detail at item 4.1 in the Procurement Strategy.
- 3.6 The councils Legal and Procurement teams are supporting the procurement and, given the nature and value of this project and the procurement exercise required, the project team will be assisted by leading external expertise in the legal profession and contract procurement.
- 3.7 Prior to commencement of any procurement activity, there will be an assessment of known risks and the likely materialisation of such risks to ensure these are mitigated. . Formal procurement notifications and documentation will be developed to allow maximum flexibility and agility to assist any future needs.
- 3.8 The procurement procedure will not set out to preclude any interested local suppliers and SME's and will give due regard to any unintentional barriers that might be faced.
- 3.9 Under section 1 of the Localism Act 2011, the council has the power to undertake any activity a normal person could undertake, for the benefit of the authority, its area or persons resident or present in its area. The council is satisfied it has the enabling power(s) to procure and award a contract for services following the robust procurement exercise and resulting contract.
- 3.10 The council has an obligation as a best value authority under section 3 of the Local Government Act 1999 to "make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness". The awarding of and entering into term alliance contracts following a robust compliant procurement exercise is in line with this obligation.
- 3.11 The contract will provide for a 'no fault' right of termination able to be exercised by either party at any time. In the event the Council exercises its right to terminate, it will serve notice on the Provider of not less than 6 months. Should the Provider wish to terminate, it will need to give notice to the Council of not less than 12 months in order to allow the Council sufficient time to conduct a fresh procurement or at the very least put sufficient interim measures in place.

#### 4 WORKFORCE IMPLICATIONS

- 4.1 The preparation and letting of the tender for the contract(s) will be undertaken by council officers from the Housing Revenue Account team (HRA), supported by the Legal, Finance and Procurement teams, within existing resources. This will also be supplemented by external advisors procured in line with Contract Procedure Rules. The ongoing contract management and letting of works

within the contract(s) will be the responsibility of the Housing Revenue Account team.

- 4.2 Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE): the Impact on the applicability of TUPE has been and will continue to be considered throughout the process, before and after any tender exercise. Internal and external expertise has already notified that this may be a feature of the process. The tender procedure will be designed to ensure prospective and incumbent contractors are aware of and legally bound to carry out their obligations in relation to TUPE. Any data required to be disclosed during the process will be handled sensitively, appropriately and securely. HRA will be advised on any internal and external TUPE implications affecting contractor and council staff if this is within scope.

## 5 PROPERTY AND ASSET IMPLICATIONS

- 5.1 The housing stock represents the council's most valuable asset and its largest liability in investment terms; therefore, an effective and agile approach to managing the council's assets is critical to ensuring the long-term sustainability of the council housing portfolio.
- 5.2 Repairs and maintenance will be an intrinsic aspect of the HRA, Asset Management Strategy which will define the strategy over the duration of the contract.
- 5.3 This contract provides opportunities for the council to drive changes that will improve the standard of council owned housing and the lives of residents, regenerate communities and tackle climate change. However, the changes may put significant pressures on budgets and resources, so there is a need to ensure that the council's assets are managed effectively.
- 5.4 Effective contract management must take place throughout the life of the contract to ensure that the key aims are met and to deliver the required outcomes and specifications of the contract.
- 5.5 The implementation of a robust but relevant suite of KPI's in association with a keenly drafted Term Brief should enable effective contract management. Establishing a holistic approach with the delivery of repairs, voids and planned works will require careful management but should be more straightforward with a single contractor.
- 5.6 The Housing Regulator has a set of regulatory standards containing specific expectations registered providers of social housing must comply with.
- 5.7 The council has a legal obligation under the Gas Regulations 1998 to annually check the safety of all gas appliances, pipework, and associated items within the stock.

- 5.8 A duty to comply with the Asbestos Management Regulations 2012 and follow best practice relating to domestic properties. Legionella compliance and Electrical Safety checks.
- 5.9 The council must adhere to repairing obligations in Section 11 of the Landlord and Tenant Act 1985 (the Act) as amended by the Homes (Fitness for Habitation) Act 2018.
- 5.10 Section 9A of the 1985 Act requires the council to ensure properties are fit for human habitation. The Act focuses on the Housing Health and Safety Rating System (HHSRS) which sets out 29 housing hazards. The HHSRS assesses the health and safety risks within a property. If a property fails a HHSRS inspection it will not meet the Decent Homes Standard.
- 5.11 The contract will incorporate a suite of KPI's to monitor operational performance. These will include but are not limited to

| KPI description                                       | Performance target | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
|-------------------------------------------------------|--------------------|--------|--------|--------|--------|--------|
| Customer satisfaction                                 |                    | 80%    | 83%    | 86%    | 88%    | 90%    |
| Appointments kept                                     |                    | 85%    | 90%    | 92%    | 94%    | 95%    |
| First time fix                                        |                    | 80%    | 82%    | 84%    | 86%    | 88%    |
| Emergency and urgent repairs as a %age of all repairs |                    | 20%    | 15%    | 10%    | 10%    | 10%    |
| Recalls to completed jobs                             |                    | 6%     | 5%     | 4%     | 3%     | 2%     |
| Attend to Emergency/Urgent Repairs on Time            |                    | 95%    | 97%    | 98%    | 99%    | 99%    |
| Complete routine jobs on time                         |                    | 90%    | 92%    | 94%    | 95%    | 96%    |
| Average for repairs completion time (Days)            |                    | 30     | 27     | 25     | 23     | 20     |
| Landlords Gas Servicing Record (LGSR)                 |                    | 100%   | 100%   | 100%   | 100%   | 100%   |
| Electrical Installation Condition Report (EICR)       |                    | 100%   | 100%   | 100%   | 100%   | 100%   |
| Completion of voids on time (All priorities)          |                    | 80%    | 85%    | 90%    | 95%    | 100%   |

- 5.12 Operational performance measures (OPI's) will be collectively determined and agreed during the contract mobilisation period.
- 5.13 Performance against social value and carbon reduction initiatives will be reviewed and monitored at the quarterly strategic core meeting.

## 6 CONSULTATION AND COMMUNICATION

- 6.1 In May 2024 a survey relating to the repairs service was sent to all tenants, leaseholders and shared owners for whom Winchester City Council hold an email address to be completed online and a paper copy sent to all those for whom no email address is recorded.
- 6.2 There were 823 responses to the survey, reflecting a 13% return rate which is considered to be a very good response.

- 6.3 Within the survey, information was provided about a series of eight workshops taking place at various venues across the district for residents to come and discuss the repairs service in person.
- 6.4 Respondents to the survey had the opportunity to register their interest in attending the workshops. Everyone who registered their interest received a reminder and invitation to attend. The workshops were also advertised on the tenant involvement Facebook page. All the venues were accessible, and parking was available. Transport was offered free of charge for anyone who wanted to attend.
- 6.5 In response to the workshops, 135 residents expressed an interest to attend and a total of 17 residents attended.
- 6.6 Four workshops were hosted for housing staff to attend at which 41 staff members attended
- 6.7 A workshop was hosted for elected members at which 11 councilors attended.
- 6.8 The emphasis of the workshops was to establish
  - What doesn't work well with the repairs service?
  - What works well with the repairs service?
  - What would good look like?
- 6.9 Two workshops were hosted with relevant members of the HRA Property Services team to consider and determine the scope of the contract.
- 6.10 Consultation with three other Local Authorities was conducted to discuss pro's and cons of various methodologies and models relating to Repairs and Maintenance contracts.
- 6.11 The scope of the contract was presented to Housing Economy and Policy Committee on September 17<sup>th</sup> 2024. The minute of that meeting can be found at, [Agenda item - Housing, Repairs and Maintenance Contract Procurement \(Presentation\) - Winchester City Council](#). The presentation is attached as **Appendix 2**. Questions were raised concerning; the assessment of social value proposed by contractors as part of the quality assessment, whether entering into a Term Alliance contract (TAC) would be a specific recommendation to cabinet, what contingency would exist if procurement timescales were not achieved, the advantages of a 10 year contract, the key performance indicators that would be employed, whether price per void provided enough price control, how annual works contracts would operate, how customers would be able to enjoy direct contact with contractors and what oversight there would be, the timeliness and nature of system integration between the Council and contractor IT systems and the split of consultation responses between urban and rural areas.

6.12 Consultation and communication will continue to be undertaken as part of the procurement process, in line with council policy and Contract Procedure Rules. Activity completed to date outside of any formal tender process includes the following (NB: this does not commit the council to any exercise or approach and it is considered best practice to engage with prospective suppliers):

- a) Inviting wide feedback on a range of themes to include contract delivery models, commercial models (remuneration), preferred forms of contract, lessons learned, systems through various activities.
- b) Publication of a Prior Information Notice (PIN) advising the market of a webinar / workshop to discuss themes above and to allow questions. (27/06/24).

[Responsive Repairs, Maintenance and Planned Works Programme 2026 - 2036 - Find a Tender \(find-tender.service.gov.uk\)](#)

- c) 1:1 discussions with incumbent contractors to establish lessons learned and consider 'what if' (mid June).
- d) Publication of an engagement questionnaire setting out proposals and ideas, inviting would be bidders to select options or propose new options to consider (03/07/24).
- e) Hosting the advertised engagement event to present and discuss the themes mentioned above. (25/07/24)
- f) Additional 1:1 sessions following feedback from the above.
- g) HRA staff engagement sessions
- h) Resident surveys and workshops

6.13 A Prior Information Notice (PIN) was issued as a means of advising the market of a potential tender and can be viewed via this [this link](#) as listed under Background Information. This soft market testing, as encouraged by PCR 2015, generated excellent feedback from potential contractors.

6.14 A pre-advertised information day was held as a webinar on 25 July 2024 and was attended by 46 delegates across 24 separate companies. Registration was open to all and included representation from SMEs and large well-known companies and ranged from CEOs to contract administrators. Feedback from one CEO complimented the council's approach to the proposed evaluation model, social value and the tender portal.

6.15 Presentations were given by the Repairs Project Lead, Procurement Officer Lead and Independent Advisor. Topics included aims of the session, background information, key drivers, procurement approach and preliminary questionnaire for the market. The session also allowed for open dialogue and

questions, answers to which were all published on the tender portal to ensure full transparency.

- 6.16 Following a request at the information day, further Contractor 1:1s were scheduled. A time limited session offer was made to anyone registering within the portal. Nine organisations requested available slots. A set agenda and times were provided and covered areas such as best practice, scope, delivery options, IT systems and tender documentation. Prospective bidders welcomed the proposed approach the council was taking for this procurement and confirmed their interest in bidding.

## 7 ENVIRONMENTAL CONSIDERATIONS

- 7.1 The Term Alliance Contract will require the successful bidder to support the Council's Carbon Neutrality objectives and Nature Emergency. The procurement will be supported by members of the council's sustainability team to assist with development of appropriate tender assessment approach and ongoing reporting mechanisms post contract let.
- 7.2 All bidders will need to complete and 'pass' a UK standard qualification Selection Questionnaire as part of the procurement exercise. The questionnaire is designed to check the business conduct of suppliers including offences of grave professional misconduct and environmental matters. Work area specifications can be included and the council's strategies this area will be embedded in the procurement process.
- 7.3 Consistent with the council's Procurement and Contract Management Strategy, the procurement process will apportion a minimum of 10% to Environmental and Social Value evaluation criteria. We will be seeking for bidders to provide innovative solutions to assist the council in achieving carbon neutrality for the district by 2030.
- 7.4 In addition, the contract specification will require contractors to arrange for the recycling of waste.
- 7.5 The new contract will aim to minimise the use of paper & postage by maximising the use of digital communication channels
- 7.6 A key element of the council's Carbon Neutrality Action Plan (CNAP) includes investment in the council's housing stock to improve energy efficiency and help tenants reduce their carbon emissions while also reducing their energy costs.
- 7.7 Continuous Improvement will be a fundamental aspect of the Term Contract. Carbon Neutrality will be a collective priority.
- 7.8 The successful bidder will be resourced, as required, to fully support the Council's Retrofit Team with the delivery of works, developing technical opportunities and seeking potential funding.

## 8 PUBLIC SECTOR EQUALITY DUTY

- 8.1 This tender process and contract must uphold the principles of equality, transparency and fairness of all suppliers.
- 8.2 The delivery of repairs and maintenance throughout this contract will not result in any foreseeable negative impacts on any individual or group that has protected characteristics under the Equality Act. Reasonable adjustments will be made to programme delivery where appropriate to support the individual needs and circumstances of residents.
- 8.3 The successful bidder will be required to comply with the council's Equality Policy. The council will also include questions in the Selection Questionnaire to determine whether any of the bidders has had any complaints made against them in the last three years, which were upheld following an investigation by the Equality and Human Rights Commission (or equivalent).

## 9 DATA PROTECTION IMPACT ASSESSMENT

It is not anticipated that the award of a new contract, will lead to any significant changes to the purposes and way in which personal data is used or processed. Officers will undertake a review, by way of a Data Protection Impact Assessment, of any additional data protection or privacy risks arising from changes to procedures. This will ensure that personal data continues to be processed in accordance with the data protection principles and legislation.

## 10 RISK MANAGEMENT

- 10.1 A project risk register has been in place since May 2024 and will be reviewed and maintained throughout the project. See appendices

| Risk               | Mitigation                                                                                                                                                                                                                                                                                                                                                                                                                                | Opportunities                                                                                                                                                                                                                                     |
|--------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Financial Exposure | <ul style="list-style-type: none"> <li>Procurement and contracts risk assessment to assess level of financial risk and tailor procurement process and contract management accordingly.</li> <li>Follow Financial Procedure Rules, Contract Procedure Rules and best practice to minimise exposure</li> <li>Soft market testing to ascertain best repairs model.</li> <li>Discuss cost drivers with incumbents and wider market</li> </ul> | Ensure the principles with the council's <b><u>Contract Management Framework</u></b> are adopted for ongoing management and an appropriate level of resource is in place to ensure robust contract management for the duration of the contract(s) |

| Risk                                    | Mitigation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Opportunities                                                                                                                                                                                     |
|-----------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                         | <ul style="list-style-type: none"> <li>• Benchmark contractual levers in place to control cost</li> <li>• Develop understanding of 'should cost and optimum' models</li> <li>• Ensure robust indexation / cost control embedded in contract with appropriate risk apportionment</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                   |
| Exposure to challenge                   | <ul style="list-style-type: none"> <li>• Procured in line with best practice, Contract Procedure Rules and the PCR 2015.</li> <li>• Early engagement with market, current suppliers, staff and residents.</li> <li>• Commission sector leading legal advisor</li> <li>• Ensure all bidders have equal access to information and that none are disadvantaged or given an unfair advantage</li> <li>• Ensure PCR 2015 requirements for competitive dialogue procedure are complied with</li> <li>• Conduct procurement in a way which ensures compliance with public procurement general principles of equal treatment, transparency, non-discrimination and proportionality</li> </ul> | The process and contract delivery will be robust and enables a sound working relationship between the council, its stakeholders and its contractors, fully supportive of the council's objectives |
| Innovation Legacy systems and policies? | <ul style="list-style-type: none"> <li>• Review alternative delivery models. Update policies</li> <li>• Develop systems in association with the successful bidder that enable residents to self-serve and raise , appoint , track and follow up repairs</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                    | <p>Benchmarking with other local authorities</p> <p>Collaboration with the successful bidder</p>                                                                                                  |

| Risk                                                                               | Mitigation                                                                                                                                                                                                                                                                                                                                          | Opportunities                                                                                                                                                                                                                                 |
|------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                    | <ul style="list-style-type: none"> <li>Develop systems with the successful bidder that enable the council to own, manage and effectively analyse repairs data</li> </ul>                                                                                                                                                                            |                                                                                                                                                                                                                                               |
| Reputation                                                                         | Reputable and suitably qualified contractors employed to undertake the works.<br>Undertake Conflicts of Interest assessment and maintain register throughout.                                                                                                                                                                                       | Enhanced reputation with suppliers through early market engagement.                                                                                                                                                                           |
| Achievement of outcome                                                             | <ul style="list-style-type: none"> <li>The timescale of the current term contracts means commencing the procurement now, ensures a timely mobilisation following the tender process and subsequent implementation.</li> <li>Creating a more effective service for residents that delivers good value</li> <li>Robust contract management</li> </ul> |                                                                                                                                                                                                                                               |
| Property                                                                           | Ensure asset list and data is up to date                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                               |
| Community Support                                                                  | Resident engagement forum                                                                                                                                                                                                                                                                                                                           | Involve interested residents in process                                                                                                                                                                                                       |
| <i>Timescales - there is a need to re-tender the contracts prior to July 2026.</i> | A Prior Information Notice (PIN) submitted in June 2024 to advise market of forthcoming opportunity to talk to the council prior to any formal exercise. Working plan in place. since November 2023. Progress monitored to ensure Officers work to timetable required to meet Summer 2026 deadline.                                                 | Early Market Engagement is optional but will become mandatory under PA23 so adopts best practice and increases preparedness for the future. This process also enables the council to speed up the tender return times, if desired / required. |
| Project capacity – loss of key staff                                               | <ul style="list-style-type: none"> <li>Implement reporting process, project documentation, ensure accessibility / understanding of project by key stakeholders</li> </ul>                                                                                                                                                                           |                                                                                                                                                                                                                                               |

| Risk                                                                                                  | Mitigation                                                                                                                                                                                                                                   | Opportunities |
|-------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|
|                                                                                                       | <ul style="list-style-type: none"> <li>• Involve staff throughout the journey</li> <li>• Succession plan for staff who are known to be transferring or leaving the organisation</li> <li>• Dedicated contract management resource</li> </ul> |               |
| Continuity of service in the event of supplier failure or inability to provide the full service scope | <ul style="list-style-type: none"> <li>• Contractual remedies and protocol for altering the scope of contract</li> <li>• Due diligence pre contract and during the contract lifecycle</li> </ul>                                             |               |

## 11 SUPPORTING INFORMATION:

11.1 The current repairs service carries out approximately 19,000 repairs to circa 5,500 homes and refurbishes around 300 void properties prior to re-letting every year. Alongside the day-to-day repairs service, the Council invests circa £14m per year into the refurbishment and maintenance of the stock by renewing key building components and retrofitting various energy efficiency measures. The existing contract with Osborne Property Services Ltd (now part of the Cardo Group) commenced on 1st August 2011 for a fifteen-year term to 31st July 2026. A separate but concurrent contract is in place for three-star gas servicing and repairs with Correct Contract Services Ltd. Their contract is also due to expire on 31<sup>st</sup> July 2026. The Council is now undertaking activity for a new procurement to be conducted over the next 18 to 24 months to ensure a new contractor ('Provider') can be appointed by the winter of 2025 such that they can mobilise and complete all pre-construction activity over a four-to-five-month period ready for a contract start on 1<sup>st</sup> August 2026.

11.2 To support the redesign of the Repairs Service and the deliverables of a new Term Alliance Contract four policies will be developed and submitted to the cabinet committee housing February meeting for consideration; Damp and mould, repairs and maintenance, recharge policy and disabled adaptations.

### 11.3 **Repairs Service - Key drivers**

#### 11.3.1 Improving the customer experience

The approach to contracting will engender continuous improvement and partnership working between the Council and the winning contractor. It is expected that contractors will be able to offer digital options for customers to be able to track repairs and self service as part of their offer. Communications between customers and the

contractors and the council will be optimized to avoid double handling. The approach will enable the development of repairs services for and with customers rather than a service that delivers to customers.

- 11.3.2. Collaborative working to deliver continuous improvement: The Contract management will operate on the basis of regular operational and strategic meetings that will also include customer and supply chain partner representation. This will review agreed KPI and also opportunities to improve service delivery. The approach will encourage and reward innovation.
- 11.3.3. The approach will aim for ensuring value for money and service delivery for customers. It will offer the opportunity of supply chain advantages whilst not obliging the council to use the contract so that the market can be tested if appropriate. The approach to tendering will reduce procurement activity and cost of the life of the contract where the council decides to use the lead contractor rather than approach the market.
- 11.3.4. Delivering the key objectives of PA23 which are:  
i) VFM (ii) Maximising public benefit in public procurement iv) social value and v) climate change (note: even though PA23 will not be in force to apply to this procurement and the resulting contract(s), officers consider it appropriate to keep in mind these key objectives)

## 12 OTHER OPTIONS CONSIDERED AND REJECTED

- 12.1 Doing nothing is not an option due to existing contracts expiring in July 2026, the need to achieve value for money and to ensure the council complies with the prevailing public procurement regulations (PCR 2015).
- 12.2 There is an option to develop an in-house contractor (DLO – Direct Labour Organisation) in line with other Local Authorities such as New Forest DC. However, this has been rejected. Establishing a DLO is a significant undertaking. The level of up-front capital investment is considerable with no certainty as to when a break-even point will be reached. Many of the work streams within the repairs service and capital works programme may not be delivered by directly employed staff. This might require the DLO to sub-contract elements of the capital works programme, the gas servicing, electrical and part of the voids work streams which would bring the business plan for operating a DLO into question.
- 12.3 There is also an option to break up the requirements into multiple contracts (lots) for each workstream or trade. Whilst this might offer the maximum opportunity for some specialist suppliers, this approach has been rejected as it would introduce several new issues for the council to address (based on live and documented experience by other Local Authorities) not limited to but to include the following:
  - a) Dilution of any cost benefits obtained (leverage)

- b) Difficulty in getting market interest for some lots (unfulfilled works)
- c) An increase in suppliers to manage (impact on officer time)
- d) A more complex and longer procurement (impact on officer time)
- e) A deterioration of interfacing and standardisation
- f) More systems to interface with and programme manage
- g) Harder to manage performance (see [Report to the Executive for Decision - \(Director of Planning and Development\) -20 April 2015 \(fareham.gov.uk\) \)](#)

This approach would limit the council's ability to provide a highly flexible and joined up service across all trades.

- 12.4 The full options appraisal developed by the project team and discussed with HRA officers can be found in the appendices.

#### BACKGROUND DOCUMENTS:-

##### Previous Committee Reports:-

**There are no other reports**

##### Other Background Documents:-

- [Prior Information Notice \(web link\)](#)
- Early Market Engagement Questionnaire
- Early Market Engagement presentation (Information Day)

#### APPENDICES:

- Appendix 1: Procurement Strategy
- Appendix 2: Presentation to Housing Economy and Policy Committee
- Appendix 3: Repairs Service Redesign Survey
- Appendix 4: Options appraisal
- Appendix 5: Project risk register

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# Winchester City Council

## Procurement Strategy for the Repairs, Maintenance & Planned Works Programme

October 2024

Prepared for



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**Winchester City Council**  
**Procurement Strategy for**  
**The Repairs, Maintenance & Planned Works Programme**

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**Appendices**

**Appendix 1** Market engagement presentation and questionnaire

**Winchester City Council**  
**Procurement Strategy for**  
**The Repairs, Maintenance & Planned Works Programme**

## **1. INTRODUCTION**

- 1.1 The current repairs service carries out approximately 19,000 repairs to circa 5,500 homes and refurbishes around 300 void properties prior to re-letting every year.
- 1.2 Alongside the day-to-day repairs service, the Council invests circa £14m per year into the refurbishment and maintenance of the housing stock by renewing key building components and retrofitting various energy efficiency measures.
- 1.3 The existing contract with Osborne Property Services Ltd (now part of the Cardo Group) was awarded and commenced on 1st August 2011 for a fifteen year term to 31st July 2026.
- 1.4 A separate but concurrent contract is in place for three star gas servicing and repairs with Correct Contract Services Ltd. Their contract is also due to expire on 31<sup>st</sup> July 2026.
- 1.5 The Council is now preparing for a new procurement to be conducted over the next 18 to 24 months to ensure a new contractor ('Provider') can be appointed by the winter of 2025 such that they can mobilise and complete all pre-construction activity over a four to five month period ready for a contract start on 1<sup>st</sup> August 2026.
- 1.6 The Council intends to deliver the new Programme through a strategic alliance with a single, suitably experienced and competent Provider. It is intended the new alliance contract will set clear objectives for both the Council and the appointed Provider to improve performance, increase resident satisfaction, jointly solve problems, resolve any disputes before they escalate, and commit to a programme of continuous improvement.

---

1.7 The anticipated annual value of the Programme is expected to be circa £20m broken down into the following work streams. All costs quoted exclude VAT:

|      |                                               |       |
|------|-----------------------------------------------|-------|
| i)   | General responsive repairs                    | £3.5m |
| ii)  | Void repairs                                  | £1.5m |
| iii) | Compliance services (gas, electric, H&S, etc) | £700k |
| iv)  | Cyclical maintenance & decorations            | £300k |
| v)   | Planned investment programme                  | £10m  |
| vi)  | Retrofit energy efficiency measures           | £4m   |

|                                       |             |
|---------------------------------------|-------------|
| <b>Total Approximate Annual Value</b> | <b>£20m</b> |
|---------------------------------------|-------------|

1.8 The strategy outlines the parameters within which the Council will deliver the procurement to ensure it is commissioned pursuant to the Public Contracts Regulations, 2015 ('PCR 2015') and in accordance with the Council's Constitution at Part 4.6 Financial Procedure Rules, and Part 4.7 Contract Procedure Rules.

## 2. EXECUTIVE SUMMARY

- 2.1 **Term:** The new service will commence on 1<sup>st</sup> August 2026 for an initial fixed term of nine years and eight months, extendable by a further five years to a total of fifteen years. The value of the contract over the first term is therefore estimated at up to £200m. It is not intended to offer a break clause after the first five years. Instead the Council will offer a long term opportunity to the market and may agree to extend the contract by a second and final five year term at their discretion.
- 2.2 **Options Appraisal:** The current service provides for gas servicing and repairs being delivered by a specialist contractor run concurrently but entirely separately from the day to day repairs contract. Consideration was given to bringing the gas servicing and repairs service into the overall repairs and maintenance service to be delivered by a single 'lead' Provider. Consultation with staff and Members considered the pros and cons of various packaging options and concluded there are advantages to the Council in operating a 'Lead Contractor' model. The outcomes are outlined in more detail at section 3.7.
- 2.3 **No fault termination:** Notwithstanding the provision for a fixed term, the contract will provide for a 'no fault' right of termination able to be exercised by either party at any time. In the event the Council exercises its right to terminate at will, it will serve notice on the Provider of not less than 6 months. Should the Provider wish to terminate, it will need to give notice to the Council of not less than 12 months in order to allow the Council sufficient time to conduct a fresh procurement. The final notice periods will be discussed during the tender period and will be agreed by the Council before the final version of the contract is issued.
- 2.4 **Evaluation model:** It is essential the evaluation model rewards the tenderer submitting the highest quality bid at the right price. That does not mean the lowest price. Pursuant to guidance on collaborative procurement from the UK Government set out in the *Construction Playbook*, and the recommendations of Dame Judith Hackitt in her *Building Safer Futures* report, the evaluation model will avoid a race to the bottom by not rewarding the lowest price with the highest mark. Instead it will use the Optimum Price model that in simple terms applies the highest mark to the price nearest the mean average of all bids received. The evaluation model is further explained at section 4.3.

- 2.5 **Specification:** Articulating the service requirement to tenderers is key. The 'Term Brief' is the primary document within the Invitation to Tender pack that sets out the required outputs, the way in which the Council expects to work in a collaborative alliance with the appointed Provider and importantly, how the needs of residents will always be central to effective service delivery. Staff, residents and those contractors participating in market testing will continue to be consulted in what a good service will look like that in turn will inform drafting the Term Brief.
- 2.6 **Contact Centre:** Good customer service relies on a well-run repairs contact centre. The contact centre will continue to be operated by the Council and the appointed Provider will manage scheduling and planning appointments as current. Handling calls from residents, diagnosing the extent of the repair required and offering an appointment at a time that suits the resident is a function best managed by the Council working in collaboration with the Provider.
- 2.7 **Pricing:** The Programme will be priced by way of a fixed 'Price per Repair' for Repairs & Maintenance, a 'Price per Void', and a 'Three Star' rate for gas servicing, supported by open book pricing of those exceptional repairs not included in the fixed rates; all as further explained at section 5.1
- 2.8 The Capital Investment programme will be priced initially by way of bespoke basket rates for key component replacements, that will be supported by open book supply chain tenders led by the Provider. The pricing approach is explained in more detail at section 5.2
- 2.9 **Form of Contract:** To ensure the Council has the most effective tools at hand to administer the Programme, it is recommended that the ACA Standard Form of Contract for Term Alliancing, 'TAC-1' will underwrite the Programme. TAC-1 is a relatively new contract, having been drafted in 2016 as an iteration of TPC2005, the standard form for term partnering contracts. The contract terms are discussed in more detail at section item 5.4

- 2.10 **Route to Market:** The procurement was to be initially conducted under the provisions of the new Procurement Act 2023 ('PA 2023') that was due to come into effect from 28<sup>th</sup> October 2024. On 12<sup>th</sup> September 2024, the Cabinet Office announced PA 2023 will now commence on 24 February 2025, a delay of four months from the original go-live date to allow time for a new National Procurement Policy Statement ('NPPS') to be produced.
- 2.11 The procurement timetable planned to publish the Notice that triggers the formal procurement process in early February that means the Council will now no longer be caught by the new Regulations.
- 2.12 In that regard, the procurement will now be conducted by way of the Competitive Dialogue Procedure under the current Regulations, PCR 2015, a tried and tested format which reduces the risk of challenge. The opportunity to hold constructive dialogue with Tenderers around the more complex and developing areas of service delivery, particularly in respect of ICT and digitalisation, and residents' access to the service, will be key to shaping the final outputs. The procurement route is discussed in more detail at item 4.1

### 3. MARKET ENGAGEMENT

- 3.1 Whilst the Council felt the value and scope of the proposed procurement would be attractive to the market, it was agreed to conduct a market engagement exercise to gauge the actual level of interest. The exercise allowed the Council to test various procurement options, the proposed pricing model and the route to market with key players in the sector. The outcomes helped shape the Council's final approach and this procurement strategy.
- 3.2 A Prior Information Notice ('PIN') was published on the Find a Tender service on 27<sup>th</sup> June 2024 inviting expressions of interest from those organisations willing to participate in the exercise. Fifteen firms responded to the PIN and were invited to attend an online briefing session on 25<sup>th</sup> July 2024.
- 3.3 The session provided some background to the Council, explained the scope and value of the proposed procurement and set out the Council's expectations for the required standards of service and quality. Each contractor attending was issued a copy of the presentation slides and were invited to complete a questionnaire seeking their views on a variety of commissioning and contract management approaches. The presentation and questionnaire are appended to this strategy at **Appendix 1**.
- 3.4 The following fourteen firms subsequently returned a completed questionnaire, including all of the top six repairs and maintenance contractors in the sector (those marked with an asterisk):
1. \* Axis Europe plc
  2. \* Breyer Group plc
  3. Correct Contract Services Limited
  4. Dodd Group (Midlands) Limited
  5. \* Fortem Solutions Limited
  6. Ian Williams Limited
  7. Ladrillos Facilities Ltd
  8. Lancer Scott Limited

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9. \* Mears Ltd
  10. \* Morgan Sindall Property Services Ltd
  11. Cardo South Limited
  12. PHS Compliance Limited
  13. United Living (South) Limited
  14. \* Wates Property Services Ltd

3.5 Both of the incumbent Providers, CCS and Cardo attended the briefing session and returned a questionnaire.

3.6 The contractors were all interested in the Programme and confirmed they would be willing to submit a tender if invited. The key outcomes of the market engagement exercise are summarised below:

- i) All contractors agreed the proposed pricing model was appropriate and attractive to them. The current Price per Repair model was favoured over the alternative Price per Property.
- ii) Thirteen of the fourteen respondents confirmed they have the experience and required competencies to deliver the gas servicing and repair programme. One (Mears Ltd) confirmed they could deliver the gas servicing workstream using directly employed staff, all the others would appoint a specialist sub-contractor.
- iii) Most preferred a collaborative form of contract and confirmed they were comfortable with the proposed Term Alliance Contract, TAC-1.
- iv) All agreed the using a form of competitive dialogue was the most appropriate route to market.
- v) All were content with a price evaluation model that doesn't reward the lowest price with the highest mark.
- vi) All were comfortable with the proposed 60:40, Quality : Price weighting ratio

### 3.7 Options Appraisal

- 3.7.1 In addition to consulting the market on work packaging and procurement options, the Council consulted staff in the housing Property Services team on the most appropriate contracting model.
- 3.7.2 Options considered were to commission either a Lead Contractor or a Management Contractor to deliver the entire scope of service (including gas servicing and repairs), or disaggregating the service (lotting) into a series of individual workstreams each to be delivered by a number of specialist Small & Medium Enterprises.
- 3.7.3 Property Services staff were consulted in a number of briefing sessions held during July and August and were provided with a detailed options appraisal. A workshop was held on 12<sup>th</sup> August where the consensus agreed a Lead Contractor able to deliver circa 75% of the services using their own directly employed staff, and circa 25% by appointed specialists was the most appropriate model.
- 3.7.4 It was agreed having due regard <sup>1</sup>to any barriers SMEs may face, the Lead Contractor will provide the gas servicing and repairs programme that may either be by their directly employed staff, or by specialist sub-contractors. It is expected the majority of Lead Repairs & Maintenance Providers will sub-contract the gas service that provides opportunities for local supply chain members in Winchester, including Correct Contract Services Ltd as the incumbent. Mitigations will be put in place to ensure that SMEs are able to participate.
- 3.7.5 Being a key supplier, it is expected the appointed gas servicing provider will be invited to join the Core Group and participate in the joint decision making and problem solving discussions necessary to manage a successful service.

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<sup>1</sup> PA2023 - Part 2 Principles and Objectives Section 12(4)  
Winchester City Council  
Procurement Strategy  
v7 4<sup>th</sup> October 2024

- 3.8 The project team met on a number of occasions to review the responses both from staff and the contractors participating in the market engagement exercise to agree the next steps. This procurement strategy has been drafted in the light of those responses and the subsequent agreements of the project team.

## 4. PROCUREMENT APPROACH

### 4.1 Route to Market

- 4.1.1 The value of the Programme obliges the Council to comply with the Public Contracts Regulations, 2015 ('PCR 2015') that will govern the tendering and selection exercise. PCR 2015 was scheduled to be superseded by the new Procurement Act 2023 due to come into effect from 28 October 2024. However, the Cabinet Office announced on 12 September 2024 that the go live date has been delayed to 24 February 2025.
- 4.1.2 In that regard, the procurement strategy has been revised to include for commissioning the procurement under PCR 2015.
- 4.1.3 The strategy initially considered the various routes to market available under the new 'Competitive Flexible Procedure' prescribed in PA 2023. The new Procedure allowed the Council to design a procurement route best suited to the programme that may be modelled on similar procedures to those in PCR 2015. The following procedures were considered as part of the new Competitive Flexible Procedure under PA 2023, noting they have been amended as necessary to reflect the current Regulations.
- 4.1.4 **Competitive Dialogue:** It is recommended the procurement is conducted using the Competitive Dialogue Procedure. The opportunity to hold constructive dialogue with tenderers around the more complex and developing areas of service delivery, particularly in respect of ICT and digitalisation, will be key to shaping the final service outputs. Being able to hold those discussions during the tender process allows any misunderstandings or assumptions set out in the tenderers' outline submissions to be aired and clarified before they become binding.

4.1.5 The technology used in the repairs and maintenance sector is ever developing and the latest service offerings around digital systems to record, collate and report on repairs data, together with the ways in which residents can access the service are all sound topics for dialogue. The procedure was also supported by the contractors responding to the market test questionnaire.

4.1.6 Whilst the final topics for dialogue are still to be agreed, they will centre around delivering a first in class customer service. Sessions are expected to include:

- i) The ICT and the data management systems necessary to deliver a sector leading service for residents to report a repair, have it diagnosed and an appointment offered at a time that suits them, all within a single transaction.
- ii) Quality management systems that ensure repairs are completed right first time, on time and to the satisfaction of residents.
- iii) The terms and conditions of contract.

4.1.7 **Open Procedure:** The Open Procedure allows any interested party to submit a tender and the Contracting Authority will decide whom to award the contract to on the basis of that tender. It is designed for more straight forward procurements, or for those with a limited pool of suppliers. Neither of those features applies to this procurement so the Open Procedure was dismissed.

4.1.8 **Restricted Procedure:** The Restricted Procedure was dismissed on the grounds there is no opportunity to conduct any form of post tender negotiation or dialogue on any part of a tenderer's bid. It was agreed conducting formal dialogue on selected topics offers an advantage to the Council the Restricted Procedure does not permit.

4.1.9 **Competitive Dialogue with Negotiation:** The procedure is attractive on the face of it as it allows the Council to enter into negotiation on any or no topic following tender evaluation. It offers sufficient flexibility such that in the event the tenders received fully addresses the required outcomes, no negotiation is necessary.

4.1.10 However, the Regulations state the Procedure can only be used where:

- i) The needs of the Contracting Authority cannot be met without adaptation of readily available solutions.
- ii) The works or services include design or innovation solutions.
- iii) The contract cannot be awarded without negotiation because of specific circumstances related to the nature, the complexity or the legal and financial makeup of the service.

4.1.11 It was felt neither of those conditions that would trigger the Procedure apply to the proposed procurement so it was also dismissed.

4.1.12 **Calling off an existing Framework:** The perceived benefit of using an existing Framework is the potential to save time in the procurement by avoiding the need to conduct the pre-selection process (the first stage Selection Process). However, there are likely to be numerous eligible contractors on Frameworks and it is not feasible to invite them all to tender. In that regard, the Council would need to conduct a mini competition to select a suitable tender list that will be similar to the selection process that needs to be followed in any event. The time saving is therefore lost.

4.1.13 The Council could be required to pay a levy to the Framework Provider (via the contract) that are typically between 0.75% and 2% of the annual contract value. In this case, framework fees could amount to circa £150k, assuming say 0.75% of £20m. There is little value to be derived from this option that justifies that level of investment.

4.1.14 Finally, the Council would need to ensure both the Cardo Group and CCS are on the selected Framework. They are on some but not all the current Frameworks, that would limit the Council's choice. For those reasons, calling off an existing Framework will not provide the benefits that at first seems apparent.

4.1.15 **Setting up a DLO:** Consideration was given to the repairs service being brought in house and operated by a Direct Labour Organisation (a 'DLO'). However, a DLO would require a considerable period of time and investment to establish and implement. A minimum of two years is a realistic timescale to recruit the requisite members of staff, establish a working base and office, set up procurement arrangements with merchants and suppliers (that would require a public procurement in itself), procure and implement an ICT system, and purchase a van fleet. From speaking with a neighbouring Local Authority, recruitment and retention of staff for a DLO required considerable effort due to the scarcity of resource in some trades.

4.1.16 Establishing a DLO is a significant undertaking that cannot be underestimated. The level of up front capital investment is considerable with no certainty as to when a break-even point will be reached.

4.1.17 Moreover, the majority of work streams within the current repairs service and capital works programme could not be delivered by directly employed staff. That would require the DLO to sub-contract the entire capital works programme, the gas servicing and electrical service and part of the voids work stream that brings any business plan for operating a DLO into question.

4.1.18 Creating a DLO was dismissed for those reasons.

## 4.2 Tender Evaluation

4.2.1 50% of the marks available will be allocated to the qualitative submissions, 10% to environmental and social value matters, and the remaining 40% to price.

- 4.2.2 The marks available for the qualitative submissions will be split into a range of individual elements and weighted according to their importance. Evaluation will be a measure of the extent to which the Tenderer has met the requirements of the Term Brief by answering a series of 'Tender Action Points.' The answers each Tenderer provides will be assessed and scored.
- 4.2.3 Each Tender will be marked by a panel comprising Council officers and resident representatives. Each member of the evaluation panel will mark every submission individually and will later agree a final score for each bidder at a moderation session. That approach ensures the final score awarded has been marked consistently and is agreed by the panel as whole.
- 4.2.4 The process to involve residents in shaping service delivery and evaluating tenders is further described at Section 6.
- 4.2.5 Agreed roles and responsibilities for all evaluation team members will be defined by the Council's Procurement Team and guidance will be shared and presented at a group session before the process begins.

### **4.3 Evaluation of Price**

- 4.3.1 The construction industry has endured a torrid time recently following a period of hyperinflation brought about from a combination of Brexit, interruptions to world supplies after the Covid-19 pandemic, and the effects of the war in Ukraine.
- 4.3.2 Against that backdrop, the Council wants to encourage tenderers to submit sensible, sustainable bids. Accordingly prices will be evaluated using the Optimum Price Model where the tender closest to the mean average of all bids received will be awarded the highest marks. This approach avoids rewarding the cheapest price with the highest mark and allows the Council to allocate higher marks to the tenderer bidding the right price to deliver the Programme.

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- 4.3.3 Put simply, the model works by awarding the highest mark to the price closest to the average of all tenders received. Some refinement and testing of the model will be conducted to ensure the best outcome for the Council. Prices that are more than say 25% higher or lower than the average (or another percentage to be agreed) will be set aside and the average of the remaining bids re-calculated. In order not to skew the results, a minimum of two prices will be required in the recalculated average. Scores will be awarded based on a calculation against the revised average that may sometimes result in the highest and the lowest price scoring no marks at all.
- 4.3.4 Use of this model is gaining traction. PCL have used it successfully on a range of projects over the last five years including fire safety remedial works to high risk buildings, capital investment programmes and repairs & maintenance services with a scope of work similar to this procurement. Council Officers will meet with Contracting Authorities that have used the model to ensure all are satisfied it meets the aspirations set out in this document and local requirements.
- 4.3.5 Most of the top six Repairs Contractors in the UK have experienced and understand the model, and applaud its use as it allows them to submit tenders that are realistic and sustainable.
- 4.3.6 Often tenderer's quality submissions score well. They are well versed in writing answers to questions around delivering quality works on time and in working with residents in occupation, to the extent their price is often the deciding factor. By using the Optimum Price evaluation model and not placing too high a weighting on price, the Council will be able to reward good quality bids at the right price. The evaluation model and weighting ratios will be designed to ensure a low quality bid with a low price does not come out on top.
- 4.3.7 In that regard, it is recommended a Quality : Price evaluation ratio of 60 : 40 is applied to this procurement.

## 4.4 Timescales

- 4.4.1 The 'soft' part of the procurement got underway in July when the PIN was published. However, the formal procurement will not be triggered until the Contract Notice is published inviting expressions of interest from those willing to tender.
- 4.4.2 Prior to publishing the Contract Notice, the full suite of draft tender documents needs to be prepared and signed off. Those documents will be ready by the end of January 2025 that will allow the Contract Notice to be published on 3<sup>rd</sup> February 2025 as planned. The procurement and dialogue sessions will be carried out over the course of 2025 with the contract award expected by early 2026 to allow a five to six month mobilisation period in preparation for a start on site of 1<sup>st</sup> August 2026.
- 4.4.3 The procurement timetable below summarises the principle milestones to be delivered prior to a start on site, noting the timetable may be subject to change as the project unfolds. Key milestones are highlighted in purple text.

**Table 1 – Indicative Procurement Timetable**

| Key Activities                                    | Date                     |
|---------------------------------------------------|--------------------------|
| Procurement strategy approvals:                   |                          |
| <i>Senior Managers</i>                            | <i>23 August 2024</i>    |
| <i>Economy &amp; Housing Policy Committee</i>     | <i>17 September 2024</i> |
| <i>Leaders Board</i>                              | <i>29 October 2024</i>   |
| <i>Scrutiny Panel</i>                             | <i>12 November 2024</i>  |
| <i>Cabinet</i>                                    | <i>20 November 2024</i>  |
| First stage leaseholder consultation (NoI) issued | 2 December 2024          |
| NoI consultation closes                           | 10 January 2025          |

| Key Activities                                             | Date 2025                   |
|------------------------------------------------------------|-----------------------------|
| Update and sign off draft tender documents                 | by 17 January               |
| Publish Contract Notice                                    | 24 January                  |
| Clarification deadline                                     | 17:00 17 February           |
| SQ return time and date                                    | 12:00 25 February           |
| Evaluate SQs and agree tender list (allow 4 weeks)         | by 28 March                 |
| Issue Regulation 55 feedback letters                       | 4 April                     |
| Finalise tender documents                                  | by 11 April                 |
| Issue Invitations to Submit Outline Solutions              | 14 April                    |
| ISOS return date (allow 6 weeks)                           | 26 May                      |
| ISOS evaluation (allow 4 weeks)                            | 27 May to 20 June           |
| ISOS moderation and agree shortlist for dialogue (1 week)  | by 27 June                  |
| Dialogue sessions (allow 4 weeks)                          | 30 June to 25 July          |
| Prepare Invitation to Submit Final Tender pack (2 weeks)   | by 8 August                 |
| Issue ISFT                                                 | 10 August                   |
| ISFT return date (allow 3 weeks)                           | 28 August                   |
| ISFT evaluation and confirm winning bidder (allow 3 weeks) | by 15 September             |
| Tender approval report signed off by the Council           | by 29 September             |
| Prepare Regulation 86 feedback letters                     | 29 September                |
| Issue second stage notice to leaseholders (NoP)            | 29 September                |
| NoP consultation period expires                            | 29 October                  |
| Issue Regulation 86 letters                                | 30 October                  |
| Observe 10 day Standstill period                           | to 10 November              |
| Appointment of Provider                                    | 14 November                 |
| Contract completion                                        | by 30 November              |
| Mobilisation and pre-commencement activities               | December to July 2026       |
| Commence main programme                                    | 1 <sup>st</sup> August 2026 |

## 5. CONTRACT MANAGEMENT

### 5.1 Pricing Repairs and Void Refurbishments

5.1.1 The current service is priced by way of a Schedule of Rates. Operating a repairs service under a SoR was common place when the contract was tendered in 2011 but a number of alternative pricing models have since been introduced that streamlines contract administration. The Council considered each of the four models widely used in repairs and maintenance contracts across the housing sector that included discussion with the contractors participating in the market engagement exercise.

#### 1. Schedule of Rates

##### Pros

- The Council pays for the actual scope of work for each repair based on a tendered percentage adjustment against the NHF SoR as current
- No room for argument over what's in and what's out of each order
- Can be simplified by agreeing a fixed sum for the contractor's overheads and profit to be paid monthly

##### Cons

- Requires survey and measurement before and after completion of each job that adds additional time and expense
- Risk of 'rate building' by the contractor

#### 2. Price per Property ('PPP')

##### Pros

- Straightforward client administration
- Provides some cost certainty

##### Cons

- Places disproportionate risk on the contractor to the extent some are no longer willing to tender for PPP models (as borne out from the market engagement exercise)

- The risk needs to be mitigated by setting a clear exclusions list, agreeing a value cap on each order and introducing a mechanism where the PPP rate can be re-visited if the volume of repairs exceeds +/- 5% of the number quoted in the tender documents
- Can encourage contractors to do the bare minimum

### 3. Open Book

#### Pros

- The client pays the actual cost of each job plus the contractor's tendered overheads and profit
- Allows both parties to understand where the costs lie that protects the contractor's margin and assists in decision making

#### Cons

- Contractors tend to consider Open Book as 'cost plus'. They often don't realise they are required to evidence value throughout and not just to incur cost and pass it on to the client for payment
- Clients are required to employ an independent open book auditor
- Not many contractors properly understand how to operate it and struggle to produce accurate cost ledgers

### 4. Price per Repair ('PPR' - also known as the 'Average Order Value')

#### Pros

- The client pays a fixed rate for every repair that simplifies administration
- Provides a more equal spread of risk between client and contractor
- Requires a clear definition of what constitutes a repair e.g. a multiple visit to fix a single job is defined as one repair to avoid the client paying for each visit

#### Cons

- Contractors may be less inclined to fix right first time. It may be in their interest to return multiple times if the definition of a repair is not made clear
- The more repairs ordered, the higher the spend

- 5.1.2 Having considered each model. It was agreed the repairs service will be priced by way of a fixed Price per Repair ('PPR'). In order for that approach to offer the required efficiencies to the Council and to reduce the Provider's risk, the model will be supported by a £750 value cap. In the event the cost of a single repair exceeds £750, the repair will be priced by way of the NHF SoR for Repairs & Maintenance v8.
- 5.1.3 **Voids** will be priced against a fixed Price per Void ('PPV'). In order for that approach to safeguard the Council and better spread the risk, the model will be supported by establishing three categories of void refurbishment: Minor, Standard and Major. Each category will set a clear list of repairs to be excluded from the PPV rate. In the event the extent of work required exceeds the defined scope for each category, the repair will revert to being priced by way of the NHF SoR for Repairs & Maintenance v8.
- 5.1.4 Repairs to remedy damp and mould reported in residents' flats will be excluded from the PPR rate. Those are exceptional items that are better dealt with on a case by case basis, to be priced either by way of the NHF SoR or lump sum quotations, whichever offers the best value for money.
- 5.1.5 **Gas servicing and repairs** will be priced by way of an annual 'Three Star' rate for each gas appliance that includes all servicing, safety checks and repairs required. Any replacement gas appliance will be priced from lump sum quotations to be agreed with the Provider.

## 5.2 Pricing Planned Works programmes

- 5.2.1 Planned capital investment to replace roof coverings, windows and doors, kitchens, bathrooms and the like will be priced at tender stage using a series of all in basket rates. For example, the rate for a kitchen replacement would include to strip out and dispose of the old kitchen, and supply and install a modern new one to the Council's specification. The rate would include all ancillaries like plastering, decoration, floor coverings and the installation of smoke and heat detectors.

- 5.2.2 Similarly for external components such as roof coverings, a series of basket rates will be priced for varying sizes of roof area and type (e.g. flat, pitched, gable, or hipped). It will be necessary to include separate price lines for pitched roofs in clay and concrete tiles for example.
- 5.2.3 The appointed Provider will be required to survey each property in the actual programme for the year and jointly agree the scope of work required with the Council. That scope will then be priced using the tendered basket rates, or quotations from supply chain tenders led by the Provider where that approach offers better value.
- 5.2.4 Throughout the term, the Capital Works Programme will include measures to improve the thermal efficiency of the housing stock and to reduce carbon emissions that will contribute to the Council's target of becoming net zero by 2030.

### 5.3 Building cost inflation

- 5.3.1 **Repairs & Maintenance:** Tenders submitted shall be fixed until 31st March 2027 as stipulated in the Pricing Document. In order to satisfactorily deal with building cost inflation, prices for the Repairs & Maintenance service will be adjusted each year by the rate of inflation published by the Consumer Price Index ('CPI') each September. In that regard, prices for each financial year from April will be adjusted by the CPI rate published the previous September.
- 5.3.2 Inflation averaged 9.07% in 2022 and 6.84% in 2023 but current projections forecast a fall to 3% for 2024 and 1.8% in 2025, indicating a more stable outlook. Pegging annual inflationary increases to the CPI aligns to the Council's discretionary annual rent increases and offers both the Council and the Provider cost certainty.

- 5.3.3 **Planned Works:** The planned works programme will be treated differently. Tenders submitted will also be fixed until 31st March 2027 as stipulated in the Pricing Document. Thereafter any adjustments for building cost inflation, material increases and the like will be reflected in the prices proposed for each subsequent year of the Programme. Agreed prices will remain fixed for twelve months from 1st April each year.
- 5.3.4 The Council will set a budget for each year based on the overall budget for the Programme and the extent of works required from scoping surveys. The Provider will be expected to work with the Council to provide a best value price solution in accordance with the tender documents and the contract.
- 5.3.5 The Council expects the Provider to explore ways of mitigating any inflationary pressure through application of the following measures:
- i) Innovation and efficiencies.
  - ii) Sound supply chain management, including refreshing the supply chain at biennial intervals to demonstrate best value.
  - iii) The buying power of the Provider to secure long term, high volume supply agreements.
- 5.3.6 It should be noted the proposed contract does not guarantee the Provider any work. Any out turn under expected volumes will not trigger a claim for loss and expense, or loss of profit.

## 5.4 Form of Contract

- 5.4.1 The Council is delivering the current Programme using the Joint Contracts Tribunal Measured Term Contract, JCT MTC, 2016 (as amended). To ensure the Council has the most effective tools at hand to deliver the Programme by way of collaborative working and alliancing, it is recommended the ACA Standard Form of Contract for Term Alliancing, TAC-1 will underwrite the service. TAC-1 was introduced in 2016 as an iteration of TPC2005, a contract widely used in the public sector specifically drafted for term programmes of repairs, maintenance and planned works.
- 5.4.2 The JCT MTC form provides no contractual requirement to collaborate nor does it include any formal processes for innovation. It does not provide for a Core Group for joint decision making or problem solving, and is not suited for large, planned works programmes. It was therefore not considered appropriate for the new Term Programme.
- 5.4.3 TAC-1 includes updated provisions to comply with new legislation and policies, although it is expected some bespoke drafting will be required for this procurement to provide for the Building Safety Act, 2022 that came into effect from April 2023, and more specifically The Building (Higher-Risk Buildings Procedures) (England) Regulations 2023 that came into effect from October 2024.

## 5.5 Works Orders

- 5.5.1 **Repairs & Maintenance:** An Order will be raised under TAC-1 for each year's service based on the allocated revenue budget approved by the Council. Subsequent orders for repairs raised and voids instructed will be by way of individual job numbers issued against each address as current.

- 5.5.2 **Planned Works:** The Order for the first year will be based on the tender sums received. Orders for the second and subsequent years of the Programme will contain the address list and an instruction to conduct validation surveys and any other pre-commencement activity required to enable the Provider to return with their proposed Task Price. When the Council are satisfied the Provider's Task Price, Proposals and Timetable are acceptable, the Council will issue a Task Commencement Order that is the Provider's instruction to start.

## 5.5 Contract Management and Payment

- 5.5.1 **Repairs & Maintenance:** It is intended the Provider will submit a monthly application to the Council setting out all repair and void jobs completed as current. The Council will assesses the application, match the quantity of jobs completed to the PPR and PPV rates, make any adjustments, and certify the amount due for payment.
- 5.5.2 **Planned Works:** It is intended a simple process will be adopted to build up the cost for each property based on prices per component using the rates in the Pricing Document. It is not the intention for works to be re-measured on completion. Instead, the Provider's Task Price will include for completing all instructed Tasks in each property based on the scoping survey and the Providers' design before any work begins.
- 5.5.3 The Council will inspect a sample of works in progress and completed works as part of agreeing the payments due. The Council will not pay for materials on site, but rather will pay a final payment on completion of each property for which a handover certificate has been issued.
- 5.5.4 The Provider will submit a monthly progress and cost report to the Council tracking progress against programme and spend against budget. Performance against an agreed suite of KPIs will be monitored monthly and any interventions will be agreed with the Provider in the event any one KPI target has been missed for three consecutive months.

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## 6. RESIDENT INVOLVEMENT

- 6.1 Delivering a quality repairs service is essential. Residents often view how well the repairs service is run as representative of the performance of the Council as a whole. The views of residents will therefore be a key driver in designing and setting the new service standards.
- 6.2 The prime focus of the new procurement is to build on the success of the current service and make it easier for residents to report a repair, be briefed on its progress and make any follow up enquiries. The service standards will be tailored to meet the needs of residents, supported by the use of the latest thinking in digitalisation and information technology to improve the ways in which residents can access the service.
- 6.3 The Council's Consumer Standards Group have been briefed on the proposed procurement and will continue to be consulted throughout the design and planning stages. Residents will latterly be invited to contribute to the tender evaluation and selection stages that will include joining the Council in the dialogue sessions.
- 6.4 They will be coached by the Council's Procurement Team and PCL in how to conduct an objective evaluation and will be supported throughout to sit on the evaluation panel as equal members alongside Council officers.
- 6.5 Those same residents will later be invited to join the Core Group to be formed post award comprising senior members of the Provider and the Council that among other things, will monitor performance. Having two or three residents on the Core Group who were also involved in the tender selection process sends a powerful message to the Provider that residents are genuinely at the heart of the Council's decision making.

## 7. CONCLUSION & RECOMMENDATION

7.1 This procurement strategy sets out the principles and parameters within which the Council will deliver the new Repairs, Maintenance and Planned Works Programme. It recommends the most appropriate procurement route to maximise value for money and service quality, and describes the most appropriate delivery framework.

7.2 It is recommended that:

- i) The Council commissions a Term Alliance Contract to be awarded to a single Provider on a nine year and eight month term from 1<sup>st</sup> August 2026. The contract may be extended for a further five years at the Council's discretion.
- ii) The procurement is conducted pursuant to PCR 2015 under the Competitive Dialogue Procedure.
- iii) Tenders are evaluated on a Quality : Price ratio of 60 : 40.
- iv) Tendered prices will be evaluated using the Optimum Price model that avoids lowest price tendering by contractors in an effort to win the work.
- v) The Term Alliance Contract, TAC-1 (as amended) will be the form of contract to underwrite the Programme.
- vi) The procurement will be supported by resident involvement throughout the design, commissioning and post award monitoring stages.
- vii) The procurement will be conducted in accordance with the timetable set out in section 4.4.

Ends  
October 2024

## **APPENDIX 1**

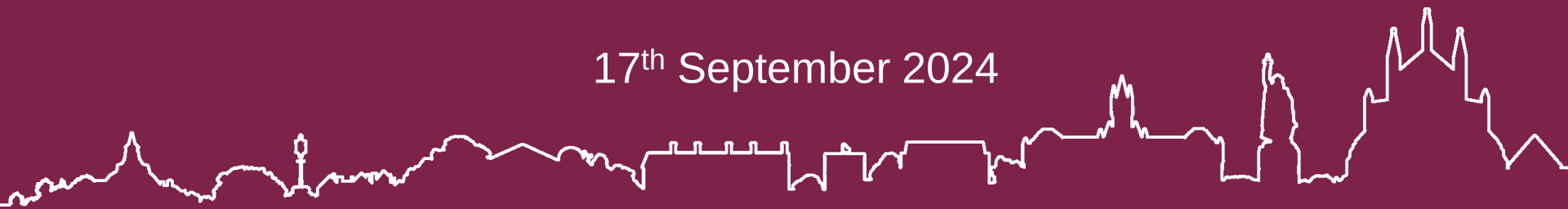
### **Market engagement presentation and questionnaire**

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# Economy & Housing Policy Committee

## Housing, Repairs and Maintenance Contract Procurement

17<sup>th</sup> September 2024



- \* Simon Hendey – Strategic Director
- \* Gilly Knight – Corporate Head of Housing
- \* Yvonne Anderson – Service Lead, Housing Landlord Services

# Introduction

- Housing repairs and Maintenance is largely serviced by 2 term contracts with Cardo (formerly Osborne) and Correct Contract Services (CCS)
  - The contract with Cardo was procured in 2011
  - The contract with CCS was procured in 2021
- Both contracts expire in July 2026
- The process to undertake a new procurement will take at least 2 years

# Research Phase

The aim of the research was to learn from residents, staff ,members and contractors what doesn't work well, what does work well and what would good like.

- Every household across the district was invited to complete a survey to state their views on the Repairs Service

Page 130  
• Surveys were conducted by both email and hard copy

We received 823 responses which reflects a 13% return from residents

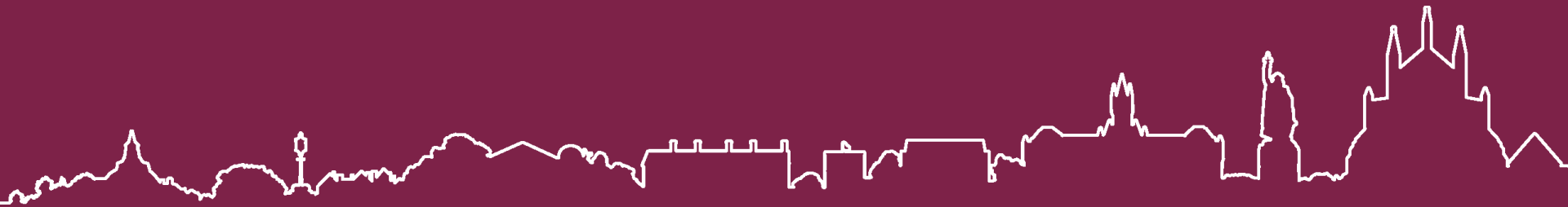
- We hosted 8 resident workshops across the district that all residents were invited to attend
- 17 residents attended the workshops out of a total of 135 who expressed an interest in attending. Reminders were sent to residents on the morning of each event.
- The feedback from residents within the surveys and the workshops was excellent

# Research Phase (contd)

- A service review was conducted with both Cardo and CCS to listen to their views on what works well , not so well and what good would look like
- We hosted 4 workshops that were well attended by housing staff.
- We hosted a workshop that was attended by members
- A soft market testing exercise was hosted to gauge the level of interest with contractors across the sector , which provided good feedback
- This exercise solicited views via a public advert inviting contractors to respond to a questionnaire and also attend an interactive webinar. The online event attracted 45 attendees across 15 companies.
- We received 14 completed questionnaires from a good cross section of providers
- The exercise allowed the Council to test various procurement options, the proposed pricing model and the route to market with the sector.

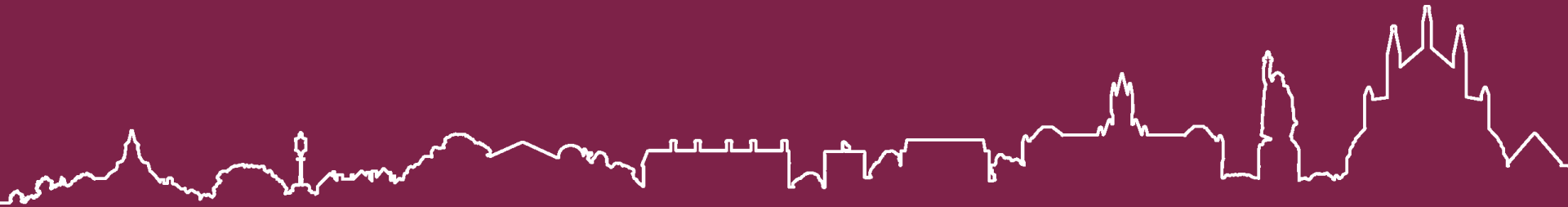
# SERVICE SCOPE

- The proposed contract scope of work to include Repairs, Maintenance, Voids, Statutory compliance services, Cyclical maintenance and Planned Works Value circa £16m- £20m pa
- Possibility that circa £40m Retrofit works could be included
- Long term contract –10 years with no breaks with open book reviews at 3, 5 and 7 years
- The Repairs Hub can either continue to be operated by the Council or delegated to the appointed provider would manage scheduling and planning appointments
- It is considered that the appointed provider will co-locate with the Housing teams at City Offices



# FORM OF CONTRACTS

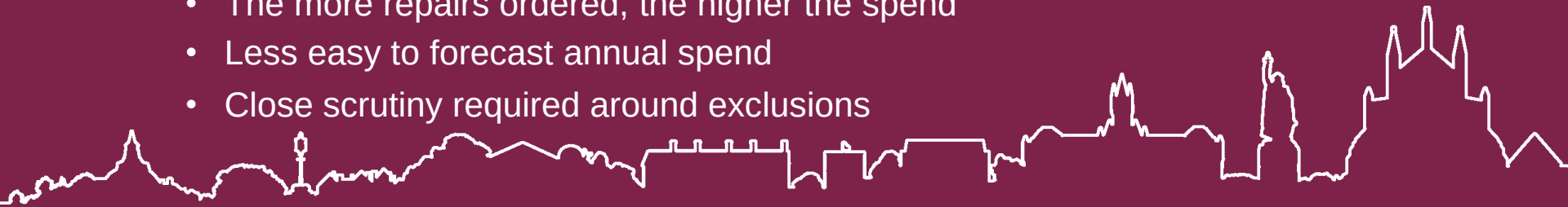
- JCT MTC - Widely understood by contractors and clients alike and well suited for traditional repairs contracts but no contractual requirement to collaborate and no formal processes for innovation
- TAC-1 - Drafted specifically for both repairs services and planned works programmes. Establishes an obligation on both parties to collaborate in the best interests of the programme.
- NEC – It is not favoured or particularly specific to this type of work. Not drafted for responsive repairs contracts. Not favoured by contractors



# PRICING OPTIONS

There are largely 4 pricing mechanisms for repairs and one for voids

- **Price Per Property (PPP)**- The council would pay a fixed rate for the contractor to carry out any repairs in a property. Some repairs would be excluded and priced using a Schedule of rates (SOR)
  - Straightforward administration
  - Greater cost certainty – simpler to apply budget forecasting
  - Close scrutiny required around exclusions
- **Price Per Repair (PPR)**- The council would pay a fixed rate per repair. Some repairs would be excluded and priced using a Schedule of rates (SOR)
  - Client pays a fixed rate for every repair
  - Straightforward administration
  - The more repairs ordered, the higher the spend
  - Less easy to forecast annual spend
  - Close scrutiny required around exclusions



# PRICING OPTIONS (CONTD)

**Schedule of Rates (SOR)**- The council would pay for every repair as set out in the National Housing Federation SOR v8.1

- Council pays the actual scope of work for each repair
- No requirement to scrutinise exclusions
- Requires survey and measurement pre and post completion to ensure cost accuracy
- Risk of 'rate building' by the contractor
- Less easy to forecast annual spend

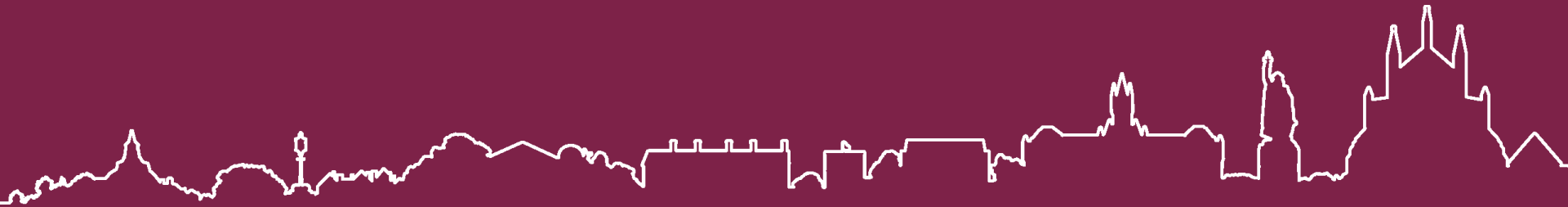
**Open Book –**The Council pays actual costs plus the contractor's tendered OH&P

- Allows both sides to understand where the costs lie that protects the contractor's margin
- Contractors consider open book as 'cost plus'. They often don't realise they are required to evidence value throughout and not just incur cost and pass it on to the client for payment
- Client required to employ an open book auditor
- Not many contractors properly get how to operate it and struggle to produce accurate cost ledgers

# PRICING OPTIONS (CONTD)

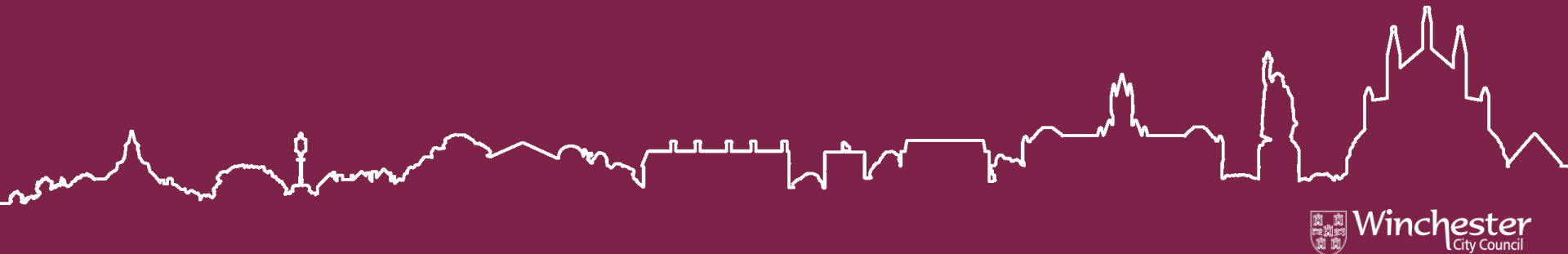
**Price per Void (PPV)** - The council pays for works to a void as per the basket rates tendered by the provider. Certain planned works would be excluded and priced separately

- Council pays a fixed rate to undertake void works
- No requirement to scrutinise rates
- Widely accepted as the most effective model
- Avoids the need to re-measure on completion other than exclusions
- Straightforward to administer



# DELIVERY OPTIONS

- **Lead Contractor** – A single Contractor delivering the service with directly employed management, approx. 80% directly employed operatives and sub-Contractors to undertake specialist and planned works
- **Managing Contractor** – As a Lead Contractor but with no directly employed operatives. All works will be delivered by Sub- Contractors.
- **Multi source** - A range of smaller specialist contractors.
- **DLO** – Direct labour organisation



# POTENTIAL PROCUREMENT ROUTE

- This procurement will be conducted under the provisions of the new Procurement Act 2023 (PA23)
- WCC will be one of the first councils to work within the remit of the new act
- The council has commissioned specialist procurement and legal advice/support to ensure strict compliance
- Tender Evaluation -Most Advantageous Tender.
  - 60% Quality - At least 10% should be related to Social Value & Environmental
  - 40% Price— Strong emphasis to determine realistic / sustainable pricing and not a race to the bottom
  - The procurement will be conducted under the Competitive Flexible Dialogue Procedure
- Initial bids will be evaluated and the best 3 providers will be invited to a dialogue process
- Dialogue enables both the council and providers to understand what is required and what can be delivered



# TIMESCALES

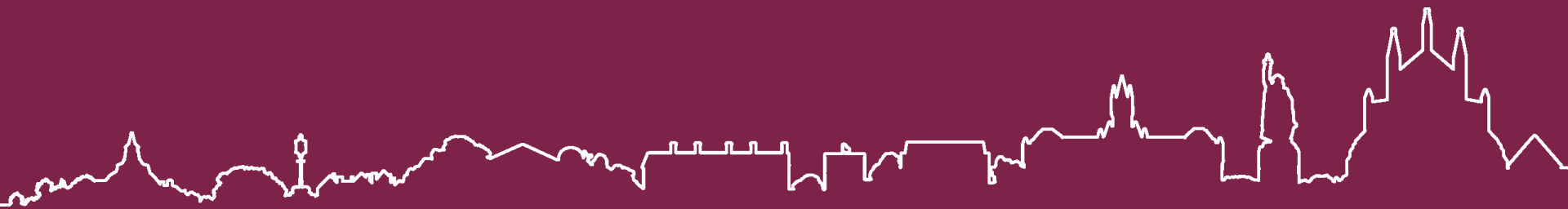
- Research phase– April -July 2024
- Prepare tender documents– July- October 2024
- Finalise procurement strategy –September 2024
- Governance
  - Economy & Housing Policy Committee 17<sup>th</sup> Sept 24
  - Leaders board 29<sup>th</sup> October 2024
  - Scrutiny Panel -12<sup>th</sup> November 2024
  - Full cabinet – 20<sup>th</sup> November 2024
- Publish Contract Notice – December 2024
- Bid evaluation – March-April 2025
- Competitive Flexible Dialogue May –July 2025
- Providers review and revise their bids – August 2025



# TIMESCALES (CONTD)

- Evaluate revised bids- September 2025
- Governance (Dates tbc)
  - Economy & Housing Policy Committee
  - Scrutiny Panel
  - Full cabinet
- Award new contract –December 2026
- Commence mobilisation – January 2026
- New contract/s start in July 2026

*The Council is considering serving notice on both the incumbent contractors advising they may bring the expiry date forward to 31<sup>st</sup> March 2026 to allow the new contract(s) to align with the Council's financial year. There is scope in both contracts to enable this.*



# KEY DRIVERS FOR THE FUTURE

- Improving the customer experience
- Developing digital options for residents to report, follow up and track repairs
- Delivering a service 'For and With' residents not 'To'
- Collaborative working to facilitate continuous improvement
- Ensuring excellent communication through innovative systems
- Manage demand on the service to ensure sustainability
- Striking the balance of delivering a good service with greater demands on funding
- Ensure that the service delivers value for residents
- Establishing a strategic partnership with the successful bidder/s
- Delivering the key objectives of PA23 which are i)VFM (ii) Maximising public benefit in public procurement iv)social value and v) climate change



# RECOMMENDATIONS TO CABINET

- The Council engage a Lead Contractor
- The Council adopts a 60:40 evaluation model of 60% Quality and 40% Price – At least 10% should be related to Social Value & Environmental
- The pricing mechanism for this contract to be Price Per Repair and Price per Void
- The Council enters into a 10- year contract with no breaks and open book reviews at 3, 5 and 7 years
- The scope of the contract to include
  - Repairs
  - Planned works
  - Cyclical works
  - Compliance works
  - Retrofit works to avoid future individual procurements

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**Winchester**  
City Council

## Repairs Service Re-Design Survey

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### Workshop Feedback

Lucy Spence

July 2024

HOUSING FOR   
**WINCHESTER**

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## Introduction

In May 2024 a survey was sent to all tenants for whom Winchester City Council hold an email address to be completed online and a paper copy sent to all those for whom no email address is recorded. This survey asked,

- What is important to you when thinking about your repairs service?
- When thinking about appointment times what would be the most appealing to you?
- When making contact or receiving correspondence about repairs to your home who would you most like that to be with?
- A free text box was provided to give any further ideas about what would make an excellent repairs service.
- Finally, information was provided about a series of workshops taking place to come and discuss the repairs service in person.

This report outlines the feedback from the workshops.

## Methodology

The workshops were held on the following dates and locations.

- Wednesday 12th June 6 - 7.30pm, Carol Centre, Stanmore, SO22 4EJ
- Thursday 20th June 6 - 7.30pm, Tubbs Hall, Kings Worthy, SO23 7PJ
- Monday 24th June 6 - 7.30pm, Makins Court, Common Room, Alresford, SO24 9HX
- Monday 1st July 6 - 7.30pm, The Ruby Room Jubilee Hall, Bishop's Waltham, SO32 1ED
- Wednesday 3rd July 6 - 7.30pm, White Wings Common Room, Denmead, PO7 6DL
- Monday 8th July 6 - 7.30pm, Wickham Community Centre, PO17 5AL
- Wednesday 17th July 11 - 12.30pm, Courtyard Room, Guildhall, SO23 9GH
- Wednesday 17th July 6 - 7.30pm, Courtyard Room, Guildhall, SO23 9GH

Respondents to the survey had the opportunity to register their interest in attending one of the workshops. Everyone who registered their interest received a reminder and invitation to attend the workshop.

The workshops were also advertised on the tenant involvement Facebook page.

All of the venues were accessible, and parking was available. Transport was offered free of charge for anyone who wanted to attend.

A further 4 Staff workshops took place. The invitation to attend went out to everyone in the Housing Service.

- Thursday 4<sup>th</sup> July 9.30am – 11am, The Wykham Room, Winchester Guildhall
- Thursday 4<sup>th</sup> July 11.30am – 1pm, The Wykham Room, Winchester Guildhall

- Wednesday 10<sup>th</sup> July 9.30am – 11am, The Wykham Room, Winchester Guildhall
- Wednesday 10<sup>th</sup> July 11.30am – 1pm, The Wykham Room, Winchester Guildhall

A final workshop was arranged for elected members. This took place on Tuesday 30<sup>th</sup> July, 5pm, The Wykham Room, Winchester Guildhall.

## Workshop attendance.

Tenants, Leaseholders, Shared owners' – 17

Staff – 41

Members – 11

The same presentation was used for both tenants and staff. Members received a slightly different presentation with the emphasis changed to recognise the role members have. The slides below are an example of what was presented to tenants and staff.



## INTRODUCTIONS

- Lucy Spence
- Andrew Donaldson



Thank you for coming today

## Can we spend the next 90 minutes thinking, talking and creating a new repairs service?

- The two repairs and maintenance contracts expire in a little over 2 years time
- We need to start the procurement process now
- This is an opportunity to introduce positive change and make the service better
- We want your views to help shape the future of the service

PLEASE NOTE WE'RE NOT DISCUSSING INDIVIDUAL REPAIRS TODAY

## A CHANGE OF EMPHASIS

THE NEW SERVICE WILL BE RESIDENT CENTRIC

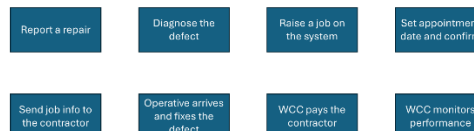
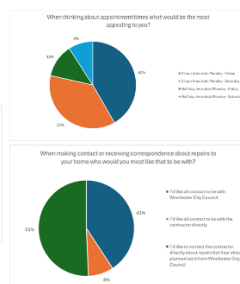
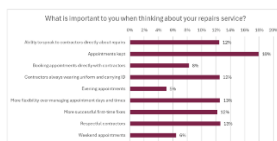


You are most impacted by the service

It is your repairs service

## OUR SURVEY SAID

823 responses (13% of all surveys sent)



What is a repairs contract and how does it work?

## Who should do what?

- How repairs are defined see page 5 of the repairs Policy
- What are the Council's responsibilities see page 6 of the Repairs policy
- What are resident's responsibilities see page 7 of the Repairs Policy
- What are the repairs priorities see pages 9,10 & 11 of the Repairs Policy

## Where does the money come from?

Resident's rental income and service charges.

Demand on the service is high



Labour costs are increasing

Material costs are increasing

Options to increase the money in the pot are limited

## What doesn't work well with the repairs service?



Write as many things as you want on Post It notes



## What works well with the repairs service?



Write as many things as you want on Post It notes



## What would good look like?

- What would make the Repairs service stand out?
- What is important to you?
- What would make the service work better ?
- Do you use My Winchester Tenancy?

Write as many things as you want on Post It notes



## What happens next

- We will collate all of your responses from the surveys and the workshops
- Give feedback in August to all tenants to let you know how you have influenced the service redesign and provide regular updates
- These are the key timelines

Write the tender documents  
Go out to tender  
Evaluate tenders  
Dialogue with contractors  
Evaluate new bids  
Award the contract  
Contract mobilisation

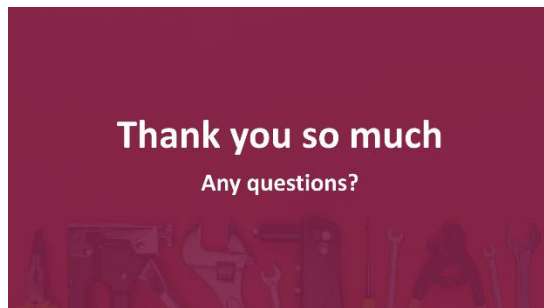
September/October 2024  
November 2024  
February /March 2025  
May/June 2025  
August 2025  
December 2025  
Will be 12 months

## We would be glad of your help

- Would you like to be part of the tender evaluation panel?
- Would you like to be involved in the competitive dialogue panel?
- Would you like to attend monthly core group meetings?
- Would you like to join the Consumer Standard Groups ?

# Thank you so much

Any questions?



## Summary of Workshop feedback

The chart below displays the total number of comments made at the different workshops and the total number of comments combined. This chart demonstrates the same trend across all workshops that all groups were able to identify what doesn't work well in greater numbers than what does work well.

In terms of identifying what good would look like all groups engaged and came up with some excellent ideas.

| Total number of post its received.               | Tenants, Leaseholders & Shared Owners | Staff | Members | Combined |
|--------------------------------------------------|---------------------------------------|-------|---------|----------|
| What doesn't work well with the repairs service? | 61                                    | 122   | 25      | 208      |
| What works well with the repairs service?        | 20                                    | 56    | 13      | 89       |
| What would good look like?                       | 47                                    | 171   | 24      | 242      |

Both tenants, leaseholders, shared owners and staff identified Communication as being the most common theme that doesn't work well the most with 33% and 16% of comments about that subject respectively. In second the tenant group raised 10% of comments about Appointments, the current phone / IT system and Poor record of first-time fixes and quality of work. The staff group had 11% of comments about the current phone / IT system and 9% about Appointments and communication about the job / diagnosing the repair.

In identifying what works well with the repairs service both groups identified the most common theme as being Staff / customer service, 30% and 34% respectively, with comments like 'Individual members of staff who really care and try to help.'

The tenant group clearly stated that good communication will make a good service with 23% of comments making it the most common theme. The staff groups most common theme was tech' improved / reporting with 16%.

It is important to note that there will be a small cross over between some of the comment categories.

# Workshop feedback

The charts below outline the comments made on the post it notes to the questions posed,

- What doesn't work well with the repairs service?
- What works well with the repairs service?
- What would good look like?

The comments have been categorised into broad subject areas relating to the kinds of comments made, with some examples given in each category. A full list of all comments is available on request.

Each question asked has been displayed in a graph, and a chart below. The feedback has been broken down by workshop, (tenants, leaseholders and shared owners and staff). There is also a column for all comments combined.

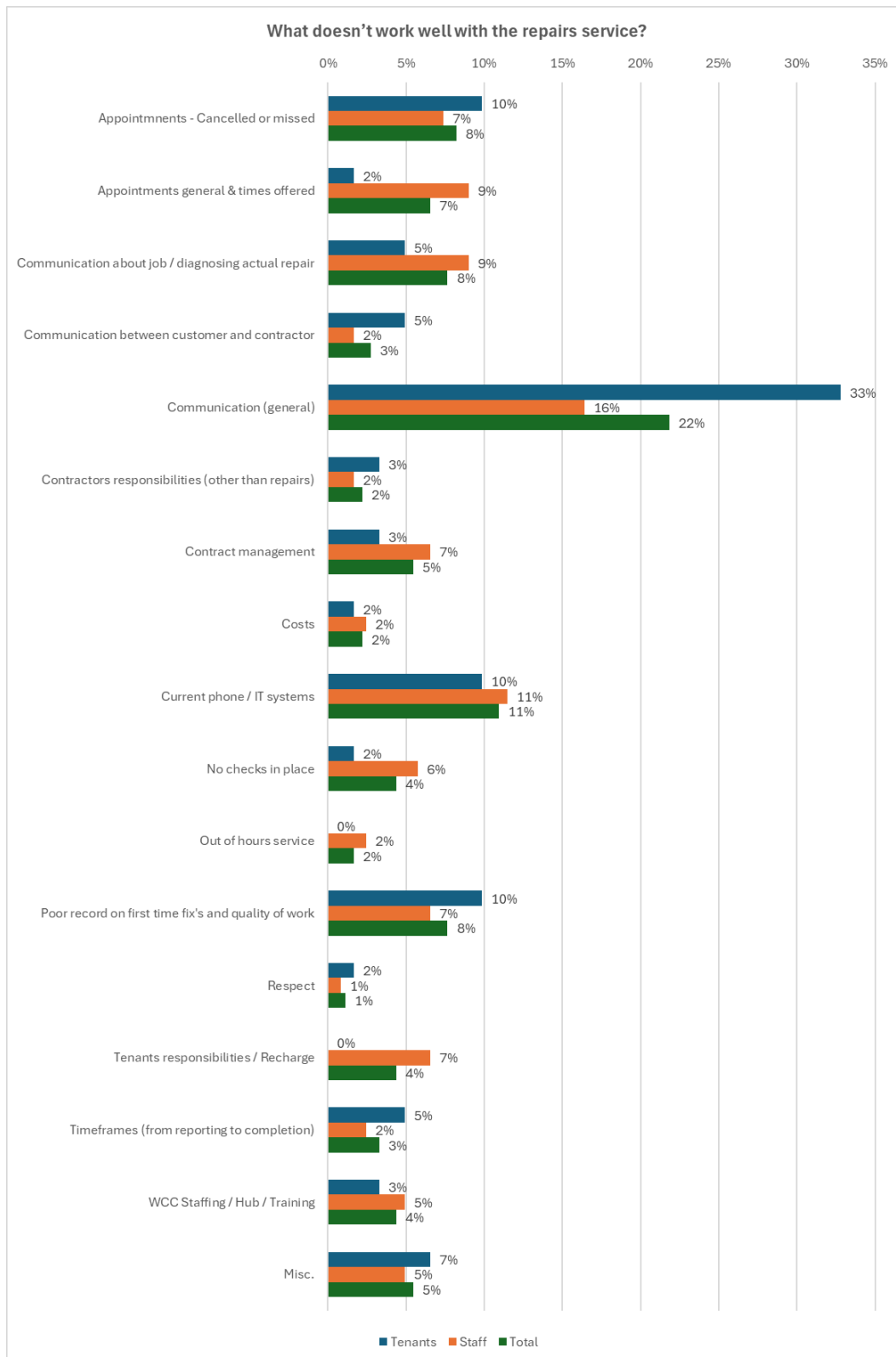
Each chart displays in brackets the actual numbers of comments made and the percentage broken down by workshop.

As mentioned in the methodology the tenant and staff workshops were facilitated identically. The Elected members workshop had a slightly different emphasis and presentation. So as not to bias the results feedback from members has been presented separately. However, to show trends a comparison graph has been provided at the end of each question.

## 1. What doesn't work well with the repairs service?



## 1.1. What doesn't work well with the repairs service? – Tenants, Leaseholders, Shared Owners and Staff feedback.



| What doesn't work well with the repairs service?    | Tenants.<br>Leaseholders<br>& Shared<br>Owners | Staff       | Combined    | Examples of comments                                                                                                                                                                                                                                                                                                           |
|-----------------------------------------------------|------------------------------------------------|-------------|-------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Appointments - Cancelled or missed                  | 10%<br>(6)                                     | 7%<br>(6)   | 8%<br>(15)  | <ul style="list-style-type: none"> <li>Contractors could phone if not attending or delayed.</li> <li>No communication / no show.</li> <li>Contractor Communications - non-attendance etc.</li> </ul>                                                                                                                           |
| Appointments general & times offered                | 2%<br>(1)                                      | 9%<br>(11)  | 7%<br>(12)  | <ul style="list-style-type: none"> <li>Lack of flexibility with appt slots / unable to book own slot.</li> <li>Lack of choice of appointment times.</li> <li>Booking appointments - no access to contractor's calendars.</li> </ul>                                                                                            |
| Communication about job / diagnosing actual repair  | 5%<br>(3)                                      | 9%<br>(11)  | 8%<br>(14)  | <ul style="list-style-type: none"> <li>Jobs get signed off as complete when they are not.</li> <li>Not able to find route of problem (going round in circles)</li> <li>Difficulty diagnosing - lack of pictorial info to assist.</li> <li>Contractors don't have the relevant information about the repair required</li> </ul> |
| Communication between customer and contractor       | 5%<br>(3)                                      | 2%<br>(2)   | 3%<br>(5)   | <ul style="list-style-type: none"> <li>Better communication between contractor and tenant.</li> <li>Tenants cannot contact contractors directly</li> </ul>                                                                                                                                                                     |
| Communication (general)                             | 33%<br>(20)                                    | 16%<br>(20) | 22%<br>(40) | <ul style="list-style-type: none"> <li>Leaseholders have not received notification of completed works.</li> <li>Lack of communication on works underway.</li> <li>Lack of communication between OOH and day</li> <li>Green cards not cost effective.</li> <li>Communication between residents and WCC</li> </ul>               |
| Contractors' responsibilities (other than repairs)  | 3%<br>(2)                                      | 2%<br>(2)   | 2%<br>(4)   | <ul style="list-style-type: none"> <li>Health and safety regulations not followed by contractors.</li> <li>Lack of safeguarding concerns being raised</li> </ul>                                                                                                                                                               |
| Contract management                                 | 3%<br>(2)                                      | 7%<br>(8)   | 5%<br>(10)  | <ul style="list-style-type: none"> <li>Contractor claims to have done what they have not.</li> <li>Lack of penalties for contract breaches</li> </ul>                                                                                                                                                                          |
| Costs                                               | 2%<br>(1)                                      | 2%<br>(3)   | 2%<br>(4)   | <ul style="list-style-type: none"> <li>Back up for the contractors when the task is not as easy as first thought and therefore becomes more expensive.</li> <li>Cost of voids.</li> </ul>                                                                                                                                      |
| Current phone / IT systems                          | 10%<br>(6)                                     | 11%<br>(14) | 11%<br>(20) | <ul style="list-style-type: none"> <li>Portal calendar (needs dates rather than just Mon - Fri)</li> <li>Old system to raise repairs and does not allow clear communication or information between teams.</li> <li>Inadequate space for description</li> </ul>                                                                 |
| No checks in place                                  | 2%<br>(1)                                      | 6%<br>(7)   | 4%<br>(8)   | <ul style="list-style-type: none"> <li>Lack of quality control.</li> <li>No one ever checks works completed.</li> <li>No auditing or monitoring</li> </ul>                                                                                                                                                                     |
| Out of hours service                                | 0%<br>(0)                                      | 2%<br>(3)   | 2%<br>(3)   | <ul style="list-style-type: none"> <li>No follow up jobs for OOH work, e.g. broken windows.</li> <li>Misuse of out of hours service.</li> </ul>                                                                                                                                                                                |
| Poor record on first time fixes and quality of work | 10%<br>(6)                                     | 7%<br>(8)   | 8%<br>(14)  | <ul style="list-style-type: none"> <li>Workmen return and still can't do agreed job.</li> <li>Lack of parts for jobs and fail to order.</li> <li>Getting it right first time</li> <li>Not fixed first time - poor quality of work</li> </ul>                                                                                   |
| Respect                                             | 2%<br>(1)                                      | 1%<br>(1)   | 1%<br>(2)   | <ul style="list-style-type: none"> <li>Rude surveyors</li> <li>How tenants are treated / respected</li> </ul>                                                                                                                                                                                                                  |
| Tenants responsibilities / Recharge                 | 0%<br>(0)                                      | 7%<br>(8)   | 4%<br>(8)   | <ul style="list-style-type: none"> <li>No clear message that tenants are responsible for maintaining garden and property.</li> <li>Recharge missed appts - tenants and contractors</li> </ul>                                                                                                                                  |
| Timeframes (from reporting to completion)           | 5%<br>(3)                                      | 2%<br>(3)   | 3%<br>(6)   | <ul style="list-style-type: none"> <li>Over 12 months later issues are unresolved.</li> <li>Inspections to be within 1 week.</li> </ul>                                                                                                                                                                                        |
| WCC Staffing / Hub / Training                       | 3%<br>(2)                                      | 5%<br>(6)   | 4%<br>(8)   | <ul style="list-style-type: none"> <li>Having right person at the end of the initial phone call to help caller explain what is wrong.</li> <li>Staff capacity to answer calls</li> </ul>                                                                                                                                       |

|                                    |           |           |            |                                                                                                                                                                                   |
|------------------------------------|-----------|-----------|------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Misc.                              | 7%<br>(4) | 5%<br>(6) | 5%<br>(10) | <ul style="list-style-type: none"> <li>• Works broken down into too small chunks.</li> <li>• Contracting Out</li> <li>• Too many people involved (no point of contact)</li> </ul> |
| Total number of post its received. | 61        | 122       | 183        |                                                                                                                                                                                   |

## 1.2. What doesn't work well with the repairs service? – Elected members' feedback.

Two further categories have been added to the feedback from Members. These are highlighted in the chart below.

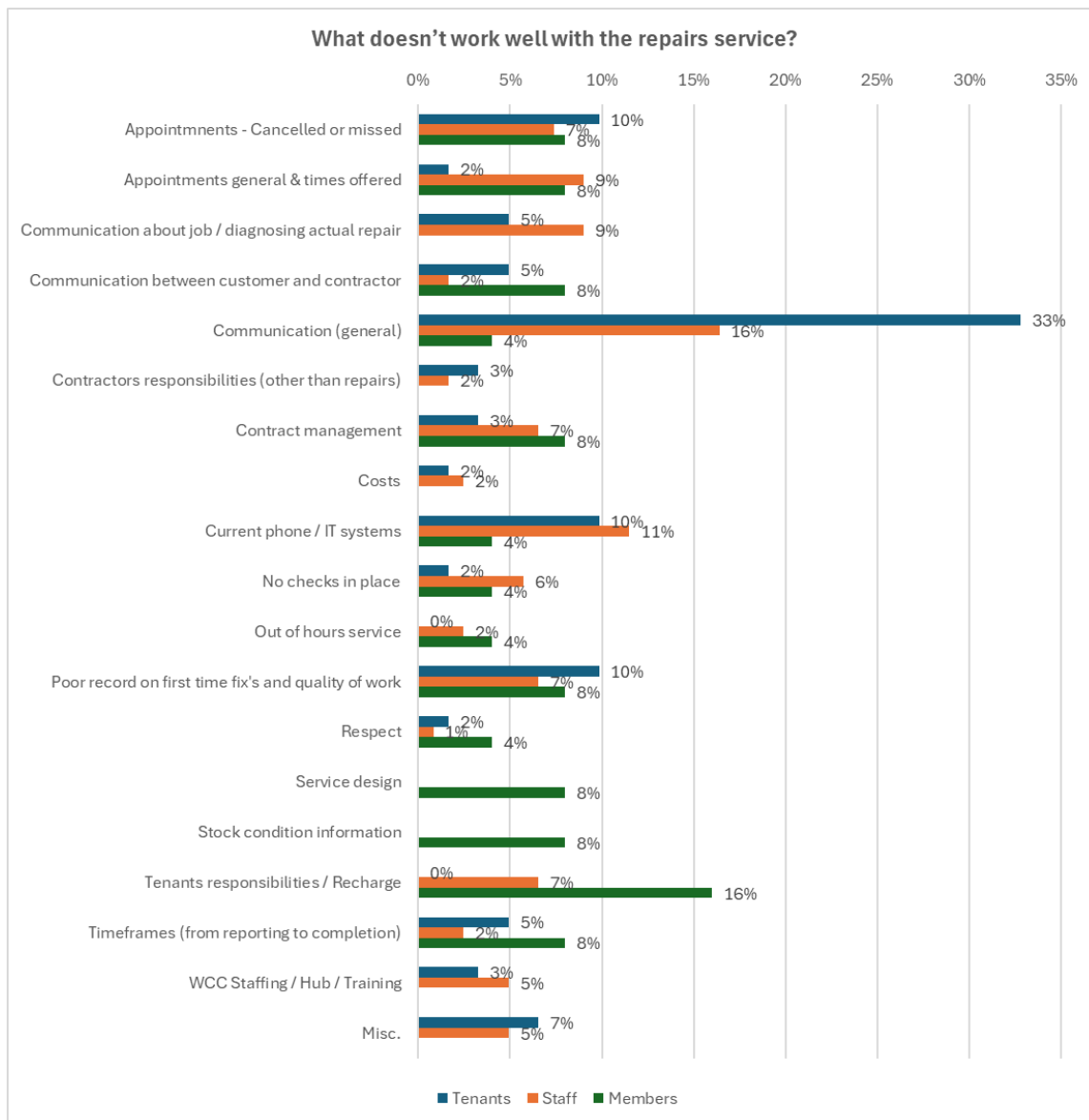
| What doesn't work well with the repairs service?    | Members    | Examples of comments                                                                                                                                                                                |
|-----------------------------------------------------|------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Appointments - Cancelled or missed                  | 8%<br>(2)  | <ul style="list-style-type: none"> <li>• Not keeping appointments</li> </ul>                                                                                                                        |
| Appointments general & times offered                | 8%<br>(2)  | <ul style="list-style-type: none"> <li>• Difficult to reschedule appointments</li> </ul>                                                                                                            |
| Communication between customer and contractor       | 8%<br>(2)  | <ul style="list-style-type: none"> <li>• Misleading information from contractor and tenant</li> </ul>                                                                                               |
| Communication (general)                             | 4%<br>(1)  | <ul style="list-style-type: none"> <li>• Poor communication</li> </ul>                                                                                                                              |
| Contract management                                 | 8%<br>(2)  | <ul style="list-style-type: none"> <li>• The problem isn't fixed when the contractor says it has been fixed.</li> </ul>                                                                             |
| Current phone / IT systems                          | 4%<br>(1)  | <ul style="list-style-type: none"> <li>• We don't know the nature of the fault within the repairs service - We need to have the 600 calls categorised to find out what services we need.</li> </ul> |
| No checks in place                                  | 4%<br>(1)  | <ul style="list-style-type: none"> <li>• Post inspection of repairs</li> </ul>                                                                                                                      |
| Out of hours service                                | 4%<br>(1)  | <ul style="list-style-type: none"> <li>• Out of hours repairs.</li> </ul>                                                                                                                           |
| Poor record on first time fixes and quality of work | 8%<br>(2)  | <ul style="list-style-type: none"> <li>• Poor workmanship.</li> </ul>                                                                                                                               |
| Respect                                             | 4%<br>(1)  | <ul style="list-style-type: none"> <li>• Dismissive and rude contractors.</li> </ul>                                                                                                                |
| Service design                                      | 8%<br>(2)  | <ul style="list-style-type: none"> <li>• Not designing service around specific needs.</li> </ul>                                                                                                    |
| Stock condition information                         | 8%<br>(2)  | <ul style="list-style-type: none"> <li>• Not enough info about property.</li> </ul>                                                                                                                 |
| Tenants responsibilities / Recharge                 | 16%<br>(4) | <ul style="list-style-type: none"> <li>• Repair policy - what WCC should do and what should tenants do.</li> <li>• High expectations.</li> </ul>                                                    |
| Timeframes (from reporting to completion)           | 8%<br>(2)  | <ul style="list-style-type: none"> <li>• Repair policy and time to complete.</li> </ul>                                                                                                             |

Total number of  
post its received.

25

### 1.3. What doesn't work well with the repairs service? – Feedback comparisons

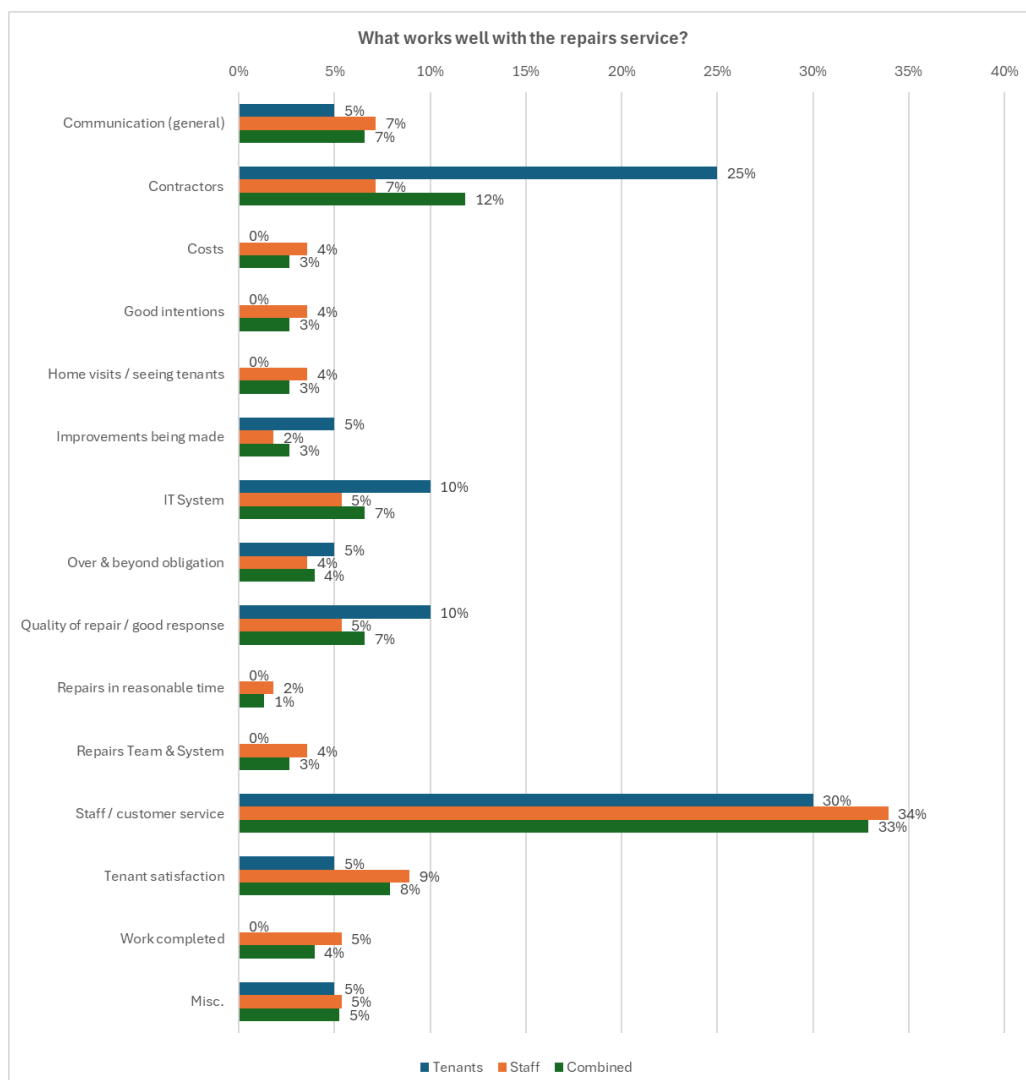
As stated above, due to the slightly different emphasis of workshop the results are not strictly comparable, however, for interest the graph below compares feedback from Tenants, Leaseholders & Shared owners with Staff and Elected members. The same applies to each graph of this nature in this report.



## 2. What works well with the repairs service?



### 2.1. What works well with the repairs service? - Tenants, Leaseholders, Shared Owners and Staff feedback.

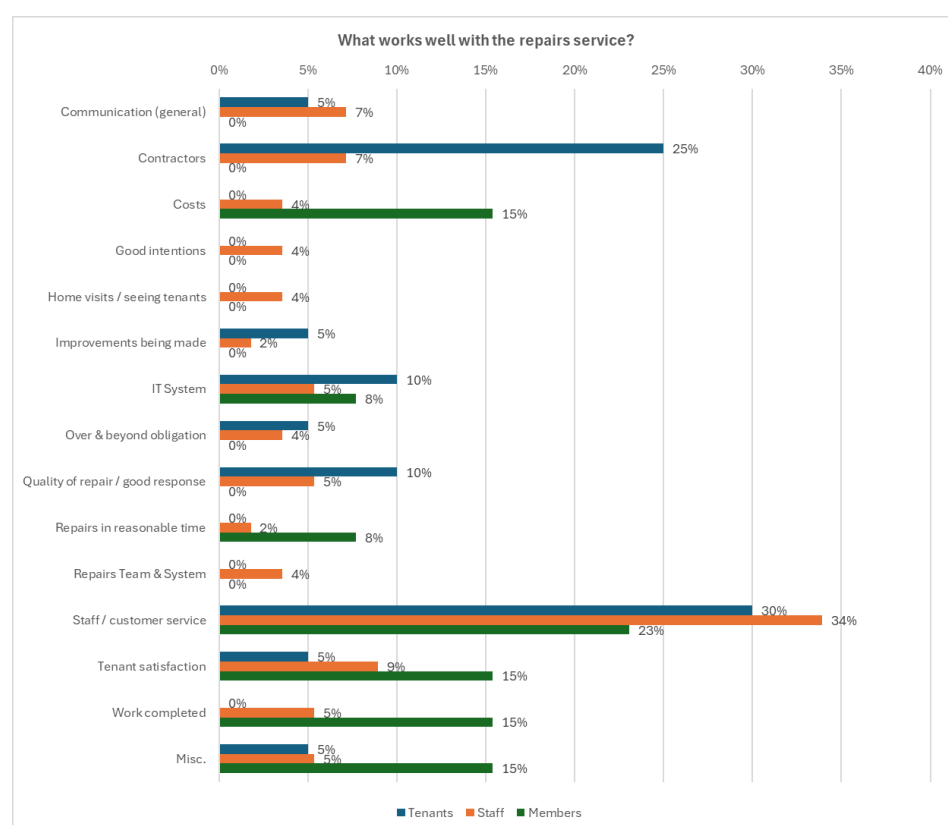


| What works well with the repairs service? | Tenants. Leaseholders & Shared Owners | Staff       | Combined    | Examples of comments                                                                                                                                                                                                                                                                                              |
|-------------------------------------------|---------------------------------------|-------------|-------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Communication (general)                   | 5%<br>(1)                             | 7%<br>(4)   | 7%<br>(5)   | <ul style="list-style-type: none"> <li>When tenants call in, we answer.</li> <li>Inter department repairs reporting</li> </ul>                                                                                                                                                                                    |
| Contractors                               | 25%<br>(5)                            | 7%<br>(4)   | 12%<br>(9)  | <ul style="list-style-type: none"> <li>Some individual contractors arrive on time, treat tenants with respect, remove shoes indoors and complete work to a good standard.</li> <li>The contractors are pleasant, respectful and happy to help most of the time.</li> </ul>                                        |
| Costs                                     | 0%<br>(0)                             | 4%<br>(2)   | 3%<br>(2)   | <ul style="list-style-type: none"> <li>Recharges funds the responsive budget.</li> <li>We have a budget.</li> </ul>                                                                                                                                                                                               |
| Good intentions                           | 0%<br>(0)                             | 4%<br>(2)   | 3%<br>(2)   | <ul style="list-style-type: none"> <li>Council has good intentions.</li> <li>Council tries to be responsive.</li> </ul>                                                                                                                                                                                           |
| Home visits / seeing tenants              | 0%<br>(0)                             | 4%<br>(2)   | 3%<br>(2)   | <ul style="list-style-type: none"> <li>Teams visiting will highlight concerns.</li> </ul>                                                                                                                                                                                                                         |
| Improvements being made                   | 5%<br>(1)                             | 2%<br>(1)   | 3%<br>(2)   | <ul style="list-style-type: none"> <li>Commitment to improve / engage.</li> <li>We are monitoring how we can make better</li> </ul>                                                                                                                                                                               |
| IT System                                 | 10%<br>(2)                            | 5%<br>(3)   | 7%<br>(5)   | <ul style="list-style-type: none"> <li>Raising repairs online.</li> <li>Tenants can report repairs via app (24/7).</li> </ul>                                                                                                                                                                                     |
| Over & beyond obligation                  | 5%<br>(1)                             | 4%<br>(2)   | 4%<br>(3)   | <ul style="list-style-type: none"> <li>Doing more than necessary i.e. going the extra mile to please the tenant.</li> <li>Do repairs beyond our obligation.</li> </ul>                                                                                                                                            |
| Quality of repair / good response         | 10%<br>(2)                            | 5%<br>(3)   | 7%<br>(5)   | <ul style="list-style-type: none"> <li>Work done as an emergency was done asap and job was done correctly.</li> <li>Most of the time the repairs are done well.</li> </ul>                                                                                                                                        |
| Repairs in reasonable time                | 0%<br>(0)                             | 2%<br>(1)   | 1%<br>(1)   | <ul style="list-style-type: none"> <li>Repairs are completed within reasonable period of time.</li> </ul>                                                                                                                                                                                                         |
| Repairs Team & System                     | 0%<br>(0)                             | 4%<br>(2)   | 3%<br>(2)   | <ul style="list-style-type: none"> <li>Direct access for staff into repairs team.</li> <li>We have a repairs system and department</li> </ul>                                                                                                                                                                     |
| Staff / customer service                  | 30%<br>(6)                            | 34%<br>(19) | 33%<br>(25) | <ul style="list-style-type: none"> <li>Individual members of staff who really care and try to help.</li> <li>Helpful and friendly person at end of initial phone.</li> <li>Housing hub are supportive with queries.</li> <li>Empathy and culture are there (just need more money / better efficiency).</li> </ul> |
| Tenant satisfaction                       | 5%<br>(1)                             | 9%<br>(5)   | 8%<br>(6)   | <ul style="list-style-type: none"> <li>Jobs have been done to our satisfaction.</li> <li>Tenant satisfaction is quite good.</li> </ul>                                                                                                                                                                            |
| Work completed                            | 0%<br>(0)                             | 5%<br>(3)   | 4%<br>(3)   | <ul style="list-style-type: none"> <li>Repairs completed.</li> <li>Completion of jobs</li> </ul>                                                                                                                                                                                                                  |
| Misc.                                     | 5%<br>(1)                             | 5%<br>(3)   | 5%<br>(4)   | <ul style="list-style-type: none"> <li>Schedule of maintenance</li> <li>Safe / decent homes standard.</li> </ul>                                                                                                                                                                                                  |
| Total number of post its received.        | 20                                    | 56          | 76          |                                                                                                                                                                                                                                                                                                                   |

## 2.2. What works well with the repairs service? – Elected members’ feedback.

| What works well with the repairs service? | Members    | Examples of comments                                                                                                                                                                              |
|-------------------------------------------|------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Costs                                     | 15%<br>(2) | <ul style="list-style-type: none"> <li>Programmed works is cost effective</li> </ul>                                                                                                              |
| IT System                                 | 8%<br>(1)  | <ul style="list-style-type: none"> <li>Resident can phone and report repair or use portal</li> </ul>                                                                                              |
| Repairs in reasonable time                | 8%<br>(1)  | <ul style="list-style-type: none"> <li>Response better than Private Rented Sector</li> </ul>                                                                                                      |
| Staff / customer service                  | 23%<br>(3) | <ul style="list-style-type: none"> <li>Complex problems done well when an Area Property Surveyor meets with the tenant / member.</li> <li>Council staff cares about service / quality.</li> </ul> |
| Tenant satisfaction                       | 15%<br>(2) | <ul style="list-style-type: none"> <li>84% customer satisfaction</li> </ul>                                                                                                                       |
| Work completed                            | 15%<br>(2) | <ul style="list-style-type: none"> <li>Understand our obligations.</li> </ul>                                                                                                                     |
| Misc.                                     | 15%<br>(2) | <ul style="list-style-type: none"> <li>Members receive complaints</li> <li>Good quality housing stock / well designed.</li> </ul>                                                                 |
| Total number of post its received.        | 13         |                                                                                                                                                                                                   |

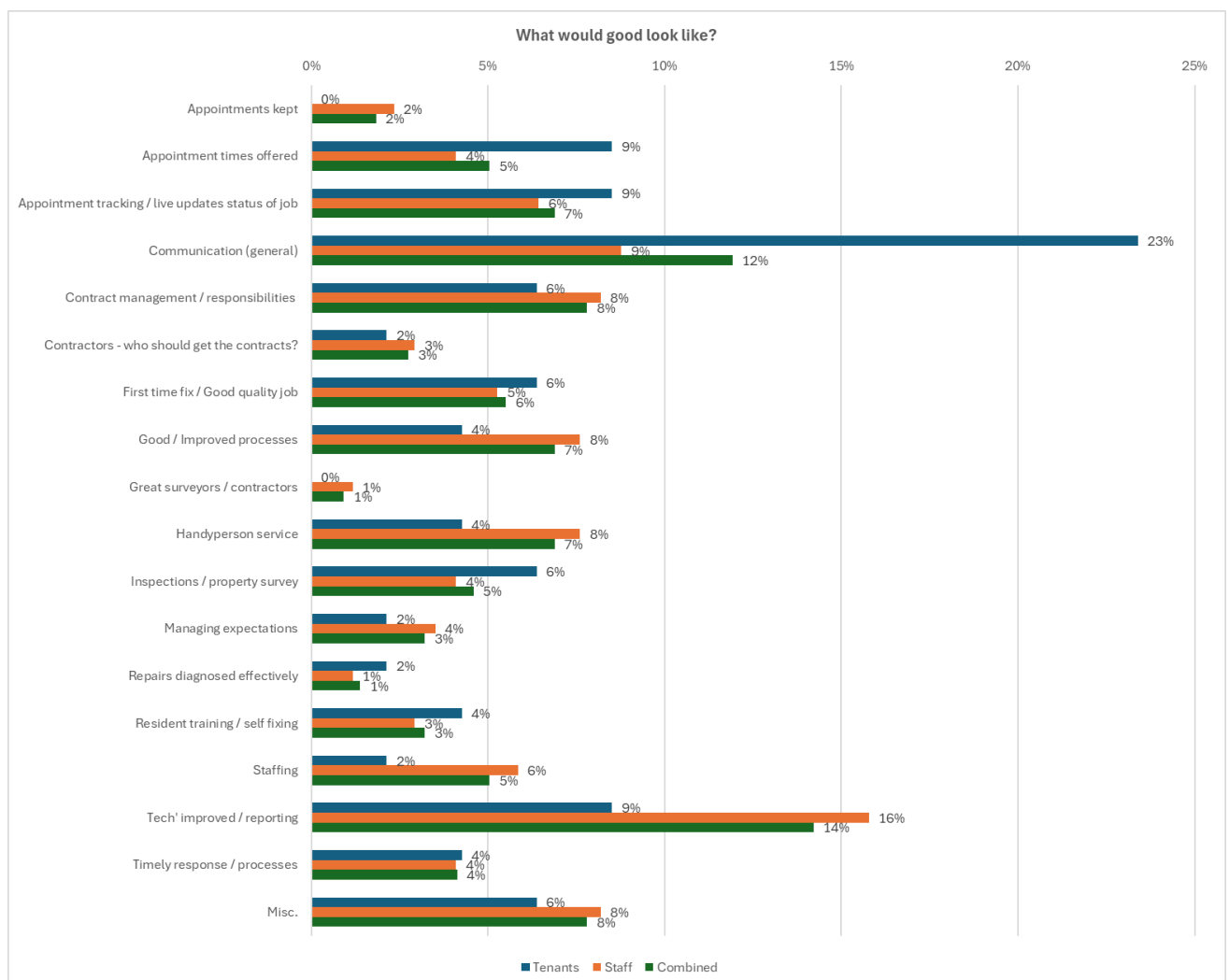
## 2.3. What works work well with the repairs service – Feedback comparisons



### 3. What would good look like?



### 3.1. What would good look like? – Tenants, Leaseholders, Shared Owners and Staff feedback.



| What would good look like?                               | Tenants.<br>Leaseholders<br>& Shared<br>Owners | Staff      | Combined    | Examples of comments                                                                                                                                                                                                                                                                                                                      |
|----------------------------------------------------------|------------------------------------------------|------------|-------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Appointments kept</b>                                 | 0%<br>(0)                                      | 2%<br>(4)  | 2%<br>(4)   | <ul style="list-style-type: none"> <li>Upholding all appointments.</li> </ul>                                                                                                                                                                                                                                                             |
| <b>Appointment times offered</b>                         | 9%<br>(4)                                      | 4%<br>(7)  | 5%<br>(11)  | <ul style="list-style-type: none"> <li>More choice on when repairs carried out - evenings / weekends (we work Monday - Friday).</li> <li>Work with tenants / leaseholders on times to do work and access.</li> <li>6-day week appts.</li> </ul>                                                                                           |
| <b>Appointment tracking / live updates status of job</b> | 9%<br>(4)                                      | 6%<br>(11) | 7%<br>(15)  | <ul style="list-style-type: none"> <li>Tracking contractor operatives to enable better / proactive updates of appt times.</li> <li>AI text updates re contractor appointments and then proximity to job.</li> <li>Real time updates for residents on status of repair and things like 'on route' when contractor is attending.</li> </ul> |
| <b>Communication (general)</b>                           | 23%<br>(11)                                    | 9%<br>(15) | 12%<br>(26) | <ul style="list-style-type: none"> <li>Single points of contact for specific areas of work.</li> <li>Access for leaseholders to planned cyclical works.</li> <li>Honesty.</li> <li>Explaining to tenants about repair / info whether needs another appointment.</li> </ul>                                                                |
| <b>Contract management / responsibilities</b>            | 6%<br>(3)                                      | 8%<br>(14) | 8%<br>(17)  | <ul style="list-style-type: none"> <li>Making sure the contractor keeps to the contract.</li> <li>Contractor should deal with issues in the moment.</li> <li>Equality and Diversity training for contractors.</li> <li>Buy in to Toolbox talks by our contractors on topics relating to support needs as an example.</li> </ul>           |
| <b>Contractors - who should get the contracts?</b>       | 2%<br>(1)                                      | 3%<br>(5)  | 3%<br>(6)   | <ul style="list-style-type: none"> <li>Explanation of costs of work and why choosing contractors.</li> <li>Using local business.</li> <li>Approved contractors list for tenants' repairs (possible discounts).</li> </ul>                                                                                                                 |
| <b>First time fix / Good quality job</b>                 | 6%<br>(3)                                      | 5%<br>(9)  | 6%<br>(12)  | <ul style="list-style-type: none"> <li>Work completed and left at a standard the contractor would accept in their own homes.</li> <li>Jobs done first time correctly.</li> <li>Repairs completed first time / Good quality.</li> </ul>                                                                                                    |
| <b>Good / Improved processes</b>                         | 4%<br>(2)                                      | 8%<br>(13) | 7%<br>(15)  | <ul style="list-style-type: none"> <li>Access to contractors' maintenance schedules.</li> <li>Recharge 'menu'.</li> <li>Tenancy checks routine programme starting with vulnerable households / no repairs reported recently.</li> </ul>                                                                                                   |
| <b>Great surveyors / contractors</b>                     | 0%<br>(0)                                      | 1%<br>(2)  | 1%<br>(2)   | <ul style="list-style-type: none"> <li>Contractors are trained to escalate other noted issues of concern.</li> <li>Fabulous surveyors / contractor etc.</li> </ul>                                                                                                                                                                        |
| <b>Handyperson service</b>                               | 4%<br>(2)                                      | 8%<br>(13) | 7%<br>(15)  | <ul style="list-style-type: none"> <li>Handyman service.</li> <li>Appointed person small jobs (lightbulbs if needed).</li> </ul>                                                                                                                                                                                                          |
| <b>Inspections / property survey</b>                     | 6%<br>(3)                                      | 4%<br>(7)  | 5%<br>(10)  | <ul style="list-style-type: none"> <li>House warden - someone who inspects the quality of work.</li> <li>Repairs pre &amp; post inspections.</li> <li>Contractor to take photo evidence of repair completed.</li> </ul>                                                                                                                   |
| <b>Managing expectations</b>                             | 2%<br>(1)                                      | 4%<br>(6)  | 3%<br>(7)   | <ul style="list-style-type: none"> <li>Clearer understanding or reiterate how long each job can be expected (i.e. 2 hours / 3 days etc..).</li> <li>Management of expectations.</li> </ul>                                                                                                                                                |
| <b>Repairs diagnosed effectively</b>                     | 2%<br>(1)                                      | 1%<br>(2)  | 1%<br>(3)   | <ul style="list-style-type: none"> <li>Good consultation before jobs happens.</li> <li>Repairs are diagnosed and communicated correctly.</li> </ul>                                                                                                                                                                                       |
| <b>Resident training / self-fixing</b>                   | 4%<br>(2)                                      | 3%<br>(5)  | 3%<br>(7)   | <ul style="list-style-type: none"> <li>Taking care of your own house - tenant responsibility.</li> <li>Tenants and empowered to action low-level fixes themselves.</li> <li>Upskill residents / how to do basic repair (online tutorials).</li> </ul>                                                                                     |

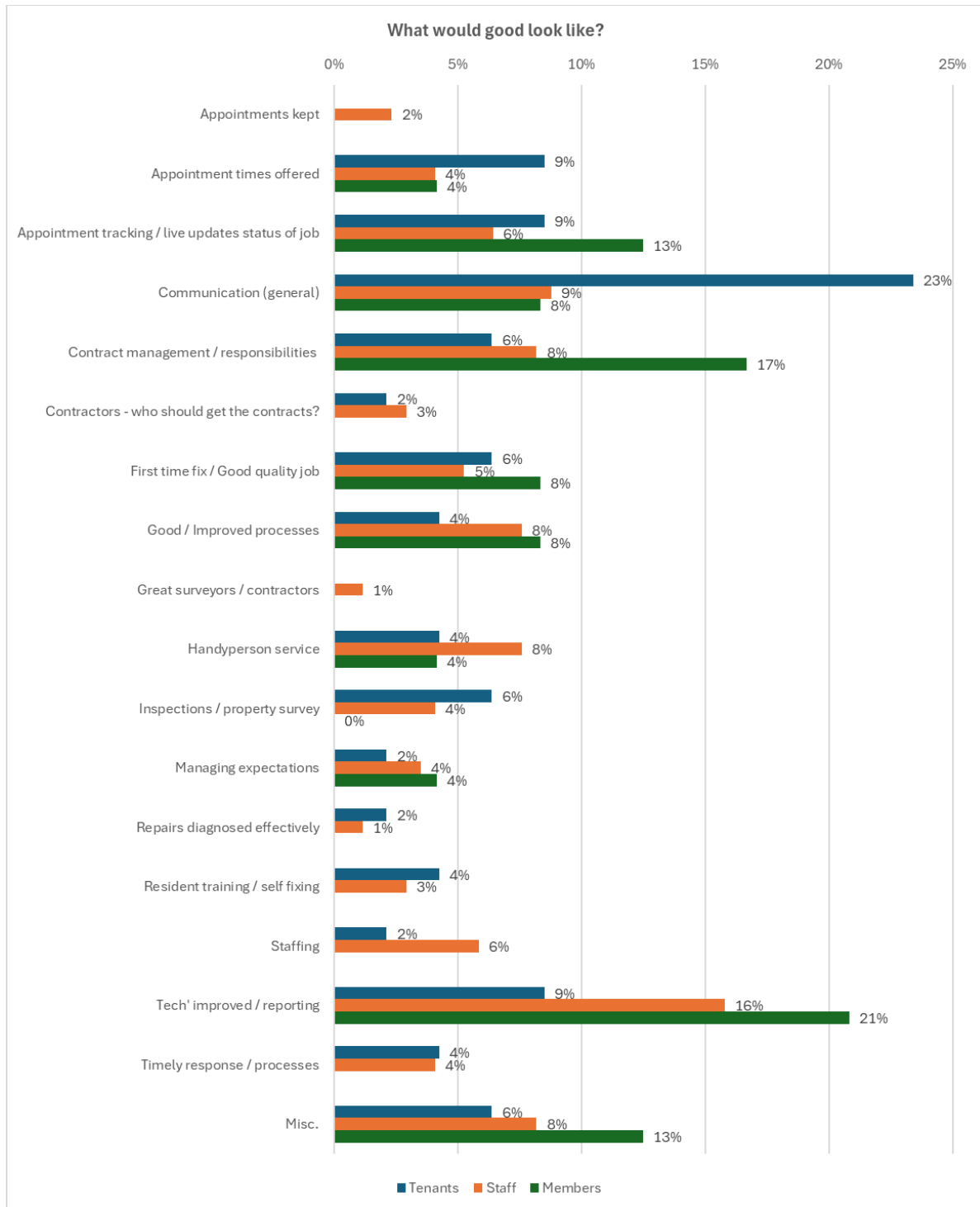
|                                           |           |             |             |                                                                                                                                                                                                                                                                                                                      |
|-------------------------------------------|-----------|-------------|-------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Staffing</b>                           | 2%<br>(1) | 6%<br>(10)  | 5%<br>(11)  | <ul style="list-style-type: none"> <li>Better trained operatives on call handling.</li> <li>Empower staff to make decisions / adequate training / information to hand.</li> <li>Emergency surveyor.</li> </ul>                                                                                                       |
| <b>Tech' improved / reporting</b>         | 9%<br>(4) | 16%<br>(27) | 14%<br>(31) | <ul style="list-style-type: none"> <li>More use if technology e.g. photos to upload details of request.</li> <li>My Winchester Tenancy to be more user friendly.</li> <li>Making appointments in the same location / time management.</li> <li>Promotion of systems / using them.</li> </ul>                         |
| <b>Timely response / processes</b>        | 4%<br>(2) | 4%<br>(7)   | 4%<br>(9)   | <ul style="list-style-type: none"> <li>Prompt response to calls and who you have been passed onto.</li> <li>Doing what we say we will in the timeframes we commit to.</li> </ul>                                                                                                                                     |
| <b>Misc.</b>                              | 6%<br>(3) | 8%<br>(14)  | 8%<br>(17)  | <ul style="list-style-type: none"> <li>If tenants want improvements that aren't on WCC's must do list, but would improve the quality of the home, if they are prepared to contribute - could this be arranged?</li> <li>Out of hours contact options.</li> <li>Loans for repairs / grants to share costs.</li> </ul> |
| <b>Total number of post its received.</b> | 47        | 171         | 218         |                                                                                                                                                                                                                                                                                                                      |

### 3.2. What would good look like? – Elected Members' feedback.

| <b>What would good look like?</b>                        | <b>Members</b> | <b>Examples of comments</b>                                                                                                                                         |
|----------------------------------------------------------|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Appointment times offered</b>                         | 4%<br>(1)      | <ul style="list-style-type: none"> <li>Saturday booking / early evenings.</li> </ul>                                                                                |
| <b>Appointment tracking / live updates status of job</b> | 13%<br>(3)     | <ul style="list-style-type: none"> <li>Tracking for appointments / informed if delayed.</li> </ul>                                                                  |
| <b>Communication (general)</b>                           | 8%<br>(2)      | <ul style="list-style-type: none"> <li>Easy to interact with.</li> </ul>                                                                                            |
| <b>Contract management / responsibilities</b>            | 17%<br>(4)     | <ul style="list-style-type: none"> <li>Only pay the contractor when delivered / contract management.</li> <li>Planned meeting to stay ahead of problems.</li> </ul> |
| <b>First time fix / Good quality job</b>                 | 8%<br>(2)      | <ul style="list-style-type: none"> <li>Quality of workmanship to get things right first time.</li> </ul>                                                            |
| <b>Good / Improved processes</b>                         | 8%<br>(2)      | <ul style="list-style-type: none"> <li>Repairs policy and recharges.</li> </ul>                                                                                     |
| <b>Handyperson service</b>                               | 4%<br>(1)      | <ul style="list-style-type: none"> <li>Handyperson chargeable service.</li> </ul>                                                                                   |
| <b>Managing expectations</b>                             | 4%<br>(1)      | <ul style="list-style-type: none"> <li>If booked appointment and not kept recharged.</li> </ul>                                                                     |
| <b>Tech' improved / reporting</b>                        | 21%<br>(5)     | <ul style="list-style-type: none"> <li>Better management repairs IT system.</li> <li>Ability to send photos to help diagnosis of repair.</li> </ul>                 |

|                                    |            |                                        |
|------------------------------------|------------|----------------------------------------|
| Misc.                              | 13%<br>(3) | • Best value for money for the tenant. |
| Total number of post its received. | 24         |                                        |

### 3.3. What would good look like? – Feedback comparisons



# R&M procurement - Options appraisal

## Introduction

This appraisal establishes the features and benefits of how the WCC R&M service could be delivered and is defined in 10 categories below.

Essentially there are 4 options.

- 1) **Lead Contractor** – A single Contractor delivering the service with directly employed management, approx. 80% directly employed operatives and sub-Contractors to undertake specialist and planned works
- 2) **Managing Contractor** – As a Lead Contractor but with no directly employed operatives. All works will be delivered by Sub- Contractors.
- 3) **SME's** - A range of smaller specialist contractors.
- 4) **DLO** – Direct labour organisation

The Repairs service could be brought in house by a Direct Labour Organisation (a 'DLO'). However, a DLO would require a considerable period of time and investment to establish and implement. A minimum of two years is a realistic timescale.

An indication of the process as a minimum:

- Development of a dedicated IT system
- Recruitment of 3-4 managers and 5-6 supervisors
- Recruitment of approx. 60 operatives (heating engineers, plumbers, electricians, carpenters, plasterers, bricklayers, decorators)
- Procurement of transport (vans)
- Setting up a depot and office base
- Public procurement of a material supply chain (builders merchants, heating suppliers)
- Public procurement of specialist Contractors

Establishing a DLO is a significant undertaking. The level of up-front capital investment is considerable with no certainty as to when a break-even point will be reached. Many of the work streams within the repairs service and capital works programme may not be delivered by directly employed staff. This might require the DLO to sub-contract elements of the capital works programme, the gas servicing, electrical and part of the voids work streams which would bring the business plan for operating a DLO into question.

Should a DLO be considered a credible option then a very detailed options appraisal should be conducted as a business case would need to be presented to ELB and then Cabinet for approval to progress. Given the timescales to establish a DLO from the point of cabinet approval the existing contracts would need to be extended.

Based on the aforementioned detail the references to implementing a DLO is stated within this narrative and is not further developed below.

## 1) IT implementation

The interfacing of IT and respective systems is a critical aspect of the success of this procurement. It is essential that WCC owns and reconciles data to validate performance.

- **Lead Contractor** - R&M Contractors (both Lead and Managing Contractors) have invested significant sums into state-of-the-art digital IT systems that support the operation of a modern repairs service. Systems are geared to take a call from a resident, accurately diagnose the repair required (often with the aid of video and photographs), schedule an appointment and confirm the arrival date and time, all within a single call. Their systems include for portals where residents can order a repair online if they prefer. The same systems record and collate all expenditure for materials and labour against each job number, record KPI performance, completion times, alerts for when repair targets are due to go over time, resident satisfaction, operative productivity and van trackers. The systems offer residents Uber style maps showing where their operative is and when they are expected to arrive.
- **Managing Contractor** – As per Lead Contractor
- **SME's** - If WCC were to deliver the Repairs Service by way of SMEs, it will be necessary to employ eight to ten individual Contractors to deliver the required range of trades (carpentry, plumbing, gas servicing & repairs, electrics, bricklaying, roofing, plastering, drainage, glazing, door entry systems, etc). Having a series of SMEs to deliver each R&M work stream disaggregates the IT into a series of

different systems, each with considerably less sophistication and functionality than can be provided by a specialist repairs Lead Contractor.

When SMEs are employed by a Lead Contractor, they can interface with the Lead Contractor's systems and are issued PDA's so they effectively operate as an extension of the Lead Contractor's directly employed staff. SMEs on their own are unlikely to have that level of IT support. Performance management and data reconciliation would be a significant task and very likely require a dedicated post to manage this.

## 2) Prime cost of repairs

This considers the estimated cost in terms of prime cost (labour and materials) for repairs only.

The average number of repairs pa inc gas over the past 5 years is **19555**.

The average no of repairs per tenanted property is 3.7 for tenanted properties and 3.4 for all tenures. This would include communal works. Social Landlords with stock in good condition typically carry out between 2.5 and 3 repairs per property, per year.

Applying the average sector Price Per Repair (PPR) value of £170 based on the repairs volumes above, the cost to the HRA to deliver the service would be ITRO **£ 3.3m**. This would include communal works.

The total number of tenanted properties is 5152. Applying the sector average Price Per Property ( PPP) rate of £395.00 the cost to the HRA would be ITRO **£ 2.1m**

This would not include exclusions or communal works. Applying a sector average of approx. £330 per property for exclusions and communal works an additional £1.8m should be added making a total prime cost for all repairs of **£3.9m**

The spend associated with delivering responsive repairs based on a SOR pricing mechanism at WCC over the past 5 years is as tabled below

|                    | 2023/24      | 2022/23      | 2021/22      | 2020/21      | 2019/20      |
|--------------------|--------------|--------------|--------------|--------------|--------------|
| Responsive Repairs | 4,447,128.00 | 4,454,340.00 | 2,951,083.00 | 2,516,583.00 | 2,074,489.00 |

$$(4,447,128.00 + 4,454,340.00 / 2 = 4,450,734)$$

$$(4,450,734 / 19555 = 228)$$

Based on the past two years spend being a fair reflection of current prime costs the average repair cost is **£228** using a SOR pricing mechanism.

### 3) Overall cost for delivering the service

The figures below reflect a recent contract procurement with a Lead Contractor by a LA with 4500 tenanted properties and 500 leasehold properties for a PPP and PPV contract.

|                                |                |
|--------------------------------|----------------|
| Cost of repairs inc exclusions | 1800000        |
| Cost of voids inc exclusions   | 1500000        |
| Cost of gas servicing          | 750000         |
| Cost of EICR's                 | 310000         |
| Prelims, overheads and profit  | 1200000        |
| Provision of contact centre    | 250000         |
| Miscellaneous items            | 100000         |
| <b>Total</b>                   | <b>5910000</b> |

Average cost per property **£1310.00** (5.9m / 4500)

As a gauge, applying the average cost of £1310 to WCC (5152 properties) the total revenue expenditure would be ITRO **£6.7m** for a PPP contract with a lead contractor.

The HRA spend for 2023/2024 is tabled below which largely applies to a SOR /PPV contract with two primary contractors.

|                             |                  |
|-----------------------------|------------------|
| Cost of repairs             | 4,447,128.00     |
| Cost of voids               | 1,396,000.00     |
| Cost of gas servicing       | inc in cyclical  |
| Cost of EICR's              | inc in cyclical  |
| Cyclical                    | 1,396,000.00     |
| Provision of contact centre | 0.00             |
| Miscellaneous items         | 0.00             |
| <b>Total</b>                | <b>7,239,128</b> |

Average cost per property **£1405.11** (7.2m/5152)

## 4) Process for managing R&M works

- **Lead Contractor** - Relies on the contractor's IT system interfacing with the Council's. The contractor's system schedules the repair and confirms the appointment with the resident electronically, tracks completion and KPI performance, and reports back to WCC's system. Presents an option for resident's repairs reports to go directly to the contractor via a portal.
- **Managing Contractor** – As per Lead Contractor
- **SME's** – A service with 6-10 SME's would be very complex to administer via a portal . The option for resident repairs reports to go directly to the contractor via a portal would be major task for IT to develop the API's and interfaces. It would not be so easy for residents to navigate hence the effective approach would require The Hub to raise orders to multiple contractors. This could increase the risk of incorrect diagnosis, issuing orders to the wrong contractor , jobs raised on incorrect budget codes and the potential for delays and inconvenience to residents.

## 5) Simplicity of administering a pricing mechanism

- **Lead Contractor** – Would most likely be based on PPR / PPP and PPV contract that makes for simpler administration and cost certainty. Exclusions would need to be managed well to ensure that contractor's monthly valuations were accurate. Risk needs to be mitigated by setting a clear exclusions list, agreeing a value cap on each order and introducing a mechanism where the rate can be re-visited if the volume of repairs exceeds +/- 5% of the stated number. Can encourage contractors to do the bare minimum if not managed effectively. However, returning to complete poorly effected repairs is expensive for a contractor and impacts the non- productive cost ratio. A good suite of OPI's will identify poor performance
- **Managing Contractor** – As per Lead Contractor
- **SME's** – Usually managed through a SoR contract that would require survey and measurement pre and post completion to ensure cost accuracy. Unless well managed, there is a risk of 'rate building' by the Contractor if jobs are not surveyed or evidenced at the outset. Would require WCC to conduct a robust process of scrutiny to ensure validity of jobs. WCC would only pay for the actual scope of work for each repair or void based on a tendered %age adjustment against the NHF SoR. A good suite of OPI's will identify poor performance. WCC will need to publicly procure 6-10 SMEs to deliver each trade/works program.

## 6) Complexity of the procurement and compliance of new regs

- **Lead Contractor** – Will require a single public procurement. The new regs require WCC to report to central government on 3 KPI's monthly which encourages contractors to succeed.
- **Managing Contractor** – As per Lead Contractor
- **SME's** – Will require six to eight separate public procurements for each of the required trades which will be time consuming. The new regs require WCC to report to central government on 3 KPI's monthly which encourages contractors to not fail. This could be problematic with a broad range of SME's.

Given that WCC will be one of the first LA's to procure under the new procurement regs the detail of what is required by central government is yet to be fully understood. WCC will be commissioning Trowers and Hamlins to provide legal advice and support to ensure strict compliance with the new regs

## 7) Assuring quality of service for residents

- **Lead Contractor** – Lead Contractors seek to deliver a resident facing service supported through sophisticated IT systems and Resident Liaison staff. Lead Contractor's systems are well equipped to communicate with residents regarding appointments, satisfaction and general updates. Residents would have a single point of contact. A good suite of OPI's will identify poor performance and stats would relate to one provider. Residents often get to know contractor's operatives who attend to undertake repairs. This supports the safeguarding policy as well as reporting on serious defects such as damp and mould. It would be relatively straightforward for WCC to manage safeguarding and serious defect reports.
- **Managing Contractor** – As per Lead Contractor. However, relationships between residents and operatives are not so likely to be established as sub-contractors workforces tend to be more transient.
- **SME's** - SME's are more likely to be focused on delivering the job they've been instructed to repair. Often do not have IT systems suitable for residents to track their arrival or manage appointments. The communication with residents in terms of appointment confirmation and satisfaction could be confusing if SME's are tasked to conduct this. Residents may also be confused over which contractor is appointed to attend when making follow up enquiries. Residents could call in and The Hub would follow up with the appropriate contractor which could be time consuming. A good suite of OPI's will identify poor performance although reconciling performance stats would be more difficult. Managing safeguarding and serious defect reports from operatives would be less straightforward for WCC to manage.

## 8) Process for managing the contract and overall performance

- **Lead Contractor** –The implementation of a robust but relevant suite of KPI's in association with a keenly drafted Term Brief should enable effective contract management. Establishing a holistic approach with the delivery of repairs, voids and planned works will require careful management but should be more straightforward with a single contractor. TAC 1 is widely regarded as one of the best term contracts available and has been drafted specifically for both repairs services and planned works programmes. The two-stage order process is particularly useful for planned works. It establishes an obligation on both parties to collaborate in the best interests of the programme. The monthly core group meetings will include residents which ensures participation with the development of the service.
- **Managing Contractor** – As per Lead Contractor
- **SME's** –Whilst a robust suite of KPI's and a keenly drafted Term Brief will aid effective contract management, this will be less straightforward than with a single contractor. Establishing a holistic approach with the delivery of repairs, voids and planned works will require robust management and has a greater propensity to fail. TAC 1 would be less well suited to managing a range of SME's as collaboration will not be easy to manage hence the various contracts might need to be influenced by penalty clauses. JCT MTC is broadly recognised as a 'safe pair of hands' contract by Contractors and Clients alike and is well suited for traditional repairs contracts. However, it has no contractual requirement to collaborate and no formal processes for innovation. It doesn't provide for a Core Group so joint decision making or problem solving is less established. JCT MTC is less suited for planned works programmes.

## 9) Ability to resource the contract

- **Lead Contractor** – The current Property Services establishment once at full complement is suitably resourced to manage a single contract. One area of weakness is the reconciliation of contractor's valuations for repairs works and would require a QS or cost auditor to be recruited. The cost to the HRA of this additional post would be ITRO of £70k
- **Managing Contractor** – As per Lead Contractor
- **SME** - The current Property Services establishment is inadequately resourced to manage a range of 6-10 SME's. Managing a range of 6-10 SME's will require an effective and a holistic approach. It is not possible at this point to fully define but could require the recruitment of 3 additional CM's and 3 CLO's to manage and administer. It is likely that a data analyst would be required to ensure that data is managed effectively and therefore KPI's stats are reported. Given that this option would likely follow the SoR route there would

be a need to recruit 1-2 QS's. It would be likely that less APS' would be required and that 3 might focus on void works approvals and significant defects only. The cost to the HRA of these additional posts would be ITRO of £420k

## 10) Ease of ensuring sustainable localism with small/specialist Contractors

- **Lead Contractor** – The Lead Contractor would be instructed by WCC to consider local SME's as a first port of call when assembling their supply chain. WCC would support the Lead Contractor in holding joint 'Meet the Buyer' events and introducing known suppliers with a good track record. A quarterly meeting will be set up where the local SME's, the Lead Contractor and WCC attend to discuss operational and commercial performance. It is in WCC's interest that local SME's are performing and are not being commercially disadvantaged but equally are delivering value. The Lead Contractor would lead on sourcing best value for WCC. Key SMEs, particularly the gas servicing contractor, will have a place at the decision-making table by being invited to join the Core Group
- **Managing Contractor** – As per Lead Contractor.
- **SME** - Local SME's would be the delivery source so this would be assured. WCC would need to lead on ensuring that SME's are providing best value.

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## Repairs service -redesign

|            |   | Impact |    |    |    |    |
|------------|---|--------|----|----|----|----|
| Likelihood |   | 1      | 2  | 3  | 4  | 5  |
|            | 5 | 5      | 10 | 15 | 20 | 25 |
|            | 4 | 4      | 8  | 12 | 16 | 20 |
|            | 3 | 3      | 6  | 9  | 12 | 15 |
|            | 2 | 2      | 4  | 6  | 8  | 10 |
|            | 1 | 1      | 2  | 3  | 4  | 5  |

|                  |            |
|------------------|------------|
| Creation date    | May-24     |
| Next review date | Nov-24     |
| Reviewed on      | 01/10/2024 |

| No. | Risk Category         | Risk Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Current |            |      | Responsibility | Ownership | Mitigating measures                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Residual |            |      | Next Review | Action required                                                                                                                                                                                                                                                                                                                                                                                                                                           | Action owned by                                                                       |
|-----|-----------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|------------|------|----------------|-----------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|------------|------|-------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|
|     |                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Impact  | Likelihood | Risk |                |           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Impact   | Likelihood | Risk |             |                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                       |
| 1   | Contract Management   | The contract risk register has identified the procurement risk as 'medium' but this assessment only determines risks associated with financial assessment and payment during the procurement and during the contract. Given the complexity and importance of this contract, risks outside of the procurement need to be considered but are not. Ongoing management and oversight of the contract are just as important and needs to be considered as a high-risk. Robust and controlled contract management processes need to be established as this is one of the largest contracts in the Council. | 5       | 5          | 25   | WCC            | 100%      | 1) Upgrade the risk rating to 'high' ensure the appropriate level of action and approach is taken in terms of the Council's 'Contract Management Framework'<br><a href="https://www.southcheshire.gov.uk/assets/attach/37964/Contract-Management-Framework-1.3-Nov-22.docx">https://www.southcheshire.gov.uk/assets/attach/37964/Contract-Management-Framework-1.3-Nov-22.docx</a><br><br>The TAC1 contract sets out clear requirements for how the contract should be managed, this includes monthly core group meetings and quarterly strategic core meetings.                                                                                                                                                                                                                                                                                                                                                                                            | 4        | 3          | 12   |             | Follow procedures set out in the Contract Management Framework and set up corporately contract management forum to include key departments<br><a href="https://www.southcheshire.gov.uk/assets/attach/37964/Contract-Management-Framework-1.3-Nov-22.docx">https://www.southcheshire.gov.uk/assets/attach/37964/Contract-Management-Framework-1.3-Nov-22.docx</a><br><br>Follow the remit of TAC1                                                         | HRA, Procurement                                                                      |
| 2   | IT                    | IT interface between contractor's system and WCC's is not functional. Risk that repairs cannot be raised, data is lost, KPI results and management reports are inaccurate and cannot be relied on.                                                                                                                                                                                                                                                                                                                                                                                                   | 5       | 5          | 25   | WCC            | 100%      | 1) Upgrade WCC's existing system (Orchard)<br>2) Explore options around offloading contractors systems in greater depth with WCC owning the data                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 2        | 4          | 8    |             | Undertake a full review of existing Orchard system and work with MRO to develop system that reflects similar operations within the sector<br><br>Proceed with developing the principle of the contractor's system being the primary system. WCC to have absolute ownership and validation functionality of the data                                                                                                                                       | WCC IT dept, Sarah Hobbs                                                              |
| 3   | Financial             | Cost of delivering repairs in the new contract exceeds HRA revenue budget                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 4       | 4          | 16   | WCC            | 100%      | 1) Undertake soft market testing based on WCC repairs data to ascertain what repairs model provides the best value.<br>2) Discuss cost drivers with incumbents and wider market.<br>3) Benchmark contractual levers in place to control cost.<br>4) Develop an understanding of a 'should cost model' so there are no surprises?<br>5) Ensure robust indemnation and cost control embedded in contract with appropriate risk apportionment.<br>6) Ensure robust contract management and cost monitoring employing specialist resource where necessary [25]                                                                                                                                                                                                                                                                                                                                                                                                  | 3        | 3          | 9    |             | Complete an options appraisal and PIN of potential bidders and incumbent contractors                                                                                                                                                                                                                                                                                                                                                                      | Andrew Donaldson/Jamie Butt                                                           |
| 4   | Data                  | 5 years of repairs categorised data is not sufficient to provide bidders with enough detail to estimate bidding in a high level of risk                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 5       | 3          | 15   | WCC            | 100%      | Ensure that good data is provided and covers a broad spectrum                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 4        | 1          | 4    |             | Define a method to ensure that repairs data can be uploaded from Orchard / Keystone and effectively validated                                                                                                                                                                                                                                                                                                                                             | Faiza Hassan, Heather Gibson                                                          |
| 5   | Procurement           | Failure to meet the requirements of the Procurement Act 2023 update 12/2024 implementation of PA23 deferred until late Feb 2025, PCR 2015 (present regulation) to no apply                                                                                                                                                                                                                                                                                                                                                                                                                           | 3       | 2          | 6    | WCC            | 100%      | (1) Subject matter experts completed e-learning with certification obtained<br>(2) Subject matter experts attending deep dives on PA 23 - June<br>(3) Keep updated with and follow emerging guidance provided by Government Commercial dept<br>(4) Commission sector leading legal advisor                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 4        | 1          | 4    |             | Create a procurement plan<br>Peer review - internal an external<br>Ensure approvals obtained and set gateways<br><br>Commission Powers as the sector expert to ensure that procurement regs are applied correctly                                                                                                                                                                                                                                         | Andrew Donaldson/Jamie Butt                                                           |
| 6   | Procurement           | Lack of interest from bidders                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 5       | 3          | 15   | WCC            | 100%      | 1) Conduct effective soft market testing<br>2) Ensure that the contract reflects the feedback from the soft market testing<br>3) Ensure that the PIN reaches suitable bidders.<br>4) Ensure that the contract provides enough interest to bidders                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 2        | 1          | 2    |             | Create a procurement plan<br>PA23 deferred, procurement will now follow a tried and tested C2 route via existing and well known Public Contract Regulations 2015 (PCR 2015)                                                                                                                                                                                                                                                                               | Andrew Donaldson/Jamie Butt                                                           |
| 7   | Legal                 | Failure to review contract documents                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 5       | 4          | 20   | WCC            | 100%      | Commission a third party legal firm                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 3        | 1          | 3    |             | In the event that WCC Legal Team do not have capacity to be able to review contract documents then WCC will need to commission an external legal firm<br><br>Trowers & Hamlins to be commissioned                                                                                                                                                                                                                                                         | Andrew Donaldson/Jamie Butt                                                           |
| 8   | Process               | Loss of key staff to include key operational staff involved in management of day to day operations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 5       | 3          | 15   | WCC            | 100%      | 1) Implement reporting process, project documentation and ensure accessibility and understanding of project by key stakeholders<br>2) Involve staff throughout the journey                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 4        | 1          | 4    |             | 1) Ensure that relevant WCC staff are regularly appraised and have knowledge of where process documents are related<br>2) Ensure that project team members file relevant documentation in the SharePoint folder (see link to right)<br>3) Succession plan for staff who are known to be transferring or leaving the organisation<br>4) Develop a common plan to update staff on progress                                                                  | Andrew Donaldson/Jamie Butt                                                           |
| 9   | Policy                | New policies are not implemented<br>-Repairs Policy<br>-Camp and Mould Policy<br>-Empty Homes Policy and standard<br>-Disabled Adaptations policy<br>-Recharge Policy                                                                                                                                                                                                                                                                                                                                                                                                                                | 4       | 1          | 4    | WCC            | 100%      | Ensure that relevant staff are aware of the policy content and create workshops to aid implementation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 3        | 1          | 3    |             | Set up workshops and training sessions with relevant staff<br><br>E-learning the with HRP<br><br>Embed policies with processes and systems (contractor system and council systems)                                                                                                                                                                                                                                                                        | Andrew Donaldson                                                                      |
| 10  | Corporate             | Failure to meet deadlines to submit papers/reports for Economic Policy Committee and Housing Cabinet                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 5       | 2          | 10   | WCC            | 100%      | Complete reports in good time                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 3        | 1          | 3    |             | Ensure that the data and information is as up to date and accurate as possible and write reports so that they meet the deadlines                                                                                                                                                                                                                                                                                                                          | Andrew Donaldson                                                                      |
| 11  | H&S                   | Identification and management of materials containing asbestos (ACMs)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 5       | 5          | 25   | WCC            | 100%      | 1. WWIC to ensure the Asbestos Register is maintained and up to date<br>2. All survey information and removal records to be logged<br>3. Contractors to have electronic access to the Asbestos Register at all times                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 5        | 2          | 10   |             | Ensure that WCC Asset system has suitable functionality to interface to contractor's systems to ensure that operative have direct access to information of locality of asbestos in dwellings and communal parts                                                                                                                                                                                                                                           | WCC IT dept/Faiza Hassan                                                              |
| 12  | Operational           | WCC Hub is ineffective in handling calls from residents                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 5       | 5          | 25   | WCC            | 100%      | 1) Set up training workshops<br>2) Develop electronic diagnostic tool<br>3) Develop facility for photos from residents to be uploaded via Orchard<br>4) Ensure that the Hub has full visibility of contractors diary<br>5) Ensure the Hub operates as one team with all staff having ability to complete all tasks<br>6) Ensure that the Hub has effective management and leadership<br>7) MRO & WCC to assess and develop a lot of viable upgrades to Orchard to improve capability<br>8) Utilise contractor's systems to aid the raising of jobs and appointments                                                                                                                                                                                                                                                                                                                                                                                         | 5        | 2          | 10   |             | Undertake a full review of the Hub operation and implement change<br>The contact centre is currently experiencing significant issues hence the likelihood has increased. RHM and Asix working with Tom Mann to recover this.<br>Rob is developing a flagging process for identifying repairs responsibilities against various archetypes.                                                                                                                 | Yvonne Anderson                                                                       |
| 13  | Engagement            | Inability to recover costs from leaseholders due to breach of consultation procedures. Risk that recovery will be capped at £250 per leaseholder                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 5       | 3          | 15   | WCC            | 100%      | Ensure that Section 20 leaseholder consultation is carried out effectively                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 3        | 1          | 3    |             | Conduct Section 20 consultation in line with regulatory requirements and within appropriate timescale                                                                                                                                                                                                                                                                                                                                                     | Andrew Donaldson                                                                      |
| 14  | Operational           | Ensure that the HRA stock list is accurate                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 5       | 1          | 5    | WCC            | 100%      | WCC to review various property registers                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 4        | 1          | 4    |             | WCC to review various property registers and ensure that an accurate version is available                                                                                                                                                                                                                                                                                                                                                                 | Faiza Hassan, Heather Gibson                                                          |
| 15  | Procurement           | Legal challenge by bidders at any point during the process and during standard & barriers faced by SMEs                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 5       | 3          | 15   | WCC            | 100%      | (1) Clear and transparent tender documents and adverts on process and evaluation<br>(2) Use of best practice approaches and standard documents<br>(3) Robust peer review of documents and process (internal / external legal, procurement and project board)<br>(4) Benchmarking against similar projects internally and externally<br>(5) All identified and potential unidentified bidders given unfettered access to the same information in the portal, this includes any dialogue prior to advertisement and clarification questions. All questions from bidders to be published with a response as all can see (unless there is an agreed commercial reason not to disclose).<br>(6) Due regard to barriers faced by SMEs, consideration in the procurement strategy, fair and proportional assessment, fair payment and contract terms with main contractors, a seat at the table (core group)<br>(7) Clear guidance or evaluators inc residents+J25 | 4        | 1          | 4    |             | Clear and objective recording of decisions at each step, especially evaluation and moderation, concise and objective reasoning to be provided by the evaluation team for feedback letters with scrutiny of to ensure there are no contradictory or incorrect information given and is based entirely on the published criterion and submissions received - not based on prior knowledge or newly introduced methodology not disclosed prior to submission | All involved in evaluation, dialogue and preparation / review of tender documentation |
| 16  | Procurement           | Outgoing Suppliers over reliant on WCC for business. Could create a serious drop in service for residents                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 4       | 4          | 16   | WCC            | 50%       | 1) Early engagement with incumbents to share vision and considered options so made aware of potential change in commissioning strategy (early warning)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 5        | 3          | 15   |             | 1) Early discussion and publication of intent                                                                                                                                                                                                                                                                                                                                                                                                             | Andrew Donaldson/Jamie Butt                                                           |
| 17  | Conflicts of interest | Stakeholders have an association with bidders                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 4       | 4          | 16   | WCC            | 100%      | Complete assessments of all relevant staff to ensure that there are no conflicts of interest                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 4        | 1          | 4    |             | 1) Create an assessment template and issue to all relevant staff and members                                                                                                                                                                                                                                                                                                                                                                              | Andrew Donaldson/Jamie Butt                                                           |

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## SCRUTINY COMMITTEE

REPORT TITLE: ACQUISITION OF AFFORDABLE HOMES AT KINGS BARTON, WINCHESTER

12 NOVEMBER 2024

REPORT OF CABINET MEMBER: CLLR CHRIS WESTWOOD – CABINET MEMBER FOR HOUSING

Contact Officer: CAROLINE EGAN, SERVICE LEAD – NEW HOMES

Tel No: 01962 848124 Email: CEGAN@WINCHESTER.GOV.UK

WARD(S): ST. BARNABAS & THE WORTHYS

### RECOMMENDATION:

It is recommended that the committee scrutinise and comment on the proposals within the attached draft cabinet report, ref CAB3485 which is to be considered by cabinet at its meeting on the 20 November 2024.

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REPORT TITLE: ACQUISITION OF AFFORDABLE HOMES AT KINGS BARTON,  
WINCHESTER

20 NOVEMBER 2024

REPORT OF CABINET MEMBER: CLLR CHRIS WESTWOOD – CABINET MEMBER  
FOR HOUSING

Contact Officer: CAROLINE EGAN, SERVICE LEAD – NEW HOMES

Tel No: 01962 848124 Email: CEGAN@WINCHESTER.GOV.UK

WARD(S): ST. BARNABAS & THE WORTHYS

PURPOSE

This report seeks approval for the allocation and expenditure of the New Build Unallocated Capital Budget for the purchase of land and 146 new affordable properties in Kings Barton, Winchester.

The purchase will help meet housing need and support the Council Plan Homes for All priority.

RECOMMENDATIONS:

1. Approve the allocation and expenditure of the New Build Unallocated Capital Budget as set out in the confidential appendix to purchase land and 146 new affordable properties at Kings Barton, Winchester.
2. Authorise the Corporate Head of Asset Management in consultation with the Section 151 Officer to:
  - a) negotiate and agree the terms and conditions of the transaction and enter into a land agreement and a build agreement to acquire land and the 146 homes to then be built on that land from Cala Management Ltd for the purchase price as set out in the confidential appendix.
  - b) enter into any planning and/or legal agreements required to purchase the land and 146 homes.

IMPLICATIONS:1 COUNCIL PLAN OUTCOME

## 1.1 Tackling the Climate Emergency and Creating a Greener District

The new homes will be built to Building Regulation energy efficiency standards but with the addition of air source heat pumps, thus supporting the Greener Faster Council Plan priority. Precise details will be included within the contractual requirements. Affordable homes help those who wish to work in the locality secure accommodation thus reducing the need to travel.

## 1.2 Homes for all

The development includes a range of affordable property types and sizes for a mixture of Affordable Rent and Shared Ownership.

## 1.3 Vibrant Local Economy

Affordable homes assist those who wish to work in the locality secure accommodation. This helps support local businesses and local residents.

## 1.4 Living Well

There is a correlation between good housing circumstances and good health. Secure high-quality housing will help support mental and physical health. The scheme will be well served by open space and be close to a range of amenities and services in a vibrant settlement.

## 1.5 Your Services, Your Voice

The Council Plan and Housing Strategy are informed by the views of local residents and stakeholders. These views inform the objectives in each of providing homes for all and more affordable housing. These homes form part of a S106 housing allocation.

2 FINANCIAL IMPLICATIONS

2.1 The land and completed properties are offered for purchase across three phases of development by Cala Management Ltd (CML). The financial implications of the acquisition are provided in the confidential appendix of this report.

2.2 The HRA Business Plan and Housing New Homes Capital programme included unallocated provision of £59.4m in the period between 2024/25 and 2026/27 for unidentified sites and it is proposed to fund this purchase from that provision. The proposals for this transaction have been cashflowed and modelled into the revised business plan that underpins the HRA options report CAB3478.

- 2.3 As set out in the confidential appendix, the proposed purchase meets the council's approved viability tests, and is based on 51 shared ownership properties, and for the remaining 95 affordable rent units set at 70% of market rents.

- 2.4 In order to safeguard the long-term interests of the council's assets it is important that an application is promptly made to the secretary of state to allow any future sales under the RTB to be excluded from the need to be pooled under the existing legislation through applying for a s11(6) Agreement under the 2003 Capital financing regulations.

### 3 LEGAL AND PROCUREMENT IMPLICATIONS

- 3.1 The council are seeking external legal procurement advice to ensure the structure of the transaction is in accordance with procurement regulations.

### 4 WORKFORCE IMPLICATIONS

- 4.1 None – within existing staff resources.

### 5 PROPERTY AND ASSET IMPLICATIONS

- 5.1 The proposed scheme will provide 146 new affordable homes which will be a mix of affordable rent and shared ownership housing held in the Housing Revenue Account. Acquiring S106 allocations in this way is a far more cost-effective method for the council to deliver new homes compared to direct build. This approach to housing delivery is a more efficient use of in-house resources and means that delivery can be at scale compared to direct development of small council-owned sites.

### 6 CONSULTATION AND COMMUNICATION

- 6.1 TACT were consulted upon the New Homes Capital Programme as part of the Housing Revenue Account budget approval (CAB3445 refers), and are in support of the council providing new affordable homes throughout the Winchester District.
- 6.2 The planning application has been subject to public consultation.
- 6.3 Comments have been sought from the Cabinet Member for Housing, and the St. Barnabas and The Worthys Ward Members. Queries concerning the matters raised in this report have been answered regarding affordable housing specification and location.

### 7 ENVIRONMENTAL CONSIDERATIONS

- 7.1 The new homes will be built to Building Regulation energy efficiency standards but with the addition of air source heat pumps, thus supporting the Greener Faster Council Plan priority.

## 8 PUBLIC SECTOR EQUALITY DUTY

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

## 9 DATA PROTECTION IMPACT ASSESSMENT

- 9.1 None required.

## 10 RISK MANAGEMENT

- 10.1 The developer will be contractually obliged to build the development to the standards and specification as determined by the planning consent, and the council will have oversight of compliance and quality. The council will own the property freehold, will manage and maintain the homes and have control over their use so that they meet identified housing needs and are managed and maintained to an acceptable standard.
- 10.2 External expert advice from Savills has been taken on the price that has been agreed and on the structure of the deal. These reflect common practice in the S106 market and the terms of the planning requirements that result in a significant discount on unconstrained open market value.
- 10.3 All development carries a degree of risk however officers will be seeking to include safeguards in the contractual arrangements and oversight of construction to mitigate risks.

| Risk                                                                               | Mitigation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Opportunities |
|------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|
| Financial Exposure                                                                 | <p>A financial development appraisal has been undertaken and the scheme passes the council's viability tests.</p> <p>Financial checks have been carried out on the developer and are satisfactory. Checks throughout the course of the contract will be undertaken.</p> <p>The offer is subject to an external expert valuation and guidance on the S106 housing market.</p> <p>Safeguards will be contained in the contract to limit exposure to financial risk, including step-in rights.</p> <p>The deal structure contains stage payments that reflects the work undertaken by the developer up to completion. Checks on construction quality and progress will take place during construction.</p> |               |
| <p>Exposure to a procurement challenge</p> <p>Challenge from another developer</p> | <p>The council is seeking external procurement advice to ensure all procurement matters are suitably addressed.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |               |

|                        |                                                                                                                                                                                                  |                                                                                       |
|------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|
| Innovation             | The properties will be built to a defined energy standard above Building Regulations.                                                                                                            |                                                                                       |
| Reputation             | Close monitoring of the construction by the council will ensure a high-quality development.                                                                                                      |                                                                                       |
| Achievement of outcome | The housing is being built to a standard that is acceptable to the council. Council ownership will give control over rent setting, occupation, sales and management of the new homes.            |                                                                                       |
| Property               | The housing is being built to a standard that is acceptable to the council, and monitoring during construction and analysis of the completed scheme will take place.                             | The properties will be built to a defined energy standard above Building Regulations. |
| Community Support      | <p>The development site was a Strategic Allocation Site in the Winchester Local Plan.</p> <p>The site has planning consent, and the planning application was subject to public consultation.</p> |                                                                                       |
| Timescales             | The contract with the developer will include a programme for development with suitable milestones and long-stop dates.                                                                           |                                                                                       |
| Project capacity       | Within existing resources.                                                                                                                                                                       |                                                                                       |

|                                                                                                                                                                                             |                                                                                                                                                                                                                      |  |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| Other:<br>Developer failure to complete the works (leaving WCC with partly paid for unfinished properties and greater potential expenditure to bring about completion of the construction). | Financial checks carried out on CML and Cala Group Ltd. Stage payments and step-in rights in the build agreement. Financial checks and on-site progress checks to be carried out over the course of the development. |  |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|

## 11 SUPPORTING INFORMATION:

- 11.1 The proposed new housing forms part of a much larger multi-phase development by CML at Barton Farm in Winchester. Outline planning consent for the scheme was granted on appeal by the council as Local Planning Authority in 2011. The S106 for the outline planning consent required a proportion of new homes to be provided as affordable. These are integrated throughout the scheme and phases in accordance with the planning consent. CML have since secured reserved matters planning consents for several phases of the development, some of which are now built out and occupied.
- 11.2 The 146 units which are the subject of this acquisition are to be acquired across three phases of development:
- Phase 2bi: 74 units (50 affordable rent and 24 shared ownership) - practical completion 2026/27
  - Phase 3ai: 18 units (14 affordable rent and 4 shared ownership) - practical completion 2025/26
  - Phase 3aii: 54 units (31 affordable rent and 23 shared ownership) - practical completion 2027/28
- 11.3 At CML's request, the council has submitted an offer and bid to CML for the acquisition of 146 affordable homes to use as council housing.
- 11.4 The financial implications of the proposed acquisition are set out in the confidential appendix.
- 11.5 The proposed purchase meets the council's viability tests for new homes, will be funded from existing budgets and is subject to the Corporate Head of Asset Management agreeing final terms and conditions of sale.

- 11.6 There is strong demand for new affordable housing in this location. Kings Barton is a significant site in relative proximity to Winchester city centre, where a large proportion of applicants wish to be housed. Housing Register numbers have grown in recent years across all property types, highlighting a continued need for delivery of accommodation intended for providing rented accommodation allocated via Hampshire Home Choice. The delivery of these units at Kings Barton will assist the Council in satisfying demand on the Housing Register and provide suitable homes meeting applicants' assessed bedroom needs.
- 11.7 The new homes will be built to Building Regulation energy efficiency standards but with the addition of air source heat pumps, thus supporting the Greener Faster Council Plan priority.

## 12 OTHER OPTIONS CONSIDERED AND REJECTED

- 12.1 Not to purchase the homes – this would compromise the ability of the council meeting its 'Homes for All' priority and new council homes target. The Housing Strategy and HRA Business Plan identify the acquisition of S106 units as a key approach to delivering the new council homes, alongside other methods, such as directly commissioned development.

### BACKGROUND DOCUMENTS:-

Previous Committee Reports:- None

Other Background Documents:-

CAB3455 – Housing Revenue Account Budget 2024/25 – 8 February 2024

Housing Strategy 2023-2028

### APPENDICES:-

Appendix 1 – Financial and legal & procurement implications (Exempt)

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

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## SCRUTINY COMMITTEE

REPORT TITLE: FUTURE OF WASTE AND RECYCLING; NEW FOOD WASTE COLLECTIONS AND RECYCLING SERVICE.

12 NOVEMBER 2024

REPORT OF CABINET MEMBER: Cllr Kelsie Learney Cabinet Member for Climate Change

Contact Officers: Campbell Williams, Service Lead for Environmental Services and Kirstin Shaw, Senior Project Manager. Tel No: 07591 814617

Email: [cawilliams@winchester.gov.uk](mailto:cawilliams@winchester.gov.uk)

WARD(S): ALL

### RECOMMENDATION:

It is recommended that the committee scrutinise and comment on the proposals within the attached draft cabinet report, ref CAB3475 which is to be considered by cabinet at its meeting on the 20 November 2024.

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REPORT TITLE: FUTURE OF WASTE AND RECYCLING; NEW FOOD WASTE COLLECTIONS AND RECYCLING SERVICE.

20 NOVEMBER 2024

REPORT OF CABINET MEMBER: Cllr Kelsie Learney Cabinet Member for Climate Change

Contact Officers: Campbell Williams, Service Lead for Environmental Services and Kirstin Shaw, Senior Project Manager.

Tel No: 07591 814617

Email: [cawilliams@winchester.gov.uk](mailto:cawilliams@winchester.gov.uk)

WARD(S): ALL

PURPOSE

The council is committed to tackling the climate emergency and creating a greener district. The proposals detailed in this report will provide an opportunity for the council to significantly increase its recycling, reduce waste and improve its carbon performance, while adhering to the national timetable set by Government under its Simpler Recycling programme.

This report sets out the necessary next steps to establish a new food waste collection and recycling service on a six-month phased rollout for residential properties across the district from October 2025 to ensure that it will be fully operational ahead of the Government's deadline of 31 March 2026.

The introduction of food waste recycling has the potential to reduce the district's carbon footprint by c 1,900 tonnes of CO<sub>2</sub>e per year by recycling this waste to generate clean green energy and nutrient dense soil improver. Roughly one third of the residual (black bin) household waste is food waste that could be recycled into useful byproducts. In real terms this means that the introduction of food waste recycling could see the city council achieving a 50% recycling rate for the first time and significantly reducing the overall amount of waste produced.

It is proposed that the new food waste collection and recycling service is incorporated into the existing waste collection service operated by Biffa, the Council's current waste collection contractor.

RECOMMENDATIONS, that Cabinet:

1. Agree to implement a new food waste collection and recycling service in line with the requirements of Simpler Recycling through the Council's contractor, Biffa, at a forecast cost of £1.611m per annum.
2. Approve additional baseline revenue budget of £0.211m per annum for the ongoing cost of the food waste service, in addition to the £1.4m previously agreed in February 2024 (CAB3444 refers).
3. Agree to start collecting food waste from October 2025 on a phased roll out basis at a total forecast cost in 25/26 of £457k. An additional one-off budget of £317k is required in 25/26 to be funded by the major investment reserve.
4. Agree the additional baseline budget of £105k per annum from 25/26 for the relocation of the grounds maintenance contractor to enable Biffa full use of the depot at Barfield Close from which to operate the new food waste service. A part year supplementary budget of £50k is required for 24/25 to enable the new lease to start in December 2024.
5. Agree to vary the contract with the Council's contractor, Biffa, to include the new food waste collection service.
6. Agree to increase the capital budget for this project by £159k, to be funded by borrowing, to allow for the additional costs, outlined in Appendix 1.
7. Agree to procure the required bins and caddies with associated branding necessary to start food waste collections, with authority delegated to the Strategic Director in consultation with the Cabinet Member for Climate Change to agree assessment criteria and conclude the process, including use of an approved framework, in line with the forecast cost of £429k as outlined in Appendix 1, from this project's approved capital allocation in 25/26.
8. Authority to incur expenditure of up to £853k for identified revenue costs and up to £604k for identified capital costs set out in Appendix 1, (Stage 1 – Revenue and Stage 1 – Capital).
9. Authority to agree the detail of the new food waste service will be delegated to the Strategic Director in consultation with the Cabinet Member for Climate Emergency.

IMPLICATIONS:1 COUNCIL PLAN OUTCOME1.1 Tackling the Climate Emergency and Creating a Greener District

1.2 Waste management and recycling is a key part of tackling the climate emergency and creating a greener district. Winchester City Council has ambitions to significantly increase its recycling, reduce waste and improve its carbon performance, which will support the ambitions in the Council Plan of becoming greener faster.

1.3 The Environment Act 2021 requires a minimum range of materials to be recycled, including food waste. As the provisions of the Act come into force, this will increase the range of materials that can be recycled in Winchester and will enable residents and businesses to reduce the amount of waste each household produces, which in turn will be better for the environment.

1.4 Increased recycling will reduce the amount of waste sent to landfill or incineration, thereby reducing carbon emissions. Stopping waste from decomposing in a landfill can reduce harmful gases, such as methane from food waste, being created and released into the atmosphere. Methane is a potent greenhouse gas and this action to reduce its production will benefit the environment. Likewise, reuse of recycled materials will reduce the need for carbon intensive raw material extraction and conserve limited resources.

1.5 Hydrotreated Vegetable Oil (HVO) as a replacement for diesel fuel in the waste and recycling fleet has been introduced from May 2024. This is an interim solution while other net zero solutions are explored. From verified sustainable sources, HVO offers up to 94% reduction in carbon emissions and up to 50% reduction in particulates. It contributes to the circular economy and avoids extraction and combustion of fossil fuels. Operating all 17 existing frontline waste and recycling vehicles in this way will result in a reduction of 683 tCO<sub>2e</sub> per year, reducing the council's current carbon footprint by an estimated 20%.

1.6 Removing the food waste currently mixed in with resident's residual waste, and recycling it, could save the district circa 1,900 tonnes of CO<sub>2e</sub> per year. This demonstrates the environmental benefit of introducing food waste recycling as soon as possible to the district. In real terms this means that the introduction of food waste recycling could see the city council getting to 50% recycling rate for the first time and significantly reducing the overall amount of waste produced.

1.7 Vibrant Local Economy

1.8 Simpler Recycling and Government initiatives, Extended Producer Responsibility (EPR) and Deposit Return Scheme (DRS) will introduce changes to businesses that have to be implemented in a limited window of time. There is little information available to businesses at this time, but the

council will offer support and information as it is available. Businesses are likely to need support and education to help achieve compliance.

#### 1.9 Living Well

1.10 The Waste and Resources Action Programme (WRAP) have reported that in 2021/22, households in the UK threw away 4.7 million tonnes of edible food valued at £17 Billion, equivalent to 12% of the food we purchase. A UK household wastes on average the equivalent of eight meals a week<sup>i</sup>.

1.11 Introducing a collection of food waste separate to residual (black bin) waste, will allow our residents to quantify the amount of food waste they produce. It will raise awareness of the benefits of buying less (saving money) and using more, contributing to an overall reduction in waste, a reduction in residual black bin refuse and an increase in recycling rates.

#### 1.12 Your Services, Your Voice

1.13 The views of residents are important as, alongside the council's own ambitions of improving recycling for residents and reducing waste, the Council must put in place a new waste and recycling service to meet changes in national legislation and changes in disposal arrangements by Hampshire County Council. A public consultation survey was undertaken in autumn 2023 to seek resident views on recycling to help inform the new waste strategy. This was previously reported to Cabinet in February 2024 (CAB3439 refers).

1.14 The council is aware that communal properties may find it harder to participate in the new food waste recycling service due to the unique challenges they face. To understand this better, the council is currently surveying communal bin stores across the district to identify issues that may need addressing to enable residents to recycle more. If issues are identified, the council will engage directly with the residents, owners and managers of those properties to work together to find the best solution for their needs.

## 2 FINANCIAL IMPLICATIONS

2.1 The new food waste recycling service will require depot space from which to operate. The council proposes relocating the current grounds maintenance contractor to a separate depot to make space within the current waste depot. The gross cost of this new depot space is £155k per annum and it will add a baseline cost of £105k per annum to the annual food waste service delivery cost. This cost will be linked to the food waste service until the grounds maintenance contract is re-tendered in 2027. Additional capital and revenue costs will be incurred, and full details of this proposal can be found at section 12 below and detailed in the spending plan at Appendix 1. The additional costs related to depot space are summarised below:

|                         | 24/25 | 25/26 | 26/27 | 27/28 |
|-------------------------|-------|-------|-------|-------|
| <b>Additional costs</b> | 000's | 000's | 000's | 000's |
| Ongoing Revenue Costs   | 50    | 105   | 105   | 67    |
| One-off Capital Costs   | 142   | 0     | 0     | 0     |
| One-off Revenue Costs   | 26    | 0     | 0     | 0     |

- 2.2 The additional revenue costs for depot space can be covered within the existing revenue budget allocated to the project for the new food waste service, however, the additional capital costs, along with increased costs identified in the spending plan and at 2.7 and 15.12 below, will require a total capital budget growth of £159k.
- 2.3 It is recommended to introduce a phased rollout of the new food waste collections, to commence in October 2025. Full details of the background to this recommendation are provided in section 13 below. Government has confirmed that funding of ongoing service costs through New Burdens funding will only be made available from 1<sup>st</sup> April 2026. Starting the service on a phased basis prior to this date will cost an additional £317k for the six months from October 2025 to the end of March 2026.

| <b>Cost of phased rollout prior to April 2026</b> | <b>Cost in 000's</b> |
|---------------------------------------------------|----------------------|
| Total cost over 6 months                          | 457                  |
| Less budget already allocated                     | -140                 |
| <b>Total additional cost over 6 months</b>        | <b>£317</b>          |

- 2.4 Once the new food waste service is fully implemented, the forecast 2026/27 cost of running this service will be £1.61m. This amount will be subject to indexation in line with the contract terms every year in February. The table at 2.6 demonstrates the increase in forecast costs for 26/27 compared to the initial budget estimate made in February 2024.
- 2.5 Based on the information provided by DEFRA, it is anticipated that a proportion of the transitional and ongoing operational costs outlined below should be covered by New Burdens Funding. It is estimated that 80% of reasonable costs will be covered. The council is expecting an indication of its transitional funding allocation to be received by the end of 2024.
- 2.6 The council will require an additional £130k to the existing baseline budget for the food waste service from 26/27. If New Burdens Funding is provided at the anticipated level, this would reduce the cost by circa £104k per annum. The table below sets out the costs including the anticipated funding, as well as the increase in baseline cost due to the new depot.

| Food Waste Recycling Service 2026/27<br>(£000) | Existing<br>Budget | Latest<br>Forecast | Budget<br>Variance |
|------------------------------------------------|--------------------|--------------------|--------------------|
| <b>Revenue</b>                                 |                    |                    |                    |
| Annual running costs*                          | 1,330              | 1,429              | 99                 |
| Corporate Inflation Estimates                  | 81                 | 94                 | 13                 |
| HVO estimate                                   | 70                 | 70                 | 0                  |
| Communal bin liners                            | 0                  | 18                 | 18                 |
| <b>Forecast Gross Costs</b>                    | <b>1,481</b>       | <b>1,611</b>       | <b>130</b>         |
| Forecast Govt. Funding @ 80%                   | -1,185             | -1,289             | -104               |
| <b>Forecast Net Operating Costs</b>            | <b>296</b>         | <b>322</b>         | <b>26</b>          |
| Incremental cost of new depot                  | 0                  | 105                | 105                |
| <b>Forecast Total Net Costs</b>                | <b>296</b>         | <b>427</b>         | <b>131</b>         |

\* based on estimated properties of 60,500 as at 1 April 2026, plus 100 per month to March 2027

- 2.7 Project implementation costs have been identified in the Project Spending Plan at Appendix 1. These are one-off (or time limited) implementation related costs such as project management, communications to support the rollout of new services and legal costs. Capital costs have increased since the budget was created in February 2024. This is due, in part, to the need for additional depot space and an increase in cost for caddies and bins, likely because of increasing demand for these products. This has resulted in a request for an additional £159k of capital funding to be funded by prudential borrowing at an estimated additional cost of £21,000 per annum for 10 years being Minimum Revenue Provision (equivalent to principal repayment) and estimated interest. In total, £559,000 of the capital expenditure will be funded by prudential borrowing (circa £74,000 per annum MRP and interest). A summary of the capital budget change is provided below:

| Stage 1 Capital costs in £000's           | Existing<br>Budget | Latest<br>forecast | Budget<br>variance |
|-------------------------------------------|--------------------|--------------------|--------------------|
| Caddies and Communal Bins                 | 415                | 429                | 14                 |
| Charging Infrastructure for electric RCV  | 30                 | 33                 | 3                  |
| <b>Additional one-off depot costs</b>     |                    |                    |                    |
| Fitout costs for the Winnall site         | 0                  | 42                 | 42                 |
| Oil Interceptor at the Winnall site       | 0                  | 50                 | 50                 |
| Refurbishment of office to welfare space  | 0                  | 50                 | 50                 |
| <b>Additional capital budget required</b> |                    |                    | <b>159</b>         |

- 2.8 The council had expected capital funding for the additional depot space required to run the food waste service to be covered under New Burdens funding, however, DEFRA have indicated that this will not be provided. The council has been advised to make the case for capital expenses related to depot provision to DEFRA, who may be willing to cover reasonable costs on a case-by-case basis. The project team have submitted these costs to DEFRA and await a response.

- 2.9 The revenue expenditure outlined in the spending plan at Appendix 1 has been summarised in the table below. It is recommended to agree that the remaining unallocated revenue budget at the end of stage 1 be carried forward to deliver stage 2. Please note that although New Burdens funding is expected to cover reasonable transitional costs, DEFRA have not defined what these will be and have not yet provided an indication of the relevant amounts. To avoid any uncertainty, no funding has been included in the costs outlined below and any funding that is received will be used to offset these costs.

| Revenue cost in £000's                                | Existing Budget        | Latest forecast | Remaining Unallocated Budget |
|-------------------------------------------------------|------------------------|-----------------|------------------------------|
| Stage 1 – food waste implementation to March 2026     | 1500                   | 853             | 647                          |
| Stage 2 – additional plastics recycling to March 2028 | Carried forward<br>647 | 321             | 326                          |

- 2.10 [Extended Producer Responsibility](#) (EPR) payments for packaging will be provided to local authorities, where packaging producers are made responsible for the costs of collecting and managing packaging waste through efficient and effective services. Initial estimates are that local authorities in England will collectively receive payments totalling in the region of £900 million per annum for managing packaging waste. Details of funding have not yet been released but are expected in November 2024.

### 3 LEGAL AND PROCUREMENT IMPLICATIONS

- 3.1 The Environment Act 2021 requires a minimum set of materials to be collected separately from households for recycling. The core recyclables include glass bottles and containers, paper and card, metals, plastic bottles, plastic pots, tubs and trays, food and drink cartons, and food waste. These must be collected for recycling by 31 March 2026. Plastic film will be introduced in 2027.
- 3.2 All households and property types, including communal properties, and flats above shops will need to have access to the food waste service and be able to present the core recyclable materials for collection. The project will need to consider the best way to deliver these new services to everyone.
- 3.3 Details were confirmed in the 'Simpler Recycling' announcement of 21 October 2023 and the Government expressed an intention to introduce an exemption to enable the co-collection of dry mixed recyclables (Co-mingled), which has been confirmed in a DEFRA statement in May 2024.
- 3.4 Changes to the existing collection service proposed in this report can be accommodated via contract variations to the existing waste collection contract with Biffa Waste Services Limited. External legal advice has been sought,

which confirms that variations to introduce a separate food waste collection and additional recycling materials may be made under the terms of the existing contract and are compliant with the requirements of the Public Contracts Regulations 2015.

- 3.5 All procurement activities undertaken by the council will be conducted in accordance with the Public Contracts Regulations 2015 and the new Procurement Act 2023 (which is currently due to come into force in early 2025) and the Council's Contract Procedure Rules as relevant. Further legal support will be sought prior to any contract variations being agreed.

#### 4 WORKFORCE IMPLICATIONS

- 4.1 A core project management team has been established to maintain the project within the bounds of the agreed time, scope, and budget. Financial resources have been allocated to the project and recruitment of an additional communications officer on 0.5 FTE has been completed. Further resource, such as Recycling Engagement Officers to support the education campaign and engagement with communities in areas with lower recycling rates, have been identified with associated costs included in the project spending plan submitted at Appendix 1.
- 4.2 There has been a delay to decision making about the disposal infrastructure that Hampshire County Council must build to allow recycling of pots, tubs, trays and cartons in line with Simpler Recycling by March 2026. This delay is likely to lengthen the project delivery timeframe by at least 1 year to 2027 and has been outlined in the spending plan at Appendix 1, 'Stage 2 - Revenue' section.
- 4.3 A continued commitment of time and effort will be required to run an effective service post-implementation and maintain a high standard of communications with residents to get the best recycling rates possible.
- 4.4 Additional operational staff to run the service and administrative staff to implement the changes to recycling collections will be required over the next few years. The operational staff will be employed by the Council's collection service contractor Biffa.

#### 5 PROPERTY AND ASSET IMPLICATIONS

- 5.1 Biffa operates the Council's current waste and recycling service out of the Barfield Close Depot together with ID Verde (IDV) for the grounds' maintenance service. The depot is at capacity and does not have space to operate any new services, nor accommodate the vehicles, bins and crews that a new service would require.
- 5.2 This paper sets out the business justification for the proposal to relocate IDV to their own depot to allow Biffa the full operational use of the Barfield Close Depot so that all requirements for waste and recycling as set out in 'Simpler

Recycling' can be accommodated, and importantly, the new food waste service can begin as intended in October 2025 from that location.

- 5.3 Subject to Cabinet approval of this proposal, the council proposes to enter into a new lease of a unit in Moorside Road Winchester of suitable premises in which to relocate ID Verde. The Council will then enter into a new sublease which will be agreed between IDV and the council for the new site in Moorside Road. When the new sub-lease to ID Verde is completed, ID Verde will surrender their current sublease with Biffa back to Biffa, which will allow Biffa to use the space previously used by ID Verde. This is accounted for in the project programme.

## 6 CONSULTATION AND COMMUNICATION

- 6.1 The Scrutiny Committee is due to consider this report at its meeting on 12 November 2024, after this report has been dispatched. Any matters that the Scrutiny Committee wishes to raise or asks the Cabinet to note before making their decision will be reported and considered fully at the Cabinet meeting on 20 November 2024.
- 6.2 A Member's briefing was held on 4th November 2024 to update Members on the wider changes to waste management and the progress of the Future of Waste Project to implement the new food waste recycling service required by Simpler Recycling. Members were provided with an opportunity to ask questions about the contents of this report and seek clarity on the proposals.
- 6.3 A public consultation survey was undertaken in Autumn 2023 to seek resident views on recycling to help inform the new waste strategy. This was previously reported to Cabinet in February 2024 (CAB3439 refers). 8470 responses were received which have helped inform the development of the new food waste service.
- 6.4 A comprehensive communications & engagement strategy will be developed to support the introduction and roll out of the new food waste service required by Simpler Recycling. An outline of this is presented in section 16 below. The council's strategies aim to help residents to produce less waste, which could result in households saving money, improving recycling rates and reducing residual waste. It will be important to maintain this educational and encouragement work based on the waste hierarchy 'reduce, reuse, recycle' philosophy, which will require additional staff resources. These requirements are included in the spending plan at Appendix 1.
- 6.5 New food waste rounds will be communicated to residents through a variety of channels and the council will make every effort to implement a digital first strategy to support the rollout by directing residents to find relevant information and make use of existing facilities on the council's website such as the 'bin look up' function and weekly bin reminder emails.
- 6.6 The new food waste service must be made available to all households in the district. This includes communal properties, such as purpose-built student

accommodation, residential blocks of flats, Houses of Multiple Occupancy (HMOs), temporary housing and flats above shops. Communal properties may find it harder to make the required changes due to the unique challenges that they face.

- 6.7 To understand this better, the council is currently surveying communal bin stores across the district. This will identify issues such as lack of space or poorly designed bin stores that may need addressing to enable residents to recycle more. The council will set up activities to enable direct engagement with the residents, owners and managers of those properties to work together to find the best solution for their needs.

## 7 ENVIRONMENTAL CONSIDERATIONS

- 7.1 Winchester City Council has an opportunity to improve its waste and recycling collections and performance and, by doing so, to reduce its impact on climate change. Any changes will consider current viable environmental benefits and impacts as part of the process.
- 7.2 There is a national requirement to increase the range of dry recycling materials collected from households and to collect food waste separately. This change will benefit the environment by reducing the quantity of waste sent to landfill and Energy from Waste.
- 7.3 The council is using Hydrotreated Vegetable Oil (HVO) in its general collection fleet as this is a low carbon fuel, as an interim solution while full electrification is considered. The new food waste vehicles will likewise be run on HVO as an interim low carbon solution. From verified sustainable sources, HVO offers up to 94% reduction in carbon emissions and up to 50% reduction in particulates. It contributes to the circular economy and avoids extraction and combustion of fossil fuels. Operating all frontline waste, recycling, and food waste vehicles in this way would result in a reduction of 905 tonnes of CO<sub>2</sub>e per year. Removing food waste from the residual waste stream and recycling it saves an estimated additional 1,900 tonnes CO<sub>2</sub>e per year.
- 7.4 To prepare for the changes to recycling collections, including food waste, and to rebalance routes following the growth of new housing in the district, our service provider, Biffa, has completed a re-route of all waste and recycling collections. The re-route has resulted in a reduction in distances travelled equalling 35,000 miles per year, with new routes optimised for efficiency and the reduced mileage providing an additional carbon saving of circa 13%. To service the re-route, an additional round has been created and this is being operated by the council's first fully electric RCV.
- 7.5 The council has worked with the Association of Public Service Excellence (APSE) and continues to work with Tetra Tech and Scottish and Southern Electricity Networks (SSEN) to understand the electrical supply capacity at the Depot, and the work required to enable a full fleet of electric vehicles to be accommodated in future.

- 7.6 Additionally, the council continues to explore all available options for a zero-carbon waste & recycling service, including a review of green hydrogen powered electric vehicles as a potential future consideration. Once further investigation has been completed, Officers will submit findings to Cabinet for consideration of the best solution to fully decarbonise the waste and recycling service.

## 8 PUBLIC SECTOR EQUALITY DUTY

- 8.1 An Equality Impact Assessment was completed for the project in July 2023 covering the consultation and engagement required for any changes to the waste and recycling service (CAB3409 refers).
- 8.2 A further Equality Impact Assessment has been completed for the implementation of the new food waste recycling collections and is available at Appendix 2.
- 8.3 The Assessment concludes that mitigation to address potential equality impacts have been built-in to the main waste and recycling service provision and these arrangements, such as assisted collections for residents who require them, will continue to be delivered within the new food waste collection service.
- 8.4 Additional mitigation has been identified and incorporated into project delivery plans, such as using visual communications as the main method to depict how to recycle food waste to overcome language difficulties and recommending a light-coloured kerbside caddy to reduce any trip hazard concerns.

## 9 DATA PROTECTION IMPACT ASSESSMENT

- 9.1 Not required for the decisions in this report.

## 10 RISK MANAGEMENT

- 10.1 There is a full project risk register which is a working document and will be reviewed and updated throughout the project life cycle as part of the project governance.
- 10.2 Risks and associated mitigation are set out below.

| <b>Risk</b>        | <b>Mitigation</b>                                                                                                                | <b>Opportunities</b>                                                                        |
|--------------------|----------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|
| Financial Exposure | Proposed Government funding to support required changes will provide some mitigation to the increased costs of new requirements. | Introducing a new separate food waste collection will have positive environmental benefits. |

| Risk                  | Mitigation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Opportunities                                                                                                                                                                                                                                             |
|-----------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                       | <p>Mitigation of these issues will be achieved by aligning decision making on implementation with confirmation of Government funding and better understanding of financial exposure.</p> <p>There is a risk of the Council being unable to determine value for money where the new service is to be implemented as a variation to an existing contract.</p> <p>To mitigate against this, the Council will review the evidence of supplier costs, benchmark the new service cost proposal against the current contract costs and / or those declared by other local authorities and procure the services of a waste management specialist to evaluate the proposed options and determine the best value (financial, social, and environmental) options.</p> | <p>Support funding from the Government will give the council a cost-effective opportunity to introduce positive changes to its household collections.</p>                                                                                                 |
| Exposure to challenge | <p>External legal advice has been commissioned to help steer the process to ensure it is robust.</p> <p>Introducing a new food waste recycling service is a government requirement under Environment Act 2021.</p> <p>Engagement with residents through a resident's survey has been undertaken at an early stage of developing the new waste strategy for households. Consultation and engagement will continue to be undertaken as the strategy is</p>                                                                                                                                                                                                                                                                                                   | <p>Good engagement and communication with residents will ensure that opportunities as well as issues are identified, and actions taken. Comms will involve education on how and why we should recycle as well as tips to reduce waste and save money.</p> |

| Risk                                | Mitigation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Opportunities                                                                                                                                                                                                                              |
|-------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                     | developed and agreed to understand residents' needs and issues with any changes to the waste and recycling collections system.                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                            |
| Innovation                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <p>Use of HVO fuel for the current waste collection vehicles is now underway.</p> <p>The council is exploring opportunities to decarbonise the waste and recycling service further in line with the lifespan of the existing vehicles.</p> |
| Future HVO supply and accreditation | All suppliers must be ISCC and RFAS accredited as a minimum to ensure a genuinely sustainable product. Confirm that no palm oil sources have been used before purchase. Monitor the HVO market and confirm guarantee of supply for full duration of contract before purchase.                                                                                                                                                                                                             | As accreditation improves, ensure our suppliers provide the best assurance available.                                                                                                                                                      |
| Reputation                          | <p>Waste and recycling collections affect every resident. Appropriate engagement with residents and members is being factored into the project timeline at an early stage to be considered in development of the service delivery model.</p> <p>Engagement with residents will seek to identify key issues which will help to shape the new service.</p> <p>Undertaking the process set out in the report will contribute towards compliance with national and regional requirements.</p> | Improving carbon and recycling performance is a key aim of this project. Improving carbon and recycling performance would have a positive impact on reputation.                                                                            |

| <b>Risk</b>            | <b>Mitigation</b>                                                                                                                                                                                                                                                                                                                                                                                                                               | <b>Opportunities</b>                                                                                                                                                                                        |
|------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Achievement of outcome | The council has a statutory duty to deliver a new waste management service and has committed resources to do so. This project will develop and deploy a collection system that considers environmental benefits, affordability, customer needs, and statutory requirements.                                                                                                                                                                     | With the opportunity of external funding, it allows an opportunity to review current collection arrangements with the intent to improve the service and most importantly, recycling rates.                  |
| Property               | <p>Additional food waste vehicles will need to be stored, requiring more depot space, as well as additional welfare facilities for the new crews.</p> <p>The Council has proposed a solution which provides space for both the grounds maintenance contract and waste &amp; recycling collections to continue to operate. This could allow Biffa to operate the new food waste service from the current depot, subject to Cabinet decision.</p> | This presents an opportunity to uncouple the waste & recycling contract from the grounds maintenance service, allowing these to be reviewed and refined.                                                    |
| Community Support      | Consultation and engagement exercises will engage with households and community groups to ensure all views are captured and considered.                                                                                                                                                                                                                                                                                                         | Building on previous consultation with residents, the Council aims to arrange focus groups to specifically support rollout to harder to reach properties such as flats above shops and communal properties. |

| Risk             | Mitigation                                                                                                                                                                                                                                                                                                                                                                                                            | Opportunities                                                                                                                                                                                                                                                                                                                                                                               |
|------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Timescales       | <p>Specialist food waste vehicles have a long lead-in time to procure and there will be a very high demand nationally for these vehicles therefore this process is being started as soon possible.</p> <p>This will include active management of this procurement - order acknowledgement, regular progress updates, prompt notification of delays, shortages, and mitigation plans.</p>                              | <p>Government have provided capital funding which can be used for the purchase of specialist food waste collection vehicles. Working with our waste collection contractor, Biffa, we have identified the right type of vehicles for our district which maximises the operational capacity of the service, ensuring it retains flexibility for future growth of housing in the district.</p> |
| Project capacity | <p>A core project management team has been established to maintain the project within the bounds of the agreed time, scope, and budget. Financial resources have been allocated to the project and identified in a spending plan submitted to Cabinet in November 2024. Any further resource requirements will be identified with detailed costs submitted to the appropriate decision-making bodies as required.</p> | <p>Opportunities for knowledge transfer into the council will be maximised when external consultancy is required. The core project management team are undertaking training to support their roles, and this knowledge will likewise be transferred into the council through regular liaison with other project managers and those involved in project delivery.</p>                        |

## 11 SUPPORTING INFORMATION:

### 12 **Preparing for a Food Waste Collection and Recycling Service**

#### 12.1 **Additional Depot Space to accommodate the new service**

12.2 The Environment Act 2021 and the Department for Environment, Food & Rural Affairs' (DEFRA) 'Simpler Recycling' response of 2023 require that food waste be collected separately from every household in the district for recycling

by 31 March 2026. This then enables the food waste to be recycled into clean green energy.

- 12.3 The council has a long-term contract with its current waste collection and recycling service provider, Biffa, who are very familiar with Winchester and will be able to apply economies of scale through their existing arrangements that an independent supplier would not be able to achieve.
- 12.4 In order to operate the food waste service, Biffa will require additional depot space for the associated new vehicles and staff. The Depot on Barfield Close, which Biffa currently share with the council's grounds maintenance provider idverde (IDV), is at capacity and does not have space to accommodate the new food waste service which requires additional vehicles, bins and crews.
- 12.5 The portion of the depot currently operated by IDV is of a sufficient size to accommodate the new food waste service and allow Biffa to run the entire waste and recycling service from one location.
- 12.6 The council is also in a long-term contract with the grounds maintenance contractor, IDV, and is contractually obliged to provide space from which to operate the grounds maintenance contract. Both IDV and Biffa provide services that are legally mandated to comply with the requirements of the Environment Act 2021 and the Environmental Protection Act 1990 and both services must be allowed to continue to operate unhindered.
- 12.7 To resolve this issue, the council's Estates team have identified an 849m<sup>2</sup> industrial site with the inclusion of an external yard area in Winnall. Suitable industrial units are not often available in Winchester and this unit is available to let now, making this a rare opportunity. This space is sufficient to provide IDV a suitable depot from which to continue to run the grounds maintenance contract until the contract ends in 2027.
- 12.8 Removing and relocating IDV to the Winnall site could be achieved in 3-6 months making this a good solution in terms of timing and the added benefits early vacation brings, such as freeing the Barfield Close depot to accommodate the new food waste vehicles as soon as they are delivered and providing adequate welfare facilities to the new crews once recruited.
- 12.9 Relocating IDV to their own depot alleviates the conflicting Safe Working Policies each organisation must adhere to. This has caused issues at the shared depot when operators are working in shared spaces and will make operations safer for both Biffa and IDV.
- 12.10 Additionally, providing IDV with a little more room will allow them to explore the use of HVO fuel for their service with an added benefit that the council's special maintenance team, situated very close to the Winnall site, may be able to share these HVO fuel facilities. However, this is still being investigated.

12.11 This solution, to remove and relocate IDV and free the current depot to accommodate the requirements of Simpler Recycling, does not come without a cost. The new space for IDV will need to be fitted out and prepared for their occupation. Once IDV leave the Barfield Depot, this will need to be prepared for the new service, such as conversion of internal meeting rooms to additional welfare space and reviewing traffic movements and creating safe pedestrian walkways. This will result in additional one-off costs (for both depots) as well as an additional annual revenue cost for the Winnall site. These are set out below. The one-off costs are also accounted for in the Project Spending Plan at Appendix 1.

12.12 Table 1: Additional revenue baseline costs related to relocation of IDV only.

| Ongoing Revenue Costs  | 24/25     | 25/26      | 26/27      | 27/28     | Total      |
|------------------------|-----------|------------|------------|-----------|------------|
|                        | 000's     | 000's      | 000's      | 000's     | 000's      |
| Lease                  | 36        | 105        | 105        | 70        | 316        |
| Less rental income     | -4        | -50        | -50        | -33       | -138       |
| NNDR                   | 10        | 31         | 31         | 21        | 93         |
| Utilities              | 5         | 9          | 9          | 4         | 27         |
| Insurance              | 1         | 2          | 2          | 2         | 7          |
| Maintenance            | 0         | 5          | 5          | 3         | 13         |
| Security               | 1         | 3          | 3          | 1         | 8          |
| <b>Baseline totals</b> | <b>50</b> | <b>105</b> | <b>105</b> | <b>67</b> | <b>326</b> |

Table 2: Note, this relates to capital costs associated with relocation only, full costs can be found in Appendix 1

| One-off Capital Costs        | 24/25      | 25/26    | 26/27    | 27/28    | Total      |
|------------------------------|------------|----------|----------|----------|------------|
|                              | 000's      | 000's    | 000's    | 000's    | 000's      |
| Fit-out costs (IDV)          | 42         | 0        | 0        | 0        | 42         |
| Oil interceptor              | 50         | 0        | 0        | 0        | 50         |
| Preparation of depot (Biffa) | 50         | 0        | 0        | 0        | 50         |
| <b>One-off totals</b>        | <b>142</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>142</b> |

Table 3: Note, this relates to revenue costs associated with relocation only, full costs can be found in Appendix 1

| One-off Revenue Costs | 24/25 | 25/26 | 26/27 | 27/28 | Total |
|-----------------------|-------|-------|-------|-------|-------|
|                       | 000's | 000's | 000's | 000's | 000's |
| Moving costs (IDV)    | 14    | 0     | 0     | 0     | 14    |

|                           |           |          |          |          |           |
|---------------------------|-----------|----------|----------|----------|-----------|
| Surveys and inspections   | 7         | 0        | 0        | 0        | 7         |
| Preparation of yard (IDV) | 5         | 0        | 0        | 0        | 5         |
| <b>One-off totals</b>     | <b>26</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>26</b> |

12.13 It is recommended that Cabinet approve the additional cost of £105k per annum to the baseline budget for the new food waste service to relocate IDV and allow the new service to run from the existing Barfield Close depot.

12.14 The additional one-off costs are included in the Project Spending Plan at Appendix 1 with a separate recommendation made to authorise the expenditure required to deliver this project.

### 13 **When to start the new food waste collections**

13.1 The Council has reviewed the possible start dates and rollout methods for implementing new food waste collections.

13.2 Several factors have been considered, including;

- a) the Government's deadline of 31 March 2026,
- b) impact on climate change,
- c) cost to the council,
- d) time of year,
- e) availability of resources,
- f) operational considerations such as Bank Holidays,
- g) the customer experience,
- h) availability of depot space,
- i) the operational constraints of delivering bins and caddies to residents,
- j) and Biffa's recommendation based on their knowledge and experience elsewhere.

13.3

|                          | Oct-25 | Oct-25<br>Phased | Feb-26 | Apr-26 | Key |        |
|--------------------------|--------|------------------|--------|--------|-----|--------|
| Government requirements  | 4      | 4                | 4      | 4      | 4   | Best   |
| Impact on climate change | 4      | 3                | 2      | 1      | 3   | Better |

|                                          |    |    |    |    |   |       |
|------------------------------------------|----|----|----|----|---|-------|
| Cost to council                          | 1  | 2  | 3  | 4  | 2 | Worse |
| Biffa recommendation                     | 1  | 4  | 1  | 1  | 1 | Worst |
| Competition for staff resources          | 3  | 4  | 2  | 1  |   |       |
| Depot / Operational space                | 1  | 2  | 3  | 4  |   |       |
| Vehicle storage, maintenance & insurance | 4  | 3  | 2  | 1  |   |       |
| Distribute caddies / bins                | 1  | 4  | 1  | 1  |   |       |
| The customer journey                     | 4  | 3  | 2  | 3  |   |       |
| Time of Year                             | 4  | 3  | 2  | 1  |   |       |
| Totals                                   | 27 | 32 | 22 | 21 |   |       |

- 13.4 The council proposes starting the food waste collections service on a 6-month phased rollout from October 2025.
- 13.5 The full service will be implemented by the required date of 31 March 2026 in line with the Government's deadline with the added benefit of lowered carbon emissions and environmental benefits being realised sooner.
- 13.6 Recruiting staff for the new service was highlighted early as a risk. There is a known shortage of HGV drivers, and it is likely that other Local Authorities in the area will be recruiting from the same limited pool of available drivers at the same time. Starting the process early, before the government deadline, will ease pressure on recruitment and competition for high quality operatives, allowing Biffa to recruit staff before most other councils in the area start recruiting theirs.
- 13.7 In a phased rollout, the service can begin once a suitable number of staff have been recruited rather than waiting for all staff to come on board. This will allow a more spread-out period of recruitment, induction, and training, removing the bottleneck in service delivery that could result in higher staff turnover during the initial months of operation.
- 13.8 Rolling out a limited number of rounds at a time ensures that those rounds "bed in" more easily which leads to fewer missed bins and complaints from residents. Importantly, a phased roll out ensures that lessons can be learned throughout the rollout phases leading to a better outcome overall.

- 13.9 The initial cost to the council is lower as the operational cost for collecting the food waste is staggered over the first few months leading to a saving to the council of 38% versus full implementation in one go (a big bang approach).
- 13.10 Operationally, it is easier to distribute bins and caddies to residents on a phased basis. It reduces the need for large scale storage of bins prior to distribution to residents, allowing bins and caddies to be delivered and distributed in batches closer to the start date for each phase of the rollout.
- 13.11 There are certain times of the year that are more difficult to implement new services due to pre-election restrictions on communication with residents and further times when services experience disruption, such as Christmas and Bank Holidays. Starting in October 2025 allows Biffa to make full use of October and November, break for Christmas and New Year and then complete the rollout in February and early March 2026. Allowing time for each new round to 'bed in' and completing the rollout before any pre-election restrictions could impact communications in late-March.
- 13.12 While the council intends to roll out the new service to all residents within this period, it should be noted that certain types of accommodation, such as flats above shops and other communal properties, may find it more challenging to implement these changes. The council will work with properties where issues have been identified and ensure the service is implemented in a way that allows all residents to participate, however, in certain circumstances, this may take longer to achieve.
- 13.13 **Funding the new service from October 2025**
- 13.14 DEFRA have confirmed that reasonable ongoing revenue funding for the service will be provided from 1<sup>st</sup> April 2026. However, the deadline for full implementation of the service to all households is 31 March 2026.
- 13.15 It was assumed that for the service to be fully rolled out by the due date of 31 March 2026, the service would need to start before the due date and therefore funds would be made available to do so. £700k was allocated in the 25/26 budget to allow the Council the option of a phased rollout from October 2025 and 80% of this was expected to be funded by DEFRA.
- 13.16 It has been confirmed that no funding for service costs will be provided before 1 April 2026. Therefore, the revenue budget allocated by the Council to operate the service prior to 1<sup>st</sup> April 2026 is £140k of council funds only. The additional funds needed will require budget growth.
- 13.17 The introduction of the new food waste recycling collections, phased over 6 months, starting in October 2025, will cost circa £457k for those 6 months. Less the budget already allocated for this service for 25/26, this will require a budget increase of £317k.

- 13.18 Extended Producer Responsibility (EPR) payments to local authorities are expected in late 2025 and may be substantial. DEFRA have indicated that councils will receive initial details of their EPR funding allocation by the end November 2024. This funding is expected to be non-ringfenced and could be used to cover the food waste service prior to New Burdens funding, as well as to support other council costs.
- 13.19 The cost set out above is the costs of running the service for the 6 months prior to New Burdens funding for ongoing running costs. Details of the ongoing running cost of the new service are included in section 14 below. A separate budget exists for project implementation to support the rollout of the new service, for example, communications and project management costs, and this is detailed in section 15 below and Appendix 1.
- 13.20 It is recommended that Cabinet agree to start collecting food waste in October 2025 on a phased roll out basis at an additional cost of £317k.
- 13.21 This allows the council to remain compliant with the Government's current deadline of 31 March 2026 but retains the benefits of early adoption in terms of recruitment of staff and achieving carbon reductions quicker. A phased rollout is less expensive to the council and a request to uplift to the budget for the food waste service has been made in the Medium-Term Financial Strategy, pending approval by Cabinet.
- 13.22 Should EPR funding become available, it could be used to offset these costs, but if this is delayed, or the amount is insufficient, the service would be able to go ahead as planned.

#### **14 Food Waste Collection and Recycling Baseline Service Cost**

- 14.1 Biffa have provided a proposal for running the new service which will be added to the overall contract price. The cost of this proposal is detailed in section 14.12 to 14.14 below.
- 14.2 Evaluating the Proposal**
- 14.3 Due to the price proposal for the new food waste service not having been submitted as part of a tender exercise and with nothing to compare it to, the council commissioned external consultants, Tetra Tech, to independently verify that value for money is being offered in this proposal.
- 14.4 By evaluating the information provided by Tetra Tech, the team have been able to confirm that the price provided by Biffa for the new service is comparable to the costs paid by other local authorities (LA). The comparison data from other LAs is available only up to 22/23, taken from existing contracts in operation prior to that date. The price provided by Biffa is as at 24/25 and represents an increase of 3.8% compared to what other LAs were paying in 22/23.

- 14.5 'Value for Money' assesses both cost and quality. Tetra Tech have recommended a number of opportunities for the council to enhance the value of the proposal Biffa have submitted through enhancement of the 'quality' element. One of these was to review the method statements provided by Biffa for the service to determine if there are additional elements that could enhance the value for money being offered within the proposal.
- 14.6 The council have met with Biffa and agreed a number of actions and activities that would provide additional benefits to the district and thereby enhance the quality being offered. Some examples of added value are included below:
- a) Biffa have agreed to support the council's communications team with the phased rollout by making available their marketing and communications team resource and providing the council with social media assets, activity packs for schools, and phased rollout campaign plans that can be adapted for use in Winchester. These are of significant value to the council and will aid in delivering a quality communications campaign to support this new service.
  - b) Biffa are committed to providing employment opportunities for local people either through their career progression model by paying for existing staff to be trained to 'level up' – for example, a loader could train to become a driver, or by offering apprenticeships where appropriate.
  - c) Biffa provide enhanced training and incentives for their staff, thereby retaining quality operators with lower levels of absenteeism and associated service disruption. This has resulted in very low levels of missed bins and complaints from residents. The council will continue to monitor the performance of the food waste contract and ensure this trend continues.
  - d) Biffa have committed to very high standards of vehicle maintenance, meaning that the food waste vehicles, which the council will own, should have useful life left in them at the end of the depreciation period and could be re-used in another contract or sold to recover some costs.
  - e) Through the Biffa Award scheme, anyone in the district who lives or operates within a 10-mile radius of a Biffa depot site, can apply for grant funding to support community projects. Since operating in Winchester, Biffa have provided funds for a church near Winchester city centre to redesign its interior and for the refurbishment of a significant part of the Winchester Science Centre and Planetarium. This equates to over £360k of added value for our communities.
- 14.7 Having reviewed the benefits Biffa provide; the council is confident that value for money is being achieved in the food waste proposal and that through further negotiations around additional changes to the service contract (to be completed once the disposal infrastructure for additional plastic recycling is confirmed), additional benefits could be obtained.

## 14.8 Food Waste Service Cost Proposal

- 14.9 To fund this new requirement, in February 2024 (CAB3444 refers) the General fund recommended a budget of £1.4m for the ongoing running costs of the new food waste service. This amount was based on modelling completed by WSP on behalf of the council.
- 14.10 The council have anticipated that 80% of the cost of running the service should be covered by New Burdens funding. Due to uncertainty over the exact level of funding, the cost of the new service set out below does not include any Government funding. This should be viewed as the 'worst case scenario' cost for the council with any funding made available by DEFRA offsetting these costs.
- 14.11 Biffa have calculated that to run the food waste recycling service it would cost £23.39 per household per year. This was calculated as of February 2024 and with 58,213 households (as of May 2024), this equates to c £1.36m per annum.
- 14.12 Under the terms of the existing contract with Biffa, the price per household for food waste collections will be uplifted each year in February, in line with agreed inflation measures. When these are applied to the price, the cost increases to c £24.09 in February 2025 and c £24.81 in February 2026. Household numbers are amended each month to ensure that new homes are captured within the service. It is anticipated that household numbers will increase from 58,213 (as of May 2024) to c 60,523 (as of April 2026). The table below shows how the increase in price per household and household numbers affects the cost of the service.

| Food Waste Recycling Service 2026/27<br>(£000) | Existing<br>Budget | Latest<br>Forecast | Budget<br>Variance |
|------------------------------------------------|--------------------|--------------------|--------------------|
| <b>Revenue</b>                                 |                    |                    |                    |
| Annual running costs                           | 1,330              | 1,429*             | 99                 |
| Corporate Inflation Estimates                  | 81                 | 94                 | 13                 |
| HVO estimate                                   | 70                 | 70                 | 0                  |
| Communal bin liners                            | 0                  | 18                 | 18                 |
| <b>Forecast Gross Costs</b>                    | <b>1,481</b>       | <b>1,611</b>       | <b>130</b>         |

*\* based on estimated properties of 60,500 as at 1 April 2026, plus 100 per month to March 2027*

- 14.13 A budget of £1.4m was agreed in February 2024 (CAB3444 refers) and due to the increases shown in this report, an additional £130k to the existing baseline budget for the food waste service will be required from 26/27. It should be noted that this figure does not include any funding from DEFRA nor the increase in costs due to the new depot.
- 14.14 It is recommended that Cabinet agree to start a new food waste collection service in line with the requirements of Simpler Recycling through the

Council's contractor, Biffa, at an ongoing cost from 26/27 of c £1.61m per annum.

- 14.15 The addition of food waste collections can be accommodated through a variation to the existing contract with our waste service contractor. It is therefore further recommended that Cabinet agree to vary the contract with the Council's contractor, Biffa, to include a separate collection of food waste.

## 15 **Project Funding and Budgets**

- 15.1 To implement the changes required under Simpler Recycling is a complex project made more challenging by delays and lack of certainty around the funding promised by Government under the New Burden doctrine and EPR to deliver it.
- 15.2 Government have confirmed that EPR funding to local authorities for the collection and disposal of packaging waste should also be used to cover the cost of the changes required under Simpler Recycling. EPR was expected in 2024 but was deferred for one year to 2025. The council has been assured by DEFRA that it will receive information about its allocation of EPR funds by the end of 2024, with the first payment expected in October 2025. Should this prove to be substantial, it could be used to offset the cost of starting the food waste collections in October 2025, (details of this cost are included in section 13 above), and if sufficient, some of the costs associated with providing additional depot space from which to run the new food waste service (details in section 12 above).
- 15.3 In February 2023 (CAB3388 refers), a £500k project reserve was allocated to the project from the Greener Faster reserve and in February 2024 (CAB3444 refers) an additional £1m was allocated to support the roll out of changes to the waste and recycling service. This allocation forms the basis of the revenue budget for the spending plan detailed in Appendix 1.
- 15.4 DEFRA has allocated and paid capital funding of £1.38m to Winchester City Council for the purchase of assets (bins, caddies, and vehicles) required to deliver the new food waste collection service. However, this allocation is short of the actual vehicle and receptacle costs required and as such an additional £0.4m budget, funded by prudential borrowing, was presented in the capital programme in 2025/26 (CAB3443 refers). The total capital budget allocated for this project is, therefore, DEFRA grant funding of £1.38m plus the council's contribution of £0.4m, totalling £1.78m. The spending plan in Appendix 1 details the forecast costs for capital expenses.
- 15.5 While the complete picture of funding from Defra remains unknown, it should be remembered that New Burdens grant funding is expected to cover reasonable transitional and ongoing revenue costs. It remains unknown if this will include any capital funding for depot space and no indication has been received regarding the amount to be allocated for any ongoing revenue costs for additional depot space.

- 15.6 Due to continued uncertainty around the exact amount of funding to be provided, no funding has been included in the spending plans presented in Appendix 1 and as such they should be viewed as the maximum cost the council should incur. Once confirmation of the council's allocation for New Burdens funding is known, this funding will be used to offset the costs listed in the spending plan.
- 15.7 The project team have gathered all known costs based on evidence from existing frameworks for new assets such as bins and caddies, as well as receiving quotes for anticipated works. Details of all expected project implementation costs are set out in Appendix 1. Detailed implementation and delivery plans for the new food waste service will be developed and approved by the Strategic Director in consultation with the Cabinet Member for Climate Emergency. This will include a detailed phasing schedule, operational considerations such as bin types / colours, delivery of caddies to residents, and targeted communications campaign plans.
- 15.8 Due to the length of this project, that it will be delivered over several years, it is prudent to add a contingency amount to the revenue budget to cover any unforeseen costs and inflation. 5% contingency has been added to revenue costs in Appendix 1. Although the budget was drafted based on known costs at the time, some of these costs will not be realised until much later in the project and it is likely that these costs will increase with time. Capital costs have been calculated to include a contingency amount within each item of either 5% or 10% as appropriate.
- 15.9 Simpler Recycling requires the collection of a core set of recyclable materials, including plastic pots, tubs, trays, and cartons, by 31 March 2026. These materials cannot currently be recycled in Hampshire because the available materials recovery facility (MRF) is not equipped to recycle these items. As the disposal authority, Hampshire County Council (HCC) is responsible for developing the infrastructure to allow these materials to be recycled. Decision-making on the type of MRF required to recycle these materials has been delayed and as a result, the council, and all Waste Collection Authorities in Hampshire, will not be able to meet the Government's deadline of 31 March 2026 for recycling these materials.
- 15.10 This delay will result in additional costs for project management, communications, legal and consultant support, to deliver the changes once they are back in scope – this is estimated to be in 2027. These costs are reflected in Appendix 1 ('Stage 2 - Revenue' section) but it should be noted that these are indicative costs only and any additional expenditure for this project will need to be approved once decisions and timescales for delivery have been confirmed by Hampshire County Council. Additionally, a Deposit Return Scheme will be introduced as part of the changes to waste and recycling under Simpler Recycling in 2027. The council will need to consider the implications of this scheme and adjust the waste and recycling service if needed.

- 15.11 To facilitate the additional changes expected in 2027, the council recommends preserving the remaining unallocated revenue budget, indicated on the 'Stage 1 - Revenue' section of Appendix 1, to cover these likely costs. A further spending plan will be submitted to the appropriate decision-making body in due course.
- 15.12 Additional capital costs have become apparent since the project inception
- a) additional costs for fitting out the new depot space, which it had assumed would be provided by DEFRA New Burdens funding.
  - b) an increase in costs for caddies. This is likely because of the high demand for these items (driven by Simpler Recycling), which DEFRA have not accounted for in their modelling of capital costs.
  - c) unexpected additional cost for installing the EV charger at the depot.
- 15.13 These additional costs have resulted in a request for additional capital funds of £159k, to be provided by borrowing.
- 15.14 The project budgets are monitored and tracked against budget allocation, future commitments, invoices, and actual spending both in the project budget tracker spreadsheet and in the finance general ledger. Project spending is also monitored through the highlight reports that are produced quarterly for the Programme and Capital Strategy (PAC) Board. The spending plan in Appendix 1 has been reviewed by the Council's Finance Director and the additional budget request has been added to the medium-term financial strategy.
- 15.15 It is recommended that Cabinet approve the expenditure detailed in Appendix 1 and totalled here:
- a) Project Implementation costs (Revenue) - £853k
  - b) Project Implementation costs (Capital) - £604k

## **16 Communicating the new service to Residents and stakeholders**

- 16.1 The phased introduction of a food waste recycling service for the Winchester district before the government deadline of April 2026 will be supported by a communications and engagement plan designed to ensure residents are informed, aware and encouraged to use the service.
- 16.2 Our goals: to introduce a food waste recycling service that all households in the district can use; to educate all residents about the benefits of food waste recycling and how to avoid wasting food; to encourage residents to recycle their unavoidable food waste; to continue to monitor progress after the launch of the service and continue working to increase participation in the service, while encouraging individuals to take steps to waste less and recycle more overall.
- 16.3 As food waste collections are likely to be introduced in seven phases across the district, there will be both general educational messaging for all (to create

awareness and a desire to participate) and targeted local messaging regarding the start of the service in specific areas.

- 16.4 Desk and face to face research will be used to identify barriers to recycling and engage with communities which may have particular barriers. The Council is working with the University of Southampton on a joint project with colleagues from Test Valley and Eastleigh Borough Councils using community researchers to explore barriers to recycling in communal properties. In addition, a PHD researcher from the University of Southampton will also be working with the council to offer greater insight into encouraging uptake into food waste recycling and what barriers people may face.
- 16.5 Feedback from our research will feed into the campaign development, and this, along with the experience and resources provided by Biffa, Recycle Now, WRAP and our Project Integra partner Local Authorities, will be used and adapted to suit our particular audiences.
- 16.6 A range of materials and communications channels (both on and offline) will be used at different stages of the campaign, to ensure everyone has a chance to understand the service, how to use it and its benefits.
- 16.7 The council has employed a Communications Officer on a 0.5 FTE fixed term contract to develop and deploy the communications strategy needed to support the changes required by Simpler Recycling.
- 16.8 To further support and embed the communications activities, the council intends to recruit Recycling Engagement Officers on fixed term contracts to engage with local community groups and take educational resources into schools to inform and educate them about why and how to recycle. Working with young people in schools will help to influence uptake in their homes and importantly, reduce contamination, maximise participation, and generate sustainable recycling habits which will provide long-term environmental benefits for the district.
- 16.9 Additionally, the Recycling Engagement Officers will monitor participation and contamination rates across the district after introducing the new service. Using targeted interventions, the officers will engage directly with communities struggling to participate or with high contamination rates, working together to remove blockages and encourage better recycling behaviours.
- 16.10 Behavioural insights will be used to inform each stage of the awareness campaign and promote the principles of the waste hierarchy – to ‘reduce, reuse, and recycle’.
- 16.11 The cost of communicating the new food waste service to residents is included in Appendix 1. It is expected that New Burdens funding will be provided for communication costs to introduce food waste recycling, although the amount has yet to be confirmed by DEFRA.

## **17 Future Proofing the waste and recycling service for a zero-carbon future**

- 17.1 The council has invested in a fully electric Refuse Collection Vehicle (RCV) which has been added to the existing frontline fleet. This vehicle will help to explore the practicalities of operating an electric vehicle in a large district such as Winchester while the council explores opportunities to move towards a fully carbon neutral service.
- 17.2 CAB3452 recommended that the council commission a feasibility assessment with SSEN to determine the likely costs and timescales for providing sufficient power to the depot to support a fully electric fleet. This work is underway, and the results are expected to be available in early 2025.
- 17.3 Additionally, the council continues to explore all available options for a zero-carbon waste & recycling service, including a review of green hydrogen powered electric vehicles as a potential future consideration. This is a solution that could suit a large, partially rural district such as Winchester, although further evaluation is required.
- 17.4 While the council works with SSEN to review the potential to support a fully electric waste fleet, the council will continue to evaluate the suitability of hydrogen electric RCVs and present both options to Cabinet for decision in 2025.

## 18 OTHER OPTIONS CONSIDERED AND REJECTED

### 18.1 **Food Waste Recycling start date and rollout method**

- 18.2 The council considered starting food waste collections in October 2025, February 2026 and April 2026 on a 'big bang' approach (full service implemented from the start) and / or a phased basis. These options were rejected due to difficulties with operational complexity, cost to the council, delayed environmental impact and in some cases, risk of non-compliance with Government implementation deadlines.

### 18.3 **Additional depot space for food waste**

- 18.4 Several options were explored and rejected; these are listed below:

- 18.5 **Operating the new services from the existing depot with IDV and Biffa.**  
The option to remove staff car parking and try to fit the new vehicles and crews into the existing depot was explored. This has been rejected on health and safety grounds as it would not be possible to operate the service safely with the high numbers of vehicle and pedestrian interactions.

### 18.6 **Other Locations**

Several alternative locations were considered for operating the new food waste service, but each had significant drawbacks. Most notable is the old Goods Shed next door to the current waste and recycling depot. This option would have resulted in a loss of income to the council of £60k per annum and would have required planning permission which may have been difficult to

obtain due to the neighbouring residential properties. Other locations were discounted due to the length of time these would have taken to secure and gain planning permission as well as prohibitive security costs due to a lack of existing infrastructure.

## 19 BACKGROUND DOCUMENTS:-

### 19.1 Previous Committee Reports:-

[CAB3388](#) - General Fund Budget 2023/24 (Pages 43 - 86)

[CAB3439](#) - Waste and Recycling Strategy (Pages 9 - 102)

[CAB3443](#) - Capital Investment Strategy 2024-2034 (Pages 165 - 208)

[CAB3444](#) - General Fund Budget 2024/25 (Pages 131 - 164)

[CAB3452](#) - Procurement of Waste & Recycling Collection Vehicles (Pages 13 - 46)

### 19.2 Other Background Documents:-

#### APPENDICES:

Appendix 1 – Project Spending Plan

Appendix 2 – EQIA

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| Stage 1 - Revenue                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                  |                |                |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|----------------|----------------|
| What / Who                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Amount allocated | Forecast 24/25 | Forecast 25/26 |
| Staff resources                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 000's            | 000's          | 000's          |
| Project Lead                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 119              | 29             | 90             |
| Project management team                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 240              | 116            | 124            |
| Communal property survey officer                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 10               | 10             |                |
| Recycling Engagement Officers x 2 (1 year FTC)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 87               |                | 87             |
| <b>Legal costs</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                  |                |                |
| Legal Support                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 16               | 6              | 10             |
| <b>Consultancy support</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                  |                |                |
| Commercial contract negotiations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 13               |                | 13             |
| <b>Communications costs</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                  |                |                |
| Comms Officer 0.5 FTE (2 years FTC)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 49               | 21             | 28             |
| Communications Activities                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 27               |                | 27             |
| <b>Community outreach costs</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                  |                |                |
| Recycling Officer activities                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 23               |                | 23             |
| <b>Relocation &amp; Depot costs</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                  |                |                |
| Depot preparations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 5                | 5              |                |
| Survey / Technical support                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 7                | 7              |                |
| Relocation costs                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 14               | 14             |                |
| <b>Food Waste Service set up costs</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                  |                |                |
| bin bundling and phased delivery to residents                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 180              |                | 180            |
| Caddie liner samples                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 4                |                | 4              |
| Vehicle wrapping                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 9                |                | 9              |
| Contingency of 5% (£1m)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 50               | 5              | 45             |
| Totals                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 853              | 213            | 640            |
| Approved Budget total                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 1,500            |                |                |
| Indicative commitment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <b>853</b>       |                |                |
| Remaining unallocated budget                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | <b>647</b>       |                |                |
| Revenue notes:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                  |                |                |
| <p>This spending plan covers the implementation of food waste only and results in a remaining budget that has yet to be allocated. It is recommended to preserve this amount to cover the cost of any changes required as a result of Hampshire's disposal infrastructure and the introduction of the Deposit Return Scheme which are due to come into effect in 2027. The introduction of plastic pots, tubs, tray, cartons, and plastic film will require communication with residents and possible changes to the current collections service contract. The additional cost of project management, a communications and recycling officer, communications campaign, and any legal support should be covered by the remaining budget. Please see 'Stage 2 - Revenue' for details of expected costs.</p> |                  |                |                |

| Stage 1 - Capital                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                |                       |                      |                      |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|-----------------------|----------------------|----------------------|
| What / Who                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Existing Budget Approval 000's | Estimated Costs 000's | Forecast 24/25 000's | Forecast 25/26 000's |
| Food waste vehicles - HVO x9 12t                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 1337                           | 1337                  |                      | 1337                 |
| The expenditure for the food waste vehicles was approved in June 2024, CAB3452 refers. This has not been included in the spending plan below.                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                |                       |                      |                      |
| What / Who                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Existing Budget Approval 000's | Estimated Costs 000's | Forecast 24/25 000's | Forecast 25/26 000's |
| Food waste kitchen caddies (5 litre)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 87                             | 98                    |                      | 98                   |
| Food waste kerbside caddies (23 litre)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 222                            | 228                   |                      | 228                  |
| Communal food waste bins                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 85                             | 103                   |                      | 103                  |
| Charging Infrastructure for eRCV                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 30                             | 33                    | 33                   |                      |
| Indicative commitment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 424                            | 462                   |                      |                      |
| Approved Capital Budget                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 445                            | 445                   |                      |                      |
| Additional Budget Requirement                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                | 17                    |                      |                      |
| <b>Additional costs</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                |                       |                      |                      |
| Fitout costs for the Winnall site                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                | 42                    | 42                   |                      |
| Oil Interceptor at the Winnall site                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                | 50                    | 50                   |                      |
| Refurbishment of office to welfare space                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                | 50                    | 50                   |                      |
| Total additional costs                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                | 142                   | 175                  | 429                  |
| Approved Budget total                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                | 445                   |                      |                      |
| <b>Total Indicative commitment</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                | <b>604</b>            |                      |                      |
| <b>Total Additional budget required</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                | <b>159</b>            |                      |                      |
| Capital Notes:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                |                       |                      |                      |
| The expenditure for the food waste vehicles was approved in June 2024, CAB3452 refers and although referenced above, is not included in this spending plan.                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                |                       |                      |                      |
| It was assumed that New Burdens funding would include capital funding for additional depot space for Local Authorities who require this space from which to run the new services mandated under 'Simpler Recycling'. Defra have only recently confirmed that this is not the case and indicated that while they will not be covering any capital costs for additional depot space to all councils, they may be willing to consider this on a case-by-case basis where evidence is provided by the local authority. The Project Team have submitted these costs to Defra and await a response. |                                |                       |                      |                      |

| Stage 2 - Revenue                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                              |                            |                            |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|----------------------------|----------------------------|
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Amount<br>allocated<br>000's | Forecast<br>26/27<br>000's | Forecast<br>27/28<br>000's |
| <b>Staff resources</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                              |                            |                            |
| Project management team                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 180                          | 87                         | 93                         |
| <b>Legal costs</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                              |                            |                            |
| Legal Support                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 15                           | 10                         | 5                          |
| <b>Consultancy support</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                              |                            |                            |
| Commercial contract negotiations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 37                           | 37                         |                            |
| <b>Communications costs</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                              |                            |                            |
| Comms Officer                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 31                           | 31                         |                            |
| Communications activities                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 26                           | 13                         | 13                         |
| <b>Plastics recycling set up costs</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                              |                            |                            |
| Unknown - subject to disposal infrastructure decision                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                              |                            |                            |
| Contingency of 5%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 32                           | 16                         | 16                         |
| Totals                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 321                          | 194                        | 127                        |
| Budget carried forward from Stage 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 647                          |                            |                            |
| Indicative commitment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 321                          |                            |                            |
| Remaining unallocated budget                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <b>326</b>                   |                            |                            |
| Notes:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                              |                            |                            |
| <p>Collection and recycling of additional plastic pots, tubs, trays and cartons is required under Simpler Recycling. These changes should align with the introduction of food waste collections by March 2026. However, due to a delay in decision making for the new disposal facility, this is unlikely to be operational until 2027 at the earliest. No additional plastic materials can be collected until the facility to dispose of them is functional. Changes will need to be implemented across the district matching this new timeframe, resulting in additional costs for project management, communications, legal and consultant support. These costs are reflected above. Additionally, a Deposit Return Scheme will be introduced as part of the changes to waste and recycling under Simpler Recycling in 2027. The council will need to consider the implications of this scheme and make adjustments to the waste and recycling service if needed.</p> |                              |                            |                            |

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## Implementation of a food waste collection and recycling service Equality Impact Assessment (EIA)

### Section 1 - Data Checklist

|   |                                                                                                                                                                                   | Yes/No | Please provide details                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|---|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | Have there been any complaints data related to the service you are looking to implement?                                                                                          | No     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| 2 | Have all officers who will be responsible for implementing the service been consulted, and given the opportunity to raise concerns about the way the service will be implemented? | Yes    | Regular team, project and board meetings are held where officers can share knowledge and raise any concerns about the implementation of the new service.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| 3 | Have previous consultations highlighted any concerns about the service from an equality impact perspective?                                                                       | No     | <p>In Autumn 2023 the council conducted an online survey which asked residents about their household waste and recycling habits. We received over 8,500 responses from across the district. 58% of residents are receptive to a recycling system that would allow them to recycle food waste. Of the 20% who were not keen to recycle food waste their key issues where concerns around:</p> <ul style="list-style-type: none"> <li>• Space – not having enough space for another bin/ no room in the kitchen of an inside bin.</li> <li>• Mess and smell.</li> <li>• It will attract pests/vermin.</li> <li>• No need for the service – already have minimal food waste or compost already.</li> </ul> <p>The council has commissioned a bin store survey of communal properties across the district which will help to inform implementation for these residents.</p> |

|   |                                                                                                                                                                | Yes/No | Please provide details                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|---|----------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|   |                                                                                                                                                                |        | No issues or concerns were highlighted about the service from an equality impact perspective.                                                                                                                                                                                                                                                                                                                                                                                        |
| 4 | Do you have any concerns regarding the implementation of this service?                                                                                         | No     | The service will be made all available to all residents. Communal properties/ flats represent more of a challenge in terms of implementation, but the communal bin store survey will help inform this process and a targeted communications strategy to help such residents is being planned.                                                                                                                                                                                        |
| 5 | Does any accessible data regarding the area which your service will address identify any areas of concern or potential problems which may impact on your work? | No     | <p>Race: Most Winchester residents describe themselves as white British. 6.4% of the district population defined themselves as belonging to other ethnic groups. Language barriers could impact on communicating the service change to some groups.</p> <p>Disability: 19,566 (15%) residents' day-to-day activities are limited a little or a lot due to physical or mental health conditions.</p> <p>Age: 13,123 (10.3%) residents are aged 75+.</p> <p>(source – Census 2021)</p> |
| 6 | Do you have any past experience delivering a similar service which may inform the implementation of your scheme from an equality impact point of view?         | Yes    | <ul style="list-style-type: none"> <li>• Green Waste collection.</li> <li>• Glass recycling.</li> </ul> <p>Officers are also talking to other local authorities which have implemented a food waste collection service.</p>                                                                                                                                                                                                                                                          |
| 7 | Are there any other issues that you think will be relevant?                                                                                                    | Yes    | Some understanding of the scheme from a language perspective may be an issue. Our communications programme will consider and seek to address this.                                                                                                                                                                                                                                                                                                                                   |

## **Section 2 - Your EIA form**

|                                     |                               |                                               |                                                                                   |                                              |
|-------------------------------------|-------------------------------|-----------------------------------------------|-----------------------------------------------------------------------------------|----------------------------------------------|
| <b>Directorate:</b><br>Council-wide | <b>Service Area:</b><br>Place | <b>Team:</b><br>Future of Waste and Recycling | <b>Responsible officers:</b><br>Andy Hickman<br>Campbell Williams<br>Kirstin Shaw | <b>Date of assessment:</b><br>September 2024 |
|-------------------------------------|-------------------------------|-----------------------------------------------|-----------------------------------------------------------------------------------|----------------------------------------------|

|   | Question                                                                                          | Please provide details                                                                                                                                                                                                                                                                                                                      |
|---|---------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | What is the name of the service that is being assessed?                                           | Implementation of weekly food waste collections.                                                                                                                                                                                                                                                                                            |
| 2 | Is this a new or existing service?                                                                | New.                                                                                                                                                                                                                                                                                                                                        |
| 3 | Briefly describe the aim and purpose of this work.                                                | The Environment Act was passed into UK law in 2021 which set out the mandatory requirement to introduce separate, weekly food waste collections by 31 March 2026. The council intends to implement weekly food waste collections from October 2025.                                                                                         |
| 4 | What are the associated objectives of this work?                                                  | <ul style="list-style-type: none"> <li>• Meet the government's directive for 'Simpler Recycling' by 31 March 2026.</li> <li>• Reduce the impact of food waste on climate change ie carbon reduction.</li> <li>• Prevent contamination of waste that could otherwise be recycled.</li> <li>• Reduce the amount of residual waste.</li> </ul> |
| 5 | Who is intended to benefit from this service and in what way?                                     | Everyone who lives, works, visits and studies in the district will be able to recycle more and contribute to the circular economy and climate emergency mitigation.                                                                                                                                                                         |
| 6 | Who are the key individuals and organisations responsible for the implementation of this service? | <ul style="list-style-type: none"> <li>• The future of waste and recycling project team</li> <li>• Environmental services team</li> <li>• Biffa</li> <li>• ELB</li> <li>• The Leader/Cabinet</li> <li>• Finance</li> <li>• Procurement</li> <li>• Legal</li> <li>• Estates/assets management</li> </ul>                                     |

|     |                                                                                                                                                  | Please select your answer in <b>bold</b> . Please provide detail here.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |          |  |
|-----|--------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|--|
| 10a | Could the policy have the potential to affect individuals or communities on the basis of <b><u>race</u></b> differently in a negative way?       | Y                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <b>N</b> |  |
| 10b | What existing evidence (either presumed or otherwise) do you have for this?                                                                      | The new food waste collection service will not affect individuals or communities on the basis of race or ethnicity. There is limited potential for adverse impact in implementation of the service if residents are less aware of the process and / or have language issues which prevent them understanding the changes required.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |          |  |
| 11a | Could the policy have the potential to affect individuals or communities on the basis of <b><u>sex</u></b> differently in a negative way?        | Y                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <b>N</b> |  |
| 11b | What existing evidence (either presumed or otherwise) do you have for this?                                                                      | The new food waste collection service will not affect individuals or communities on the basis of sex.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |          |  |
| 12a | Could the policy have the potential to affect individuals or communities on the basis of <b><u>disability</u></b> differently in a negative way? | Y                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <b>N</b> |  |
| 12b | What existing evidence (either presumed or otherwise) do you have for this?                                                                      | <p>The new food waste collection service will not affect individuals or communities on the basis of disability.</p> <p>There is limited potential for adverse impact on residents with a disability but there already exists a range of service dispensations by way of reasonable adjustments, such as assisted collection, to ensure that collection services remain accessible to those that are less able and as such that they are not disadvantaged.</p> <p>Food waste caddies are smaller than the waste and recycling bins used for the existing collections. The extra container placed out for collection on the pavement, alongside the smaller sized caddy which may make them more difficult to see and present a limited impact for people with visual impairments and wheelchair users when using the pavement. It is proposed that kerbside caddies are of a light colour</p> |          |  |

|     |                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |   |  |
|-----|----------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|--|
|     |                                                                                                                                                          | to make them easier to see. This document will continue to be regularly monitored and updated, any incidents relating to the above will be recorded and assessed.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |   |  |
| 13a | Could the policy have the potential to affect individuals or communities on the basis of <b><u>sexual orientation</u></b> differently in a negative way? | Y                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | N |  |
| 13b | What existing evidence (either presumed or otherwise) do you have for this?                                                                              | The new food waste collection service will not affect individuals or communities on the basis of sexual orientation.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |   |  |
| 14a | Could the policy have the potential to affect individuals on the basis of <b><u>age</u></b> differently in a negative way?                               | Y                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | N |  |
| 14b | What existing evidence (either presumed or otherwise) do you have for this?                                                                              | <p>The new food waste collection service will not affect individuals or communities on the basis of age. The service will be provided to all age groups. There is a limited potential for adverse impact on older people but there already exists a range of service dispensations, such as assisted collection to ensure that collection services remain accessible to older people and that they are not disadvantaged.</p> <p>There is a limited potential for adverse impact on older people who have poor digital literacy. There will be ongoing communication using a variety of channels/ different media which will be accessible to all age groups.</p> |   |  |
| 15a | Could the policy have the potential to affect individuals or communities on the basis of <b><u>religious belief</u></b> differently in a negative way?   | Y                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | N |  |
| 15b | What existing evidence (either presumed or otherwise) do you have for this?                                                                              | The new food waste collection service will not affect individuals or communities on the basis of religious belief.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |   |  |
| 16a | Could this policy have the potential to affect individuals on the basis of <b><u>gender reassignment</u></b> differently in a negative way?              | Y                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | N |  |

|     |                                                                                                                                                        |                                                                                                                                  |   |  |
|-----|--------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------|---|--|
| 16b | What existing evidence (either presumed or otherwise) do you have for this?                                                                            | The new food waste collection service will not affect individuals or communities on the basis of gender reassignment.            |   |  |
| 17a | Could this policy have the potential to affect individuals on the basis of <b><u>marriage and civil partnership</u></b> differently in a negative way? | Y                                                                                                                                | N |  |
| 17b | What existing evidence (either presumed or otherwise) do you have for this?                                                                            | The new food waste collection service will not affect individuals or communities on the basis of marriage and civil partnership. |   |  |
| 18a | Could this policy have the potential to affect individuals on the basis of <b><u>pregnancy and maternity</u></b> differently in a negative way?        | Y                                                                                                                                | N |  |
| 18b | What existing evidence (either presumed or otherwise) do you have for this?                                                                            | The new food waste collection service will not affect individuals or communities on the basis of pregnancy and maternity.        |   |  |

|    |                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                       |   |                                                                                                                                                                                                                                        |
|----|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 19 | Could any negative impacts that you identified in questions 10a to 15b create the potential for the service to discriminate against certain groups on the basis of protected characteristics?                                              | Y                                                                                                                                                                                                                                                                                                                                     | N |                                                                                                                                                                                                                                        |
| 20 | Can this negative impact be justified on the grounds of promoting equality of opportunity for certain groups on the basis of protected characteristics? Please provide your answer opposite against the relevant protected characteristic. | Y                                                                                                                                                                                                                                                                                                                                     | N | <b>Race:</b><br><b>Sex:</b><br><b>Disability:</b><br><b>Sexual orientation:</b><br><b>Age:</b><br><b>Gender reassignment:</b><br><b>Pregnancy and maternity:</b><br><b>Marriage and civil partnership:</b><br><b>Religious belief:</b> |
| 21 | How will you mitigate any potential discrimination that may be brought about by your policy that you have identified above?                                                                                                                | An extensive communications programme will be implemented to inform and educate everyone that will be affected by the new service. Different communication methods will be employed to assist those who have poor literacy skills, and who do not wish to use or have access to digital media. If language is identified as a barrier |   |                                                                                                                                                                                                                                        |

|    |                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                          |          |  |
|----|-------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|--|
|    |                                                                                     | <p>to participation, a translation of relevant information can be made available as required.</p> <p>Additional engagement with communal properties will mitigate the challenges they may experience in implementing these changes, such as limited space for additional bins in communal bin stores. Additionally, engagement with younger people (18-24) living in university halls/ HMOs will seek to encourage participation in the new service.</p> |          |  |
| 22 | Do any negative impacts that you have identified above impact on your service plan? | Y                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <b>N</b> |  |

|                                     |                            |
|-------------------------------------|----------------------------|
| Signed by completing officer        | Nadine Fox Project Manager |
| Signed by Corporate Head of Service | Andy Hickman               |

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## SCRUTINY COMMITTEE

REPORT TITLE: Q2 2024/25 PERFORMANCE MONITORING

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

Contact Officer: Simon Howson   Tel No: 01962 848 104

Email: [showson@winchester.gov.uk](mailto:showson@winchester.gov.uk)

### RECOMMENDATION:

That the Scrutiny Committee:

1. Raises with the Deputy Leader or relevant Cabinet member any issues arising from the information in this report, ref CAB3476, which is being presented to Cabinet on the 20 November 2024 and considers whether there are any items of significance to resolve or to be drawn to the attention of Cabinet.

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## **Finance and Performance Report – July to September 2024**

### **Recommendation**

That Cabinet notes the progress achieved during Q2 of 2024/25 and endorses the contents of the report.

### **Index**

#### **Performance Report**

Section 1 - Tackling the Climate Emergency and Creating a Greener district.

Section 2 - Living Well

Section 3 - Homes For All

Section 4 - Vibrant Local Economy

Section 5 - Your Services. Your Voice

Section 6 - Regeneration and Growth

#### **Finance report.**

Section 7 - Financial report

## **PERFORMANCE REPORT**

### **Section 1 Tackling the Climate Emergency and Creating a Greener District**

#### **Delivery highlights – July to September 2024**

- Consultation on the draft Air Quality Strategy launched on 13 September.
- Installed three new electric vehicle (EV) charge points and upgraded four existing charge points. A total of 35 EV charge points have now been installed in car parks by the council across the district.
- Rolled out garden waste collection service for 2024/25 with 400 new residents signing up.
- Launched and promoted a second round of the 'Go Greener Faster Grant Scheme' which aims to support not-for-profit organisations to take action in response to the climate emergency, helping them to become more sustainable and to reduce energy use and carbon emissions. Grants of between £5,000 and £10,000 were available and organisations were required to secure a minimum of 25% of the total project cost in match funding from other sources. The closing deadline for the grant was 30 September 2024.
- Delivered a Carbon Neutrality Open Forum with a focus on nature-based solutions. Presentations delivered by The Campaign to Protect Rural England on their Hedgerow project and Arcadian on carbon sequestration of council land.
- Progressing with implementation of the statutory Biodiversity Net Gain (BNG) requirement in new planning applications. Regular internal meetings and liaison with other local planning authorities and external partners to ensure we are providing support to applicants as well as a high standard of assessment and delivery of BNG. We are working with potential local habitat bank providers to help facilitate off-site BNG solutions.
- Supported the development of the HCC led 'Local Nature Recovery Strategy.' Regular meetings and feedback into the approach and content of the strategy.
- Delivery against the Biodiversity Action Plan progressing, including assessing Hedgerow Removal Notices under the Hedgerow Regulations 1997 (three Hedgerow Removal Notices issued and currently assessing a further 12) and undertook hazel dormouse monitoring surveys at WCC open spaces in Kings Worthy on 20 September and Knowle on 30 September where this vulnerable species are known to be present.
- Delivered an All-Member briefing on Landscapes showcasing the importance of landscapes and the many benefits which they provide.
- Supporting delivery of re-roofing works and retrofit works in 20 properties where roosting bats are present. All works are being done under licence from Natural England, supervised by a qualified ecologist, and in accordance with the necessary method statements to ensure the conservation status of bats is maintained.

**Our Carbon Neutrality Action Plan (Council)**

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                 |                                   |               |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|-----------------------------------|---------------|
| <b>Lead Cabinet Member:</b> Cllr Kelsie Learney                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                 | <b>Project Sponsor:</b> Dawn Adey |               |
| <b>Programme RAG status</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>Timeline</b> | <b>Budget</b>                     | <b>Carbon</b> |
| <b>RAG Status Update</b><br><u>Carbon – Amber.</u> Risk that carbon savings attributed to switching all council fleet to low carbon vehicles by March 2025 will not be achieved due to vehicle availability and procurement lead time. Business case seeking approval is required before this can be progressed.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                 |                                   |               |
| <b>Progress achieved during the last quarter:</b> <ul style="list-style-type: none"> <li>• Draft annual carbon footprint report for 2023/24 received - report reviewed and results analysed. (see actions for next quarter)</li> <li>• Received Arcadian report identifying potential sites on council owned land for increased carbon sequestration, which will be used as the basis of an internal review to scope sites with the ambition of improving annual baseline of 125tCO<sub>2</sub>e.</li> <li>• CNAP communications strategy and plan developed for delivery of messaging for council 2024 target. Launched staff sustainability intranet pages to help staff save energy and reduce carbon at home and at work.</li> <li>• Cabinet approved procurement of Energy for WCC portfolio for 2025 - 2029 via the LASER Energy Framework for the supply of gas and electric to the council, ensuring WCC continues to purchase green energy (CAB3467 refers).</li> <li>• Delivered communication campaign for the rerouting of waste round kerbside collection and procured EV waste vehicle truck.</li> <li>• Optimised Building Management system at City Offices / Guildhall to improve heating controls and temperature. Heating at offices has been reduced over the weekend.</li> <li>• Appointed contractor for LED lighting replacement at Chesil Car Park</li> </ul> |                 |                                   |               |
| <b>Actions for the next quarter:</b> <ul style="list-style-type: none"> <li>• Results of annual carbon footprint report to be shared via an all members briefing on 7 November, and Carbon Neutrality Open Forum on 19 November.</li> <li>• Works for LED lighting replacement at Chesil Car Park to commence.</li> <li>• Special Maintenance to prepare and submit business case seeking procurement of new vehicles.</li> <li>• Undertake techno-economic feasibility study for all seven small scale solar PV options on five council sites and develop outline business case.</li> <li>• Internally review recommended carbon sequestration sites, identified in Arcadian report, to determine which projects are viable for improving carbon sequestration and how this will be managed.</li> <li>• Delivery of communications and stakeholder engagement for CNAP targets and annual carbon footprint report via all member briefing on 7 November.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                  |                 |                                   |               |

**Our Carbon Neutrality Action Plan (District)**

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |          |                            |        |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|----------------------------|--------|
| Lead Cabinet Member: Cllr Kelsie Learney                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |          | Project Sponsor: Dawn Adey |        |
| Programme RAG status                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Timeline | Budget                     | Carbon |
| RAG Status Update                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |          |                            |        |
| <p>A key challenge for the district CNAP is tracking the carbon saved by the actions identified under the five pathways. The actions will make a significant impact, ensuring that we have ambitious plans and projects to help the work towards the district carbon neutrality target. However, due to the way the district emissions are reported it is not possible to directly attribute carbon saved to these actions.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |          |                            |        |
| Progress achieved during the last quarter:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |          |                            |        |
| <ul style="list-style-type: none"><li>Submitted a 'Bike Bus Active Travel Grant' to HCC; to work with three groups (including two schools) to encourage cycling and improve bike-ability.</li><li>Organised and launched the 'Greener Futures Partnership Forum': a face-to-face event for local organisations, agencies and businesses to learn, network and discuss achieving net zero targets across the district. Ten businesses attended. Terms of Reference agreed.</li><li>Rural England Prosperity funding awarded to five solar PV installations in the district, this includes three businesses and two community groups saving an estimated 17.7tCO2 annually. Another three businesses received Rural England Prosperity funding for the installation of six EVCP in district, including E-Bike charge point.</li><li>Continue to support the development and delivery of community energy schemes through Energise South Downs who have delivered two Future Energy Landscape events in Upham and Clanfield.</li><li>Completed pilot project with Scottish Southern Energy Network to initiate the development of a digital Local Area Energy Plan (LAEP) using their Geographic Information System (GIS) spatial planning tool. Workshops focused on developing portfolios for decarbonising heat, decarbonising transport, decarbonising energy and new development. Key internal officers engaged to introduce them to LAEP and feed into the pilot project. Stakeholder mapping work progressed. Stakeholder engagement plan developed and formulation of governance arrangements for the delivery of LAEP have been initiated.</li></ul> |          |                            |        |
| Actions for the next quarter:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |          |                            |        |
| <ul style="list-style-type: none"><li>Continue working with partners to ensure that the micro-consolidation scheme is operational by Q4.</li><li>Closure of the HCC Solar Together scheme, auction and progress with installs.</li><li>Deliver Carbon Neutrality Open Forum on 19 November: 'Working Towards Carbon Neutrality: what we have done and what we are doing'.</li><li>Further Future Energy Landscape events planned in Swanmore &amp; Waltham Chase.</li><li>Review and allocation of Go Greener Faster funding.</li></ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |          |                            |        |

## Future of Waste and Recycling

| <b>Lead Cabinet Member:</b> Cllr Kelsie Learney                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <b>Project Sponsor:</b> Simon Hendey |        |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|--------|
| Programme RAG status                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Timeline                             | Budget |
| <p><b>RAG Status Update.</b></p> <p>Due to a delay in decision making regarding the new materials recovery facility (MRF), the introduction of additional plastics recycling such as pots, tubs and trays in Hampshire will be delayed. A decision is expected in November, and we will then be able to set a definitive timeline for delivery of this element of the project. This will impact all councils in Hampshire and DEFRA have been made aware of the delay.</p> <p>The project has identified additional capital costs of up to circa £161k which, subject to Cabinet approval in November will require additional resource which is likely to be funded by borrowing.</p>                                                                                                                                                                                                                                                                                                                                                                               |                                      |        |
| <p><b>Progress achieved during the last quarter:</b></p> <p><u>Waste and Recycling Round re-routing</u> – New, optimised bin collection rounds are on track to start on 7 October. The change affects around 60% of households, all of whom have received a letter and a new bin calendar during September. Full details can be found on the council’s website.</p> <p><u>New Route – New Electric RCV</u> - The council has invested in a fully electric Refuse Collection Vehicle (RCV) which has been added to the existing frontline fleet and will begin operations in the district in October.</p> <p><u>November Cabinet Preparations</u> - To facilitate starting a food waste collection service, the council will submit a Cabinet paper in November that covers the solution to the problem of lack of depot space for the new service, the recommended date of implementation and rollout method, a spending plan that supports all implementation activities, including communications, and the total cost to the council for all recommendations.</p> |                                      |        |
| <p><b>Actions for the next quarter:</b></p> <ul style="list-style-type: none"> <li>• Continue to prepare ‘CAB3475 - Future of Waste and Recycling, New Food Waste Collections and recycling service’ report for submission to Cabinet in November.</li> <li>• Continue to prepare for communal property engagement in Spring 25.</li> <li>• Continue to prepare new depot space arrangements – subject to Cabinet approval in November.</li> <li>• Prepare for procurement of bins / caddies – subject to Cabinet approval in November.</li> <li>• Start contract variation process to introduce food waste collections – subject to Cabinet approval in November.</li> <li>• Work with Biffa on vehicle procurement and delivery.</li> </ul>                                                                                                                                                                                                                                                                                                                       |                                      |        |

## Nutrient Mitigation Solution

| <b>Lead Cabinet Member:</b> Cllr Jackie Porter, Cllr Chris Westwood                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <b>Project Sponsor:</b> Dawn Adey |        |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|--------|
| Programme RAG status                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Timeline                          | Budget |
| <p><b>Progress achieved against last quarter.</b></p> <ul style="list-style-type: none"> <li>• Technical reports have been received and reviewed by Natural England, who agree with the conclusions. This confirms the sites are suitable to provide nutrient mitigation.</li> <li>• The full grant fund has been awarded by 'Partnership for South Hampshire' to WCC, following their governance meeting on 23 July.</li> <li>• The project and authorisation to receive grant money, and enter into procurement arrangements, received approval from Cabinet on 11 September (CAB3459 refers) and Full Council on 18 September.</li> <li>• Inter-authority agreement between all Partnership for South Hampshire authorities is being reviewed.</li> </ul> |                                   |        |
| <p><b>Actions for the next quarter:</b></p> <ul style="list-style-type: none"> <li>• Determine the order of plant upgrades, alongside Housing and Partnership for South Hampshire officers.</li> <li>• Procure equipment and construction works.</li> <li>• Commence construction on first plant(s), dependent on procurement process.</li> <li>• Investigate next five plants – including desk based studies, hydrogeological reports and Natural England review.</li> </ul>                                                                                                                                                                                                                                                                                |                                   |        |

**Climate Emergency - Progress against our plans**

| Ref | Project                                                                                                                     | Cabinet Member | Delivery Date | Status R/A/G    |
|-----|-----------------------------------------------------------------------------------------------------------------------------|----------------|---------------|-----------------|
| 1   | Develop an electric vehicle strategy                                                                                        | Cllr Learney   | Apr 25        |                 |
| 2   | Install EV rapid chargers where they are needed across the district                                                         | Cllr Learney   | Aug 24        | <b>Complete</b> |
| 3   | Complete the final phase of the repairs to the Weirs                                                                        | Cllr Learney   | Jul 24        | <b>Complete</b> |
| 4   | Deliver programme of retrofit carbon reduction measures to our housing stock                                                | Cllr Westwood  | Mar 25        |                 |
| 5   | Review and implement nutrient neutrality mitigation measures                                                                | Cllr Porter    | Dec 24        |                 |
| 6   | Adopt an air quality strategy, complying with National Air Quality Standards                                                | Cllr Porter    | Dec 24        |                 |
| 7   | Introduce doorstep food waste collections and increase recycling                                                            | Cllr Learney   | Apr 26        |                 |
| 8   | Increase our recycling rates by introducing a simpler approach in line with Government programme for waste reforms          | Cllr Learney   | Apr 26        |                 |
| 9   | Switch our buses and waste collection lorries to low or no carbon fuels                                                     | Cllr Learney   | Jul 24        | <b>Complete</b> |
| 10  | Adopt and implement an Active Travel Plan                                                                                   | Cllr Learney   | Apr 25        | <b>Complete</b> |
| 11  | Continue to embed sustainable procurement across our contracts and supply chain to support the carbon neutrality programme. | Cllr Cutler    | Mar 25        |                 |
| 12  | Investigation into provision of a natural burial area at the cemetery                                                       | Cllr Becker    | Jun 25        |                 |

**Red/Amber Status**

**4** - The above target is dependent on the results of exploratory and developmental work such as the Asset Strategy which will inform the Retrofit carbon reduction plan. The Retrofit team are also working on a number of SAP calculations that will demonstrate the necessary measures required to ensure significant enough carbon reduction to the housing stock to meet Governmental mandatory requirements. The proposed plan will need to be worked into a financial strategy that the Retrofit Team are current hoping to bolster with potential funding from a National Government Scheme.

**8** - Due to a delay in decision making regarding the new materials recovery facility (MRF), the introduction of additional plastics recycling such as pots, tubs and trays in Hampshire will be delayed. The council is awaiting news of a decision in November 2024 and will then be able to set a definitive timeline for delivery of this element of Simpler Recycling. DEFRA have been advised of the delay which will impact all councils in Hampshire.

## Measuring our progress

| Long range trackers (Annual) |                                            |                       |               |         |         |         |                   |              |        |
|------------------------------|--------------------------------------------|-----------------------|---------------|---------|---------|---------|-------------------|--------------|--------|
| No.                          | Performance measure                        | Cabinet member (Cllr) | Lead Director | 20/21   | 21/22   | 22/23   | 23/24             | Target 23/24 | Status |
| TCE1                         | Carbon emissions for the council (tonnes)  | Learney               | Dawn Adey     | 2,665   | 4,147   | 3,837   | Available in Q3   | 3,700        | n/a    |
|                              |                                            |                       | Lead Director | 2020    | 2021    | 2022    | 2023              | Target 2023  | Status |
| TCE2                         | Carbon emissions for the district (tonnes) | Learney               | Dawn Adey     | 545,300 | 578,300 | 555,200 | Not yet available | 520,000      | n/a    |

| Practical real-time measures (Quarterly) |                                                                                                                                     |                       |               |                |            |            |            |            |              |        |
|------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------|-----------------------|---------------|----------------|------------|------------|------------|------------|--------------|--------|
| No.                                      | Performance measure                                                                                                                 | Cabinet member (Cllr) | Lead Director | Q2 - 23/24     | Q3 - 23/24 | Q4 - 23/24 | Q1 - 24/25 | Q2 - 24/25 | Target 24/25 | Status |
| TCE3                                     | % of household waste sent for reuse, recycling and composting                                                                       | Learney               | Simon Hendey  | 42.31%         | 38.53%     | 36.13%     | 42.84%     | 43.26%     | 40%          |        |
| TCE4                                     | Residual household waste average kg / household                                                                                     | Learney               | Simon Hendey  | 102.00         | 102.83     | 102.63     | 105.36     | 98.55      | <420 kg/hh   |        |
| TCE5                                     | Energy usage (kWh) corporate buildings: Electricity <sup>1</sup>                                                                    | Learney               | Simon Hendey  | 125,340        | 164,739    | 151,545    | 116,815    | 135,277    | Measure only | n/a    |
| TCE6                                     | Energy usage (kWh) corporate buildings: Gas <sup>1</sup>                                                                            | Learney               | Simon Hendey  | 26,644         | 180,191    | 198,383    | 59,794     | 59,211     | Measure only | n/a    |
| TCE7                                     | Retrofit adjustments – total number of houses completed (running total for financial year) <sup>2</sup>                             | Westwood              | Simon Hendey  | Began 02/05/23 | 226        | 358        | 47         | 172        | 265          |        |
| TCE8                                     | Retrofit adjustments – total number of measures completed across the houses in TCE7 (running total for financial year) <sup>2</sup> | Westwood              | Simon Hendey  |                | 301        | 543        | 81         | 411        | 890          |        |
| TCE9                                     | Renewable energy generated (kWh) from solar panels <sup>3</sup>                                                                     | Learney               | Simon Hendey  | 121,809        | 33,138     | 43,197     | 138,388    | 113,011    | Measure only | n/a    |

Commentary:

**TCE1** - This figure consists of the Councils carbon scope 1,2 and 3 emissions. Scope 1 and 2 emissions are those within the councils direct control and scope 3 are non-direct emissions such as suppliers emissions when delivering our services.

Footnotes:

<sup>1</sup> *Relates to electricity and gas usage at the City Offices campus (City Offices, main Guildhall plus West Wing); Due to the way metering is set up this includes the whole of each building - so university, CAB and NHS offices are recharged a percentage for their use.*

<sup>2</sup> *Figures from 23/24 relate to that year's programme of properties and measures (i.e. a different set); 24/25 begins a new set of properties and measures. The two KPI work together, so the total number of properties targeted have multiple measures targets against them. I.e. 265 properties have been targeted, and those properties will aim to have 890 measures completed on them.*

<sup>3</sup> *Data reported relates to: WCC Sites (City Offices, Cipher House, Vaultex,), Winchester Sport and Leisure Park, Biffa and Marwell Zoo.*

## **Section 2 Living Well**

### Delivery highlights – July to September 2024

- Completion of the new £1.4M 3G pitch at the home ground of Winchester City Football Club (FC), which will also be used by Winchester City Flyers girls' and ladies' teams, and Winchester Youth FC, as well as local community use, schools and external partner clubs and for private hire. The new pitch was part-funded by a Football Foundation grant of over £1.1M.
- Completion of The Weirs riverside footpath / cycleway stabilisation and riverbank repair works enabling future use of this important route for residents and visitors.
- We have registered with Housing Associations' Charitable Trust (HACT) to be able to provide energy vouchers to tenants in financial hardship who obtain their electricity or gas on a 'pay as you go' basis. To date we have accessed 48 vouchers for tenants – a total of £2,352 support with energy costs.
- 198 adults with learning and physical disabilities and autism came together in September at Winchester Sport and Leisure Park for the 2024 Paralympic Personal Bests, a one-day event organised by a collaboration of the council, Winchester Go LD, Everyone Active and the University of Winchester.
- The Access All Areas event saw strong attendance, with an estimated 500 attendees. Several residents are now collaborating with the team to plan next year's event, with the goal of enhancing the experience and fostering even greater community involvement.
- 129 activities were delivered in our Sheltered Housing schemes including yoga, dance and chair exercise.
- The Spaces of Sanctuary initiative launched in September, with businesses and organisations in locations across the district enlisting to provide safety and support for local residents through a confidential conversation and signposting to specialist support.
- In response to the serious violence duty the Community Safety Partnership (CSP) has used Safer Streets 5 funding to purchase training and 'trauma kits' for eight licensed premises, including the University of Winchester. Hampshire Police control room have been informed of those premises so in the event of an emergency, response teams will be able to access these trauma kits at the scene.
- Planning consent was granted for all reserved matters related to the community building, with associated parking and landscaping, which will be provided by the developer as part of the North Whiteley major development area.

**Living Well - progress against our plans**

| Ref | Project                                                                                                                                | Cabinet Member | Delivery Date     | Status R/A/G     |
|-----|----------------------------------------------------------------------------------------------------------------------------------------|----------------|-------------------|------------------|
| 1   | Work closely with local charities and voluntary organisations to review our Integration Programme for Ukrainian guests                 | Cllr Becker    | Dec 25            |                  |
| 2   | Develop a network of private and public sector spaces throughout the district to support a Spaces of Sanctuary scheme                  | Cllr Becker    | Sept 24           | <b>Completed</b> |
| 3   | Work with developers at each major development area to provide public facilities, green spaces and areas to play                       | Cllr Becker    | Dec 24<br>Ongoing |                  |
| 4   | Develop a Community and Wellbeing Strategy                                                                                             | Cllr Becker    | Mar 25            |                  |
| 5   | Deliver a wide range of physical activities through school and community sports coaching programmes                                    | Cllr Becker    | Feb 25            |                  |
| 6   | Enable, engage and empower young, disadvantaged people to fulfil their potential through participation in sport and outdoor activities | Cllr Becker    | Ongoing           |                  |
| 7   | Support for residents with the cost-of-living crisis with the roll out of Council Tax Hardship Grants                                  | Cllr Cutler    | Mar 24            | <b>Completed</b> |
| 8   | Deliver a programme supporting residents to live longer better                                                                         | Cllr Becker    | Mar 25            |                  |

**Red/Amber Status**

**8** – A delay in securing approval from Hampshire County Council for the funding to deliver this programme means that the commencement date is likely to slip slightly from March to April 2025. Date will be adjusted and show as ‘on track’ for next quarter.

## Measuring our progress

| Long range trackers (Annual) |                                                                                                              |                       |               |       |       |       |       |              |
|------------------------------|--------------------------------------------------------------------------------------------------------------|-----------------------|---------------|-------|-------|-------|-------|--------------|
| No.                          | Performance measure                                                                                          | Cabinet member (Cllr) | Lead Director | 20/21 | 21/22 | 22/23 | 23/24 | Target 24/25 |
| LW1                          | % of adults participating in 150+ mins of sport or physical activity per week within the Winchester district | Becker                | Dawn Adey     | n/a   | 73.7% | 73.0% | 73.3% | Measure only |
| LW2                          | Number of unemployed (source: Economic Activity data)                                                        | Thompson              | Dawn Adey     | 1,800 | 1,700 | 1,235 | 1,900 | Measure only |

| Practical real-time measures (Quarterly) |                                                                                 |                       |               |            |            |            |            |            |              |        |
|------------------------------------------|---------------------------------------------------------------------------------|-----------------------|---------------|------------|------------|------------|------------|------------|--------------|--------|
| No.                                      | Performance measure                                                             | Cabinet member (Cllr) | Lead Director | Q2 - 23/24 | Q3 - 23/24 | Q4 - 23/24 | Q1 - 24/25 | Q2 - 24/25 | Target 24/25 | Status |
| LW3                                      | Winchester Sport and Leisure Park - total number of visits                      | Becker                | Dawn Adey     | 286,167    | 287,617    | 304,205    | 340,189    | 340,178    | 1,233,094    |        |
| LW4                                      | Winchester Sport & Leisure Park – total number of all concessionary rate visits | Becker                | Dawn Adey     | 112,564    | 105,824    | 128,983    | 131,095    | 135,532    | 442,798      |        |
| LW5                                      | Meadowside - total number of visits                                             | Becker                | Dawn Adey     | 14,367     | 18,296     | 21,410     | 19,506     | 19,886     | 73,050       |        |
| LW6                                      | Meadowside - total number of all concessionary rate visits                      | Becker                | Dawn Adey     | 884        | 644        | 444        | 2,552      | 2,677      | 10,242       |        |
| LW7                                      | Number of housing benefit claimants (rolling total)                             | Cutler                | Liz Keys      | 2,916      | 2,865      | 2,811      | 2,726      | 2,553      | Measure only | n/a    |
| LW8                                      | Number of Council tax reduction claimants (rolling total)                       | Cutler                | Liz Keys      | 5,757      | 5,839      | 5,898      | 5,854      | 5,850      | Measure only | n/a    |
| LW9                                      | Average time taken to process new housing benefit claims (days)                 | Cutler                | Liz Keys      | 24         | 21         | 19.4       | 20.73      | 25.95      | 24 days      |        |
| LW10                                     | Number of reported fly-tips (actual incidents) <sup>4</sup>                     | Porter                | Simon Hendey  | 200        | 181        | 244        | 168        | 163        | <1,100       |        |
| LW11                                     | % of fly-tips cleared within contract deadlines/days                            | Porter                | Simon Hendey  | n/a        | n/a        | n/a        | 81%        | 81%        | 80%          |        |

| No.  | Performance measure                                                                                | Cabinet member (Cllr) | Lead Director | Q2 - 23/24 | Q3 - 23/24 | Q4 - 23/24 | Q1 - 24/25 | Q2 - 24/25 | Target 24/25 | Status |
|------|----------------------------------------------------------------------------------------------------|-----------------------|---------------|------------|------------|------------|------------|------------|--------------|--------|
| LW12 | Number of reported graffiti incidents (online form totals)                                         | Porter                | Simon Hendey  | 18         | 9          | 15         | 26         | 11         | <169         |        |
| LW13 | Number of "Public Space" issues reported (online form totals inc. litter, bins, etc.) <sup>5</sup> | Porter                | Simon Hendey  | 133        | 85         | 199        | 143        | 131        | <600         |        |

Commentary:

**LW9** - Other priority work, such as DWP requirements for full case reviews has required processing in the quarter, to ensure year end deadlines are met and we retain the new burdens funding allocated. Discretionary Housing Payment applications have also been prioritised to ensure tenants are able to move into more secure & affordable accommodation. The work of this very small team is constantly reviewed by management to ensure the most urgent and important work is dealt with.

**LW11** – The table and notes below provide further information relating to the percentage of reported fly-tips cleared within KPI.

|                                                                                 | Apr-24     | May-24     | Jun-24     | Jul-24     | Aug-24     | Sep-24     |
|---------------------------------------------------------------------------------|------------|------------|------------|------------|------------|------------|
| <b>Total fly tips confirmed cleared</b>                                         | 57         | 44         | 47         | 46         | 51         | 35         |
| Fly- tips up to 1 meter cubed in size                                           | 12         | 12         | 8          | 12         | 12         | 10         |
| <i>Number of which cleared in time (5 working days submission to clearance)</i> | 10         | 8          | 5          | 7          | 10         | 8          |
| <i>Percentage cleared in time</i>                                               | 83%        | 67%        | 63%        | 58%        | 83%        | 80%        |
| Fly-tips size 1 metre cubed and above                                           | 45         | 32         | 39         | 34         | 39         | 25         |
| <i>Of which in time (15 working days submission to clearance)</i>               | 41         | 24         | 33         | 21         | 37         | 24         |
| <i>Percentage cleared in time</i>                                               | 91%        | 75%        | 85%        | 62%        | 95%        | 96%        |
| <b>Average percentage fly-tips cleared in time</b>                              | <b>89%</b> | <b>73%</b> | <b>81%</b> | <b>61%</b> | <b>92%</b> | <b>91%</b> |

- The completion targets of 5 and 15 working days include 3 to 5 days for evaluation of fly-tip for any enforcement action and 2 to 10 days for clearance (depending on size of up to a metre cubed / 1 metre cubed and above).
- The target of 80% was selected as a viable baseline as this is the first time it has been included in the strategic key performance indicators and will be reviewed annually.
- Over the first 6 months of 24/25, 83% of fly-tips have been cleared within the KPI target.
- Compared to the same periods for 23/24 (Q1 and Q2), total fly-tips numbers reported have decreased from 455 to 340 over the period.

Footnotes:

<sup>4</sup> *Figures are net total of 'actual' reports received (less any that have been identified as duplicates, out of district, private land etc.)*

<sup>5</sup> *Figures based on total form reports received for 'Clean my Street' relating to bins/bring sites, street mess – human, syringes, spilt waste, street sweeping, overflowing litter/dog waste bins etc.-- glass, litter, alongside report forms submitted for Park Areas and Public Conveniences. The previous kpi for 23/24 – 'litter' line was only one item from the form, not inclusive of the wider set of 'street mess' issues.*

### **Section 3 Homes for All**

Delivery highlights – July to September 2024

- Heads of Terms (HOTs) being agreed subject to Cabinet approval, for the acquisition of 194 S106 affordable units spread across three locations.
- A further 22 properties of the 41 privately rented apartments within the Winnall flats development have been let by Venta Living Ltd. This brings the total being occupied to 25 with a further two under offer. Practical completion took place on 23 September.
- The Temporary Accommodation Strategy is to be presented at Cabinet on 5 November and actions taken forwards after this date. The Strategy is a live document and will be reviewed six monthly.
- The Domestic Abuse Advocates network has been launched to help embed our policies and processes across the organisation. Information and details of members can be found on the intranets Domestic Abuse hub. The aspiration is for the network to grow in number and represent the council in terms of diversity, different departments, and levels of leadership.
- Hyde Gate and surrounding area became an Anti-Social Behaviour (ASB) hotspot early Summer and in collaboration with the police, HCC, West View, services within the council and support services the complaints have significantly reduced with the number of complaints showing at 61 between 1 July and 23 August and 16 from 23 August to Date.
- The review of the Hampshire Home Choice Framework is underway, led by the Hampshire Home Choice partnership manager. Progress has currently stalled due to participating local authorities challenging potential changes to vital local connection and banding criteria. In the meantime officers continue to review non contentious changes of the Allocations Framework.

**New Homes Programme**

| <b>Lead Cabinet Member:</b> Chris Westwood                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <b>Project Sponsor:</b> Simon Hendey |        |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|--------|
| Programme RAG status                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Timeline                             | Budget |
| <b>RAG Status Update</b><br><br>There is an increase in programme confidence due to the recent S106 acquisition negotiations, but RAG status remains Amber due to the lack of control over the pace of delivery by the private developer market. Continued commitment to commissioned schemes to mitigate S106 acquisitions risks.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                      |        |
| <b>Progress achieved during the last quarter:</b> <ul style="list-style-type: none"> <li>• Following completion of the Winnall scheme in Q4 2023/24, new flats and houses have begun to be occupied. This includes shared ownership homes and, following the signing of a lease with Venta Living Ltd (the council's housing company), homes for market rent.</li> <li>• Good progress has been made on market engagement with SME and volume housebuilders with the aim of securing new build units for use as council housing. Offers have been accepted on two sites for a total of 156 units, and there are ongoing discussions on several other sites. Heads Of Terms (HOTs) agreed with Alfred Homes for the acquisition of ten S106 affordable units in Twyford. Cabinet approval awaited on 15 October (CAB3477).</li> <li>• HOTs agreed with Cala Homes for the acquisition of 146 S106 affordable units at Kings Barton. Cabinet approval awaited on 20 November (CAB3485).</li> <li>• In negotiation for the acquisition of 38 S106 affordable units at Bar End.</li> <li>• Feasibility studies are underway on a number of pipeline council commissioned schemes with the aim of making them financially viable against a challenging economic backdrop.</li> <li>• Feasibility studies completed on pipeline council commissioned schemes.</li> <li>• The Cornerhouse, Winchester – timeline for progressing the scheme established.</li> </ul> |                                      |        |
| <b>Actions for the next quarter:</b> <ul style="list-style-type: none"> <li>• Progress detailed contract negotiations for the S106 acquisitions at Twyford and Kings Barton.</li> <li>• Continue discussions on the potential acquisition of S106 affordable units at Bar End.</li> <li>• Completion of Southbrook Cottages.</li> <li>• Pipeline council commissioned schemes to be reviewed at New Homes Board.</li> <li>• Cornerhouse, Winchester – prepare outline business case and progress appointment of professional services e.g. architects.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                      |        |

**Homes for All – progress against our plans**

| Ref | Project                                                                                                                        | Cabinet Member | Delivery Date | Status R/A/G |
|-----|--------------------------------------------------------------------------------------------------------------------------------|----------------|---------------|--------------|
| 1   | Review HRA Business Plan in light of the economic circumstances and review current planned services and programmes.            | Cllr Westwood  | Sept 24       |              |
| 2   | Deliver the outcomes and expectations of the standards set by the Regulator of Social Housing                                  | Cllr Westwood  | Mar 25        |              |
| 3   | Review of Hampshire Home Choice Framework                                                                                      | Cllr Westwood  | Mar 26        |              |
| 4   | Deliver council housing retrofit carbon reduction programme                                                                    | Cllr Westwood  | Mar 25        |              |
| 5   | Develop and implement an Older Persons Accommodation Strategy                                                                  | Cllr Westwood  | Mar 26        |              |
| 6   | Seek opportunities for homes to be offered across the district by Venta Living Ltd                                             | Cllr Westwood  | Ongoing       |              |
| 7   | Collaborate with partners to deliver the aims set out in the Winchester Community Safety Delivery Plan 24/25                   | Cllr Westwood  | Mar 25        |              |
| 8   | Review and refresh the Preventing Homelessness and Rough Sleeping Strategy                                                     | Cllr Westwood  | Mar 26        |              |
| 9   | Develop a Temporary Accommodation Strategy                                                                                     | Cllr Westwood  | Mar 26        |              |
| 10  | Complete the Domestic Abuse Housing Alliance (DAHA) accreditation and embed new policies and processes across the organisation | Cllr Westwood  | Sept 25       |              |

**Comment**

1 – The HRA Business Plan & Options paper is now scheduled for the November Cabinet Committee.

## Measuring our performance

| Long range trackers (Annual) |                                                                     |                       |               |       |       |       |       |               |              |               |
|------------------------------|---------------------------------------------------------------------|-----------------------|---------------|-------|-------|-------|-------|---------------|--------------|---------------|
| No.                          | Performance measure                                                 | Cabinet member (Cllr) | Lead Director | 20/21 | 21/22 | 22/23 | 23/24 | Target 23/24  | 23/24 Status | Target 24/25  |
| HFA1                         | % of all WCC homes achieving energy efficiency rating of C or above | Westwood              | Simon Hendey  | 62%   | 63%   | 65%   | 70%   | 70%           |              | 70%           |
| HFA2                         | Net total new home completions across the district (rolling total)  | Westwood              | Simon Hendey  | n/a   | 121   | 139   | 276   | 1,000 by 2030 |              | 1,000 by 2032 |
| HFA3                         | Homelessness – numbers recorded as rough sleepers (as at year end)  | Westwood              | Simon Hendey  | n/a   | n/a   | 2     | 3     | 0             | Annual Count | 0             |

| Practical real-time measures (Quarterly) |                                                                                                     |                       |               |            |            |            |            |            |              |        |
|------------------------------------------|-----------------------------------------------------------------------------------------------------|-----------------------|---------------|------------|------------|------------|------------|------------|--------------|--------|
| No.                                      | Performance measure                                                                                 | Cabinet member (Cllr) | Lead Director | Q2 - 23/24 | Q3 - 23/24 | Q4 - 23/24 | Q1 - 24/25 | Q2 - 24/25 | Target 24/25 | Status |
| HFA4                                     | Average time for homeless household to receive offer of a permanent home (days – as at quarter end) | Westwood              | Simon Hendey  | n/a        | n/a        | n/a        | 95         | 158        | 365 days     |        |
| HFA5                                     | Numbers on housing waiting list                                                                     | Westwood              | Simon Hendey  | 1,539      | 1,504      | 1,538      | 1,592      | 1,575      | Measure only | n/a    |
| HFA6                                     | Void cumulative re-let time (general/older persons) (days)                                          | Westwood              | Simon Hendey  | 13.52      | 14.37      | 15.63      | 22.59      | 19.81      | 13           |        |

Comments from CHOS on quarter where status is amber or red:

**HFA6:** The increase in void relet time is due to a recent safety change in the void works as requested by the contractor. The change is to allow for asbestos reporting to take place before any void's works are undertaken adding 5 extra days to the void target.

## **Section 4 Vibrant Local Economy**

### Delivery highlights – July to September 2024

- All £1.7m of UK Shared Prosperity and Rural England Prosperity funds are now allocated and on track to deliver all completed projects by end of March 2025.
- Green Economic Development Strategy Action Plan 2024 to 2027 finalised. Six low carbon assessments carried out with Winchester district-based businesses. Another round of Green Business grants has been launched.
- The third Jobs & Opportunities Fair has been delivered with over 300 attendees and 39 businesses and community organisations represented.
- Hampshire County Council has been contracted to deliver a retrofit skills project to support 250 people / business over the next six months.
- Suppliers have been contracted and work is underway to deliver a Digital Growth Factory (including commercialisation, acceleration, incubation and scale up support for local businesses) and Digital Skills for residents (both UKSP funded projects).
- The Cultural Strategy celebration event was held at the University of Winchester in September, bringing together 40 stakeholders representing the cultural and creative sectors from across the district.
- The council's official tourism Visit Winchester (VW) website has been launched with a new look ([Visit Winchester](#)). New features will make the user experience more streamlined and include functionality for consumer reviews (powered by TripAdvisor), improved social media integration, AI functionality, insights dashboard and business logins. A competition to celebrate the launch resulted in over 800 entries.
- The Winchester District Art Trail (printed and online) highlighted over 40 galleries and studios participating in Hampshire Open Studios (17-26 August) as part of 'Made in Winchester' campaign activity. Advert in Hampshire Chronicle to promote the trail and VW social media posts and blog content resulted in over 230 page views on the VW website and over 5,000 impressions on VW Facebook and Instagram. (UKSP funded project)
- Liz Lean PR (LLPR) appointed as PR partner for Discover Winchester a consortium of strategic stakeholders operating under Visit Winchester. LLPR will deliver a strategic communications strategy for the consortium to engage with target audiences through editorial coverage. A major element of the PR plan is to support the promotion of activities associated with the 250th anniversary of Jane Austen's birth. View September's evaluation report [here](#).
- West of Waterlooville Public Art Plan and the implementation plan for the delivery of phase 1 was approved at Cabinet Member Decision Day.
- Completion of the recent improvements to St Maurice's Covert saw the reinstatement of the plaque honouring soldiers from St Maurice's Church parish who died in World War One.

**Vibrant Local Economy - Progress against our Plans**

| Ref | Project                                                                                               | Cabinet Member | Delivery Date | Status    |
|-----|-------------------------------------------------------------------------------------------------------|----------------|---------------|-----------|
| 1   | Produce event toolkit and associated event management guidance                                        | Cllr Thompson  | June 24       | Completed |
| 2   | Installation of new information boards with maps and wayfinding information                           | Cllr Thompson  | June 24       | Completed |
| 3   | Undertake consumer marketing activity including production of a public art trail leaflet              | Cllr Thomason  | Sep 24        | Completed |
| 4   | Support independent business (food and drink, retail) and market towns across the district            | Cllr Thomson   | Dec 24        |           |
| 5   | Support employment and skills projects and plans                                                      | Cllr Thompson  | Mar 25        |           |
| 6   | Develop a Sustainable Tourism Tactical Plan                                                           | Cllr Thompson  | Mar 25        |           |
| 7   | Develop and deliver a programme of Jane Austen 2025 PR and marketing                                  | Cllr Thomson   | Jan 25        |           |
| 8   | Support local investment through both the UK Shared Prosperity and Rural Prosperity Funding programme | Cllr Thompson  | Mar 25        |           |
| 9   | Deliver the Green Economic Development Strategy Action Plan 2024 - 2027                               | Cllr Thompson  | Mar 25        |           |
| 10  | Deliver Digital Growth Factory (UK Shared Prosperity 24/25 funded project)                            | Cllr Thompson  | Mar 25        |           |
| 11  | Explore future uses of the Guildhall and Abbey House                                                  | Cllr Tod       | Spring 25     |           |
| 12  | Review of Concessionary Rental Policy                                                                 | Cllr Tod       | Jan 24        | Completed |
| 13  | Implementation of a new Business Rates exemption and relief to support green technologies.            | Cllr Cutler    | Mar 24        | Completed |

**Measuring our progress**

| Long range trackers (Annual) |                                                                            |                       |               |       |       |       |       |              |
|------------------------------|----------------------------------------------------------------------------|-----------------------|---------------|-------|-------|-------|-------|--------------|
| No.                          | Performance measure                                                        | Cabinet member (Cllr) | Lead Director | 20/21 | 21/22 | 22/23 | 23/24 | Target 24/25 |
| VLE1                         | % of economically active people in employment (aged 16-64 - source: NOMIS) | Thompson              | Dawn Adey     | 77.4% | 83.7% | 75.1% | 81.5% | Measure only |
| VLE2                         | Business counts (micro, small, medium, large – source: NOMIS)              | Thompson              | Dawn Adey     | 8,035 | 8,110 | 8,165 | 8,225 | Measure only |

| Practical real-time measures (Quarterly) |                                                                                      |                       |               |            |            |            |            |            |              |        |
|------------------------------------------|--------------------------------------------------------------------------------------|-----------------------|---------------|------------|------------|------------|------------|------------|--------------|--------|
| No.                                      | Performance measure                                                                  | Cabinet member (Cllr) | Lead Director | Q2 - 23/24 | Q3 - 23/24 | Q4 - 23/24 | Q1 - 24/25 | Q2 - 24/25 | Target 24/25 | Status |
| VLE3                                     | % of WCC revenue spend with local suppliers                                          | Cutler                | Dawn Adey     | 23.43%     | 22.28%     | 31.18%     | 22.00%     | 22.00%     | 25%          |        |
| VLE4                                     | % residents claiming out-of-work benefits <sup>6</sup>                               | Thompson              | Dawn Adey     | 2.00%      | 2.00%      | 2.00%      | 2.10%      | 2.30%      | Measure only | n/a    |
| VLE5                                     | City centre high street footfall – total number of unique visitor count <sup>7</sup> | Thompson              | Dawn Adey     | 678,425    | 688,909    | 468,438    | 429,807    | 402,943    | Measure only | n/a    |

Comments from CHOS on quarter where status is amber or red:

**VLE3:** 95% of the local revenue spend is with SME's, however, 25% of spend with SME's located outside of Hampshire is attributed to agency staff.

Footnotes:

<sup>6</sup> Data provided by ONS – “CC01 Regional labour market: Claimant Count by unitary and local authority”. Published 17<sup>th</sup> of the month.

<sup>7</sup> Provided by the Winchester BID Place Informatic reports – Please note: From April 24, the calculation method and algorithms in their datasets used in their dashboard have been revised to be more robust, so the 24/25 data will be at lower volumes than for 23/24.

## **Section 5 Your Services. Your Voice**

### Delivery highlights – July to September 2024

- Consultation opened on the proposed submission of the Local Plan Regulation 19 running until 13 October, which included several drop-in sessions for residents held during September across the district.
- The introduction of a revised quarterly Finance and Performance report that saw a refocus of performance management information in a streamlined format received positive feedback when considered by Scrutiny Committee on 4 September.
- Completion of the 2024 Residents' and Young Persons' Survey which saw over 1,600 residents' and 500 young people aged between 18 and 24 from across the district take part.
- The council welcomed the Local Government Association (LGA) Peer Challenge team in July to review how the council operates and provide feedback and recommendations for areas of improvement. The Peer Challenge team recognised that the council is a well-respected and high performing council, delivering for residents and partners. The Feedback report and Action Plan will be considered by Cabinet on 15 October.
- The council published the results from its third annual employee attitude survey which showed overall positive results that included over 80% of employees enjoy their work at the council.
- In support of the development of the Council Plan 2025-2030, engagement events with members, staff, partners and the voluntary sector were held during September providing valuable feedback for consideration in the new Plan.
- The EDI Forum met on 16 September with members discussing and agreeing the priority areas for the next year and the work programme for upcoming meetings.
- As part of the digital transformation plans of TC25, the first Digital Dispatch newsletter designed to keep council staff and Members informed on all things digital was released to all staff and via DSU.

**Transformation Challenge (TC25)**

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                 |                                  |                         |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|----------------------------------|-------------------------|
| <b>Lead Cabinet Member:</b> Cllr Neil Cutler                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                 | <b>Project Sponsor:</b> Liz Keys |                         |
| <b>Programme RAG status</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <b>Timeline</b> | <b>Budget</b>                    | <b>Budget Reduction</b> |
| <p><b>RAG Status Update</b></p> <p>Progress has been achieved with circa £800k of the £3m target reduced from the baseline budget to date, as a result of TC25. Not unexpectedly, as we move further into the programme realising savings becomes more challenging which is reflected in the budget reduction RAG status. We also know from the MTFs that the budget gap is becoming bigger and the challenge greater. In response to this, planning for the next phase of savings, including the HRA is underway but delivery of the existing TC25 programme remains critical.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                 |                                  |                         |
| <p><b>Progress achieved during the last quarter:</b></p> <ul style="list-style-type: none"> <li>• Total budget reductions in the region of £800k achieved to date with the following achieved this quarter.</li> <li>• SIAP Service Level Agreement re-negotiated generating a £5k p.a. budget reduction.</li> <li>• City Lets Rent Deposit Scheme reviewed resulting in a £23k budget reduction.</li> <li>• City Centre Wi-Fi - contract reviewed and not renewed resulting in a £9.5k p.a. budget reduction.</li> <li>• Decision to utilise in-cab technology rather than garden waste stickers in 25/26 resulting in a budget reduction of circa £20k p.a.</li> <li>• New framework agreement for Tree Maintenance tendered and awarded resulting in costs avoidance.</li> <li>• Pest control service - scope and capacity reviewed and full cost recovery implemented.</li> <li>• Bus Shelters - HCC has taken back responsibility for the clear channel shelters which has removed our liability but no direct saving at this stage.</li> </ul> <p>In addition, TC25 measures have led to at least £173k of cost avoidance.</p> |                 |                                  |                         |
| <p><b>Actions for the next quarter:</b></p> <ul style="list-style-type: none"> <li>• City Offices and Guildhall cleaning contract - tender to be issued based on reviewed cleaning specification.</li> <li>• Change to reception opening hours to be undertaken to enable peak availability for phones and email responses at beginning and end of day.</li> <li>• Cash and back-office systems (Parking) – phase 1 underway with new machines and systems being installed.</li> <li>• Strategic review of parking management - inflationary tariff increases to commence 1 October.</li> <li>• Winchester City Bus Shelters – review of maintenance and advertising arrangements</li> <li>• A review of Emergency planning annual SLA with Hampshire County Council - Detailed analysis of services provided by HCC under terms of SLA now completed and expected these can be met from within existing resources. Briefing paper for ELB being prepared for consideration by end of Q3.</li> </ul>                                                                                                                                 |                 |                                  |                         |

**Your Services. Your Voice - Progress against actions in business plans**

| Ref | Project                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Cabinet Member | Delivery Date | Status          |
|-----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|---------------|-----------------|
| 1   | Undertake a district wide Residents' and Young Persons' survey                                                                                                                                                                                                                                                                                                                                                                                             | Cllr Becker    | Aug 24        | <b>Complete</b> |
| 2   | Development of a corporate digital strategy that drives innovation across the council                                                                                                                                                                                                                                                                                                                                                                      | Cllr Cutler    | Sep-24        | In progress     |
| 3   | Modernise the contact channels our residents and businesses use to contact and do business with the council to improve the customer journey                                                                                                                                                                                                                                                                                                                | Cllr Cutler    | 2025          |                 |
| 4   | Adoption of a Council Plan 2025-30 that is fit for the future                                                                                                                                                                                                                                                                                                                                                                                              | Cllr Tod       | Jan 25        |                 |
| 5   | Review and improve our approach to consultation and engagement, by adopting a new Consultation and Engagement Policy and Charter                                                                                                                                                                                                                                                                                                                           | Cllr Becker    | Dec 24        |                 |
| 6   | Further promotion of self-serve and digital services including the increased take-up of electronic billing (rollout of "Digital by Default") and notifications for Council Tax, Business Rates and Housing Benefits services, and the further roll out of SMS for the issue of electronic payment alerts and reminders. This will lead to more efficient process and a reduce in printing and postage costs with the additional benefit of reduced carbon. | Cllr Cutler    | 2025/26       |                 |
| 7   | Review our complaints policy and processes and demonstrate learning from complaints to drive service improvements                                                                                                                                                                                                                                                                                                                                          | Cllr Cutler    | Jun 25        |                 |
| 8   | Establish and introduce new tenant/leaseholder engagement programme                                                                                                                                                                                                                                                                                                                                                                                        | Cllr Westwood  | May 24        | <b>Complete</b> |
| 9   | Deliver customer focussed digital transformation of housing services                                                                                                                                                                                                                                                                                                                                                                                       | Cllr Westwood  | Mar 26        |                 |
| 10  | Install improvements to the audio/visual systems for public facing meetings                                                                                                                                                                                                                                                                                                                                                                                | Cllr Cutler    | Apr 24        | <b>Complete</b> |
| 11  | Increase subscription take up to the Your Council News email newsletter                                                                                                                                                                                                                                                                                                                                                                                    | Cllr Tod       | Jun 24        | <b>Complete</b> |

**Red/Amber status**

2. Digital Vision and Strategy in progress to be presented to the Programme Board in November.

## Measuring our progress

| Long range trackers (Annual) |                                                                                                   |                       |               |           |              |           |                   |             |        |
|------------------------------|---------------------------------------------------------------------------------------------------|-----------------------|---------------|-----------|--------------|-----------|-------------------|-------------|--------|
| No.                          | Performance measure                                                                               | Cabinet member (Cllr) | Lead Director | 2021      | 2022         | 2023      | 2024              | Target 2024 | Status |
| YSYV1                        | Residents' satisfaction with the way the council runs things (Residents' Survey)                  | Becker                | Laura Taylor  | No survey | 75% (SE 62%) | No survey | Not yet available | 79%         | n/a    |
| YSYV2                        | % of Residents' Survey respondents that feel the council involves residents when making decisions | Becker                | Laura Taylor  | No survey | 58%          | No survey | Not yet available | 60%         | n/a    |

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| Practical real-time measures (Quarterly) |                                                                                                                                |                       |               |            |            |            |             |            |              |        |
|------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|-----------------------|---------------|------------|------------|------------|-------------|------------|--------------|--------|
| No.                                      | Performance measure                                                                                                            | Cabinet member (Cllr) | Lead Director | Q2 - 23/24 | Q3 - 23/24 | Q4 - 23/24 | Q1 - 24/25  | Q2 - 24/25 | Target 24/25 | Status |
| YSYV3                                    | % complaints responded to within 10 working days                                                                               | Becker                | Liz Keys      | 62%        | 71%        | 79%        | 79%         | 92%        | 90%          |        |
| YSYV4                                    | % of upheld and partially upheld complaints                                                                                    | Becker                | Liz Keys      | 58%        | 63%        | 68%        | 47%         | 48%        | Measure only | n/a    |
| YSYV5                                    | Number of residents digitally interacting with the council (number of online reports submitted through online forms platforms) | Becker                | Liz Keys      | 9,429      | 4,972      | 15,513     | 8,837       | 7,294      | 42,000       |        |
| YSYV6                                    | Number of respondents to consultations                                                                                         | Becker                | Laura Taylor  | 734        | 9,672      | 1,182      | 1,182       | 540        | Measure only | n/a    |
| YSYV7                                    | % of major planning applications decided within time or agreed extension (WCC / SDNP)                                          | Porter                | Dawn Adey     | 100% / ~   | 78% / ~    | 100% / ~   | 100% / 100% | 100% / ~   | 80%          |        |
| YSYV8                                    | % of non-major planning applications decided within time or agreed extension (WCC / SDNP)                                      | Porter                | Dawn Adey     | 93% / 82%  | 95% / 81%  | 96% / 94%  | 97% / 86%   | 93% / 81%  | 80%          |        |

## **Section 6 Regeneration and Growth**

### **Bar End Depot**

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                 |                                                 |  |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|-------------------------------------------------|--|
| <b>Lead Cabinet Member:</b> Cllr Martin Tod                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                 | <b>Project Sponsor:</b> Dawn Adey/ Simon Hendey |  |
| <b>Programme RAG status</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <b>Timeline</b> | <b>Budget</b>                                   |  |
| <b>Progress achieved during the last quarter:</b> <ul style="list-style-type: none"><li>Cabinet paper on the Bar End Depot Disposal scheduled for meeting of Cabinet on 15 October.</li></ul>                                                                                                                                                                                                                                                                                                                                   |                 |                                                 |  |
| <b>Actions for the next quarter:</b> <ul style="list-style-type: none"><li>Officers to attend Scrutiny Committee on 14 October with draft cabinet report for comment on the proposals.</li><li>Officers to attend Cabinet on 15 October to present CAB3447 (Bar End Depot Disposal) for approval of conditional freehold sale contract (subject to planning) with McCarthy &amp; Stone Retirement Lifestyles Limited on the terms set out in the exempt heads of terms.</li><li>Exchange contracts if decision agreed</li></ul> |                 |                                                 |  |

## Central Winchester Regeneration (CWR)

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                 |                                              |  |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|----------------------------------------------|--|
| <b>Lead Cabinet Member:</b> Cllr Martin Tod                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                 | <b>Project Sponsor:</b> Dawn Adey/Ken Baikie |  |
| <b>Programme RAG status</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <b>Timeline</b> | <b>Budget</b>                                |  |
| <b>Progress achieved during the last quarter:</b> <ul style="list-style-type: none"><li>• The main work has now been completed at the new Friarsgate Park, and the space was open to the public at the beginning of July. A six week community lead archaeological dig took place which included two open day events, seeing over 100 attendees.</li><li>• Jigsaw and the project team have continued to work on and pull together documents that will make up the Development Delivery Plan (DDP). All documents have now been reviewed by CHoS and feedback has been passed across to the Jigsaw team.</li><li>• A report detailing the outputs from the co-creation sessions have been shared with the council and are due to be presented at the next Cabinet Committee Regeneration.</li></ul> |                 |                                              |  |
| <b>Actions for the next quarter:</b> <ul style="list-style-type: none"><li>• Cabinet Committee Regeneration will take place on 15 October, where an update will be given on Friarsgate Park, and the outcomes of co-creation will be presented by Jigsaw.</li><li>• Work will continue on the DDP working towards the document coming forward to cabinet in December.</li></ul>                                                                                                                                                                                                                                                                                                                                                                                                                     |                 |                                              |  |

**Local Plan**

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                 |                                   |  |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|-----------------------------------|--|
| <b>Lead Cabinet Member:</b> Cllr Jackie Porter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                 | <b>Project Sponsor:</b> Dawn Adey |  |
| <b>Programme RAG status</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <b>Timeline</b> | <b>Budget</b>                     |  |
| <b>Progress achieved during the last quarter:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                 |                                   |  |
| <ul style="list-style-type: none"><li>• Analysis of the representations from the Regulation 18 Local Plan consultation have been finalised.</li><li>• The draft Local Plan Topic Papers have been completed and are available on the Local Plan website.</li><li>• Officers have finalised the Local Plan Evidence Base which is available on the Local Plan website.</li><li>• Integrated Impact Assessment, Habitats Regulation Assessment, Statement of Common Grounds, Statement of Compliance are also available on the Local Plan website.</li><li>• Officers attended Scrutiny Committee on 29 July, Cabinet 19 August and Full Council on 28 August to agree the Regulation 19 Local Plan.</li><li>• A six week public consultation on the Regulation 19 Local Plan commenced on the 29 August and is due to conclude on 13 October.</li></ul>                                                                                                                                                                                                                                                                                                                                                                                                                    |                 |                                   |  |
| <b>Actions for the next quarter:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                 |                                   |  |
| <ul style="list-style-type: none"><li>• Continue to publicise and attend drop in events at Winchester, Wickham and Sutton Scotney as part of the six-week public consultation Local Plan.</li><li>• Prepare all the material that is needed to enable the Local Plan to be submitted for examination.</li><li>• Engage with neighbouring Local Planning Authorities and statutory agencies prior to them submitting their representations.</li><li>• Continue to liaise with PINS regarding the submission requirements and the timing of the submission.</li><li>• Ensure that any representations that are submitted via email are entered onto Citizen Space.</li><li>• Update any of the Topic Papers / Statement of Common Grounds as appropriate.</li><li>• Appoint a Programme Officer.</li><li>• Ensure that the Local Plan Examination website is populated with all of the information that is required by PINS.</li><li>• Analyse material that has been provided by site owners on Biodiversity Net Gain.</li><li>• Work with Alresford Town Council on their Neighbourhood Plan which is heading towards the first formal engagement stage (this will identify site allocations to meet the housing requirements in the Regulation 19 Local Plan).</li></ul> |                 |                                   |  |

**Station Approach**

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                 |                                               |  |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|-----------------------------------------------|--|
| <b>Lead Cabinet Member:</b> Cllr Martin Tod                                                                                                                                                                                                                                                                                                                                                                                                                          |                 | <b>Project Sponsor:</b> Dawn Adey/ Ken Baikie |  |
| <b>Programme RAG status</b>                                                                                                                                                                                                                                                                                                                                                                                                                                          | <b>Timeline</b> | <b>Budget</b>                                 |  |
| <b>Progress achieved during the last quarter:</b>                                                                                                                                                                                                                                                                                                                                                                                                                    |                 |                                               |  |
| <u>Concept Master Plan and public consultation:</u>                                                                                                                                                                                                                                                                                                                                                                                                                  |                 |                                               |  |
| Due to the announcement of the general election, the consultation period was delayed until 16 September and will run for six weeks until the 27 October.                                                                                                                                                                                                                                                                                                             |                 |                                               |  |
| Over the last three months the project team have finalised the draft concept master plan and launched the public consultation. On the 5 September, a members briefing was held, allowing for members to view the boards and share and comments or questions with the project team. Other activity that has taken place includes:                                                                                                                                     |                 |                                               |  |
| <ul style="list-style-type: none"><li>• Letter drops to local residents.</li><li>• Email sent to key stakeholders &amp; local parish.</li><li>• Social media paid promotion.</li><li>• Social media organic posts</li><li>• Pop up event held on 24 September handing leaflets out at the Station.</li></ul>                                                                                                                                                         |                 |                                               |  |
| The draft concept masterplan is available via the councils website ( <a href="#">Station Approach</a> )                                                                                                                                                                                                                                                                                                                                                              |                 |                                               |  |
| <b>Actions for the next quarter:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                 |                 |                                               |  |
| 5 October                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                 | Pop up event                                  |  |
| 9 October                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                 | Online Q&A session                            |  |
| 10 October                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                 | LPA workshop                                  |  |
| 19 October                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                 | Drop-in session at Design Engine              |  |
| 27 October                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                 | End of consultation                           |  |
| 27 October – January 2025                                                                                                                                                                                                                                                                                                                                                                                                                                            |                 | Finalise concept masterplan                   |  |
| <ul style="list-style-type: none"><li>• Cabinet Committee Regeneration will take place on 15 October, where an update will be given on the Concept Masterplan public consultation along with a presentation of the draft Concept Master Plan by Design Engine.</li><li>• The consultation period will end on 27 October where all responses will be analysed and taken into consideration. Work will then begin on producing the final concept masterplan.</li></ul> |                 |                                               |  |

## Winchester Movement Strategy

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                 |                                      |  |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|--------------------------------------|--|
| <b>Lead Cabinet Member:</b> Cllr Kelsie Learney                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                 | <b>Project Sponsor:</b> Simon Hendey |  |
| <b>Programme RAG status</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <b>Timeline</b> | <b>Budget</b>                        |  |
| <b>RAG Status Update.</b> <p>Current WMS schemes progressing, delays have occurred with the LCWIPs and the micron-consolidation trial, but these are now progressing.</p> <p>Additional CIL funding towards transport schemes being developed through the WMS will be requested and this will help to a certain extent but the current lack of central Government active travel / public transport funding limits what can be achieved at the moment. This means that, in effect, the delivery of the overall strategy will take longer, and the timescales associated are uncertain as this is dependent upon future Government funding sources.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                           |                 |                                      |  |
| <b>Progress achieved during the last quarter:</b> <ul style="list-style-type: none"><li>• The co-design workshops were undertaken, and the draft Co-Design Report based on the feedback from the workshops for the Fulflood Liveable Neighbourhood Pilot scheme was shared by HCC Engagement Team for review.</li><li>• Work with Solent Transport continued finalising details on a micro consolidation (delivery hub) trial in the city centre. The planning application for the change in use of car parking bays in Friarsgate car park was submitted.</li><li>• The draft district Local Cycling and Walking Infrastructure Plan was finalised based on the public consultation responses.</li><li>• The walking and cycling audits for the City Local Cycling and Walking Infrastructure Plan were undertaken and written up for comment.</li><li>• Design elements of the Phase 1 Worthy Lane walking and cycling improvements were finalised, the scheme was approved in HCC’s September Decision Day and the Dedication of Land legal process between WCC and HCC commenced.</li></ul> |                 |                                      |  |
| <b>Actions for the next quarter:</b> <ul style="list-style-type: none"><li>• HCC to publish the Co-Design Report for the Fulflood Liveable Neighbourhood scheme and will arrange an officer workshop to agree the next steps.</li><li>• Solent Transport will continue to liaise with WCC on the licence / contract for the trial. Should the planning application get approval, an operator for the trial will be secured and the site will be prepared for operation in Jan 2025.</li><li>• The district Local Cycling and Walking Infrastructure Plan will be included in HCC’s December Decision Day for adoption.</li><li>• The draft City Local Cycling and Walking Infrastructure Plan will be prepared ready for the public consultation.</li><li>• The Phase 1 scheme of the walking and cycling improvements on Worthy Road are due to commence on site 21 October. The Dedication of Land and Licence to Work is be signed off by WCC and HCC. HCC will undertake the comms to all stakeholders for the scheme.</li></ul>                                                            |                 |                                      |  |

## **FINANCE REPORT**

### **Section 7 - Financial Position**

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

#### **General Fund Revenue**

##### **Summary**

1. A balanced 2024/25 budget was set by Council in February 2024 (CAB3444 refers).
2. Inflation has steadily reduced since the budget was set in February to 2.2% in August (CPI). Whilst this reduction is not expected to have a material impact on 2024/25 forecasts, if inflation were to remain at current levels, then this would result in a positive impact from 2025/26 onwards.
3. Retained Business Rates – the final outturn for 2023/24 (NNDR3 return) resulted in an end of year surplus of £3.7m, with Winchester receiving a share of £1.5m. This £1.5m surplus will be distributed over 2024/25 (£1.06m) and 2025/26 (£0.44m). The cause of this variance is a significant reduction in the provision for appeals now that the 2017 rating appeals have all been determined. Whilst these decisions are incorporated into estimates from 2024/25 the forecasting of appeals remains a highly complex process, often with little information to go on, and so it is likely that further releases will take place.
4. Income forecasts
  - i) Planning Fees- £0.2m adverse in Q2. Despite government set fee increases, volume has further reduced in 2024/25 leading to an adverse budget variance. Work is ongoing to re-forecast income for the full year, particularly large applications which make up a large proportion of total income.
  - ii) Garden Waste Income – a further £0.03m is now expected in 2024/25 due to continued increase in usage of the scheme.
  - iii) Car Parking - £0.1m favourable full year forecast. Income in 2024/25 has been higher than expected due to higher usage levels across central car parks.
5. A baseline budget growth of £0.4m was approved from 2023/24 in relation to increased energy costs at Winchester Sport and Leisure Park. The 2023/24 energy benchmarking resulted in a net payment of £0.36m to Everyone Active but early indications are that this could significantly reduce from 2024/25, by around £0.3m compared to budget.
6. Homelessness Prevention budgets are under review in order to determine medium-term forecast additional costs relating to B&B accommodation. An

additional £0.03m of expenditure is forecast in 2024/25 and rising to around £0.3m per annum in future years.

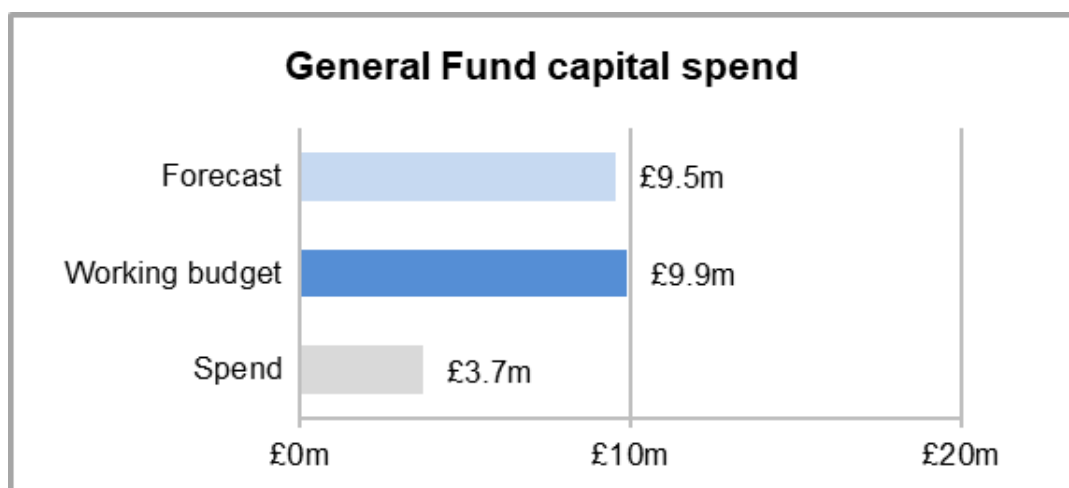
7. The above updated forecasts give a total forecast 2024/25 favourable budget variance of £0.20m relating to net service expenditure, plus £1.06m relating to retained business rates. These estimates will be considered as part of the 2025/26 budget process in order to determine whether any ongoing impact is expected.

#### General Fund Budget Forecast 2024/25

|                                       | <b>Budget</b>   | <b>Forecast</b> | <b>Variance<br/>FAV/(ADV)</b> |
|---------------------------------------|-----------------|-----------------|-------------------------------|
|                                       | £'000           | £'000           | £'000                         |
| Environment                           | 7,256           | 7,326           | (70)                          |
| Living Well                           | 3,984           | 3,684           | 300                           |
| Homes for All                         | 2,512           | 2,542           | (30)                          |
| Vibrant Local Economy                 | 991             | 991             |                               |
| Your Services. Your Voice             | 7,269           | 7,269           |                               |
|                                       |                 |                 |                               |
| <b>TOTAL before funding</b>           | <b>22,012</b>   | <b>21,812</b>   | <b>200</b>                    |
|                                       |                 |                 |                               |
| <b>TOTAL funding</b>                  | <b>(22,012)</b> | <b>(23,072)</b> | <b>1,060</b>                  |
| <b>FORECAST BUDGET<br/>UNDERSPEND</b> |                 |                 | <b>1,260</b>                  |

## General Fund Capital

1. General Fund capital expenditure to the end of September was £3.7m most of which relates to the following projects: WCFC all-weather 3G pitch (£1.26m), Disabled Facilities grants (£0.96m), KGV Pavilion (£0.25m), Friarsgate Park (£0.21m), Car Parks (£0.17m), CIL funded community projects (£0.16m), and Venta Living housing company purchase of share capital (£0.15m). There have also been small amounts of expenditure on several other projects.
2. Capital budgets for 2024/25 were revised for brought forward balances and other changes, such as reforecasting, as part of the General Fund 2023/24 outturn reported to September cabinet (CAB3464 refers), and this is reflected in the working budget below. Due to the nature of capital expenditure, there is always a risk of programme slippage particularly in respect of projects that have yet to commence.
3. The full year budget and forecast below excludes £4m in respect of the Strategic Asset Purchase scheme (SAPS). This budget will only be spent if suitable assets are identified. There have been no SAPS purchases to date in 2024/25.



4. Key items of expenditure in Q1-Q2 2024/25:

• **King George V (KGV) Pavilion** *Total Budget: £3.3m*

*Exp: Prior years £3.09m      Q1-Q2 £0.25m      Total £3.34m*

Work on the new pavilion has been completed and it was officially opened on 1 August although users have been able to enjoy its facilities since June. It is now in the final account stage. It replaces two out-dated, underused, and inaccessible pavilions with a single larger, accessible, modern facility designed with sustainability and carbon saving measures. The new pavilion will benefit communities across the city and district and looks to support the development of 'grass roots' football, with a particular focus on women's, girls,' and youth football.

• **WCFC all-weather 3G pitch** *Total Budget: £1.466m*

*Exp: Prior years £0                      Q1-Q2 £1.26m                      Total £1.26m*

Following a successful grant application which will fund almost 90% of the project costs, work has started on the installation of a 3G artificial turf pitch at the Winchester City Football Club alongside some stadium improvements. The project will deliver on aims and commitments such as reduced health inequalities, a wide range of physical and cultural activities for all ages and abilities and supporting communities to extend the range of sports and cultural facilities across the district. In addition to providing opportunities to host inter-school tournaments and skills workshops for under 16s, older adults, and disability football, the new facilities will offer new opportunities for female coaches and players through the involvement of Winchester City Flyers FC.

• **Disabled Facilities Grants** *Total Budget: £1.23m*

*Expenditure:    recurring annually                      Q1-Q2 £0.96m*

During the period 1 April to 30 September £955,000 of grants were paid over.

Such grants enable residents of private and/or social housing who are disabled or have a mobility or other limiting condition to apply for adaptations to be undertaken in their home. Adaptations can include the installation of stair lifts, level access showers, kitchen adaptations or ramping etc. and enable residents to remain in their homes rather than having to move, go into hospital, or into residential care.

• **59 Colebrook St.** *Total Budget: £0.61m*

*Exp: Prior years £0.003m                      Q1-Q2 £0.108m                      Total £0.111m*

The refurbishment and conversion of 59 Colebrook Street for shared accommodation is underway. Around 75% of the budget is funded from external grants and initially the property will be used to house those from the Ukrainian Resettlement scheme.

• **Housing Company** *Total Budget: £0.15m*

*Exp: Prior years £0                      Q1 £0.15m                      Total £0.15m*

£150,000 has been spent on the purchase of share capital in the council's wholly owned subsidiary, Venta Living. This is based on a leasing model whereby the council's HRA has leased a total of 41 flats recently completed as part of the HRA new build programme. It enables the council to provide alternative tenure and support those who may be unable to easily access the private sector rental market.

**Housing Revenue Account**

| <b>Housing Revenue Account Budget Forecast 2024/25 (£000)</b> | <b>Expenditure</b> | <b>Income</b> | <b>NET</b>    |
|---------------------------------------------------------------|--------------------|---------------|---------------|
| Housing Management - General                                  | 7,575              | -172          | 7,403         |
| Housing Management - Special                                  | 4,139              | -2,162        | 1,977         |
| Repairs & Repairs administration                              | 9,801              | -87           | 9,713         |
| Debt management & interest income                             | 5,624              | 0             | 5,624         |
| Contribution to Major Repairs costs (Depreciation)            | 10,216             | 0             | 10,216        |
|                                                               |                    |               |               |
| <b>TOTAL</b>                                                  | <b>37,355</b>      | <b>-2,421</b> | <b>34,934</b> |
|                                                               |                    |               |               |
| Rent, Service Charges & Other income                          |                    |               | -34,471       |
|                                                               |                    |               |               |
| <b>FORECAST BUDGET OVERSPEND</b>                              |                    |               | <b>463</b>    |
| <b>AGREED BUDGET OVERSPEND</b>                                |                    |               | <b>1,706</b>  |
|                                                               |                    |               |               |
| Forecast movement:                                            |                    |               | -1,243        |
| Of which (net):                                               |                    |               |               |
| Baseline                                                      |                    |               | 1,593         |
| One-off                                                       |                    |               | -2,836        |

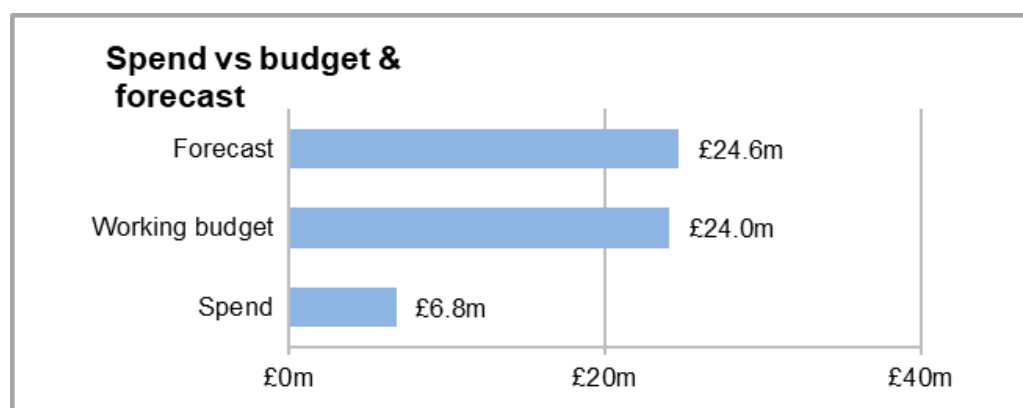
Housing Revenue Account summary

1. A deficit 2024/25 HRA budget of £1.7m was set by Council in February 2024 (CAB3445 refers).
2. The current end of year forecast is an overall deficit of £0.46m. This currently excludes the impact of capitalising the extension of time claim at Winnall Flats following agreement in June, to give a clear picture of the underlying financial performance of the HRA. The key movements in the forecast are as follows:
  - i) The Outturn report CAB3445 outlines a significant overspend on repairs & maintenance costs, which is a result of a combination of increases in the volume of works being undertaken, and increased costs due to materials inflation. This continued into the 2024/25 financial year, with materials costs remaining at a high level. This is driving a forecast adverse variance on cyclical and voids costs of £1m. Measures to address the high cost of maintenance works, including prioritisation of work, recharge policy etc are currently being reviewed.
  - ii) Budgeted depreciation for HRA assets is an estimate based on prior year data, adjusted for inflation. Actual depreciation is affected by several factors such as the annual valuation of the council's housing stock and underlying component costs: therefore, varying from forecast. The budgeted depreciation for 2024/25 was based on the 2022/23 data available at the time of budget setting. Levels of actual depreciation for 2023/24 indicate that the budget for 2024/25 may be insufficient, so an adverse variance of £0.24m is currently forecast.

- iii) The budgeted cost of external interest is currently £8.1m, which is sufficient to fund all current borrowing at 5%. The capital forecast indicates that a significant proportion of the unallocated new build budget will not be spent in this financial year, which will allow current unfinanced debt to continue to be internally borrowed, generating a one-off favourable variance of £2.1m in 2024/25.
- iv) The HRA budget approved by Council included budget savings of £0.4m to be achieved by 2024/25. The business plan set in February 2024 included £0.2m of identified savings, with a further £0.2m to be identified during the 2024/25 financial year. This has been achieved through staff restructuring during the first quarter of 2024/25 and is reflected as a favourable variance of £0.2m in the forecast.
- v) The HRA is recharged by the General Fund for support services provided by the GF to the HRA, for example, HR, IT etc. The outturn in 2023/24 against budgeted recharges was approximately £0.15m, which is expected to repeat in 2024/25 creating an adverse variance of £0.15m. This has been accounted for in the HRA business plan 2024/25.
- vi) The council has a number of disrepair claims outstanding. It is proposed to set up provision against the current value of claims, which will create a one-off adverse variance of £0.13m. If claims are successfully defended, the provision will be returned to the HRA working balance. The process for dealing with disrepair claims has been revised to ensure claims are managed effectively in future.
- vii) In addition to the planned restructuring savings, there was a high level of vacancies in the first half of 2024/25. Most of these posts have now been recruited, however, the anticipated one-off vacancy saving arising is forecast at £0.36m.
- viii) Leaseholder charges were calculated in September. The recovery of income was £0.15m over the budget estimate, which was largely driven by increasing costs of repairs.

Housing Revenue Account Capital Spend

1. Housing capital expenditure to the end of September was £6.794m, of which:
  - £1.924m was on major works.
  - £0.145m improvements & upgrades.
  - £3.301m on the New Build programme; and
  - £1.424m on other schemes.
2. Capital budgets for 2024/25 have been revised for carried forward balances and other changes following the approval of the HRA outturn report (report CAB3465). Due to the nature of capital expenditure, there is always a risk of programme slippage, particularly in respect of the unallocated new builds budget that is largely pending decisions to proceed with specific projects.



3. Key items of expenditure in Q1 2024/25 includes:

- **Major repairs**

*Total Budget £7.182m*

*Exp: Recurring Annually*

*Q2 £1.924m*

The major repairs programme reflects the planned major repairs to the council's housing stock, and includes investment in doors, windows, wall structures, kitchens and bathrooms, roofing and other similar major works. Although expenditure against the budget is comparatively low as at the end of quarter 2, contracts were set up over the course of the summer, and therefore the expectation is that spend will increase over the final two quarters.

- **Climate Emergency**

*Total Budget £6.402m*

*Exp: Recurring annually*

*Q2: £0.806m*

The agreed HRA Business plan agreed a £45m investment into energy efficiency measures across the housing stock over the next 8 years, and includes expenditure on insulation and ventilation measures, and significant energy investment measures at the Swiss Cottages. The current programme for 2024/25 is anticipated at £5.47m, the increase a result of final tender costs and high cost works to non-traditional

properties, with a further cost of work commencing in 2023/24 and completing in 2024/25 totalling £1m.

- **Improvements & Upgrades**

*Total budget £0.688m*

*Exp: Recurring Annually*

*Q2 £0.145m*

The budget for improvements and upgrades relates specifically to Sheltered Housing upgrades and Estates improvements. The Estates improvements programme expected spend for 2024/25 is £0.35m, against budget of £0.53m. Carry forward from prior years is proposed to be slipped to future years within the HRA business plan to facilitate future works.

**New build:**

- **Nutrient Mitigation**

*Total budget £0.4m*

*Exp: Prior years – None*

*Q2: £0*

At its July meeting, Cabinet agreed to proceed with £0.4m projects in 2024/25. The forecast has been amended to £0.4m to reflect this decision. Detailed work on developing the approach to implementation has already commenced with a detailed programme likely to be developed in Q3 2024/25, following which the capital budget will be profiled accordingly.

- **Winnall flats**

*Total budget £19.5m*

*Exp Prior years: £16.873m*

*Q2: £0.861m*

*Total £17.734m*

The development at Winnall is expected to be handed over in 2024/25, with a forecast overall cost of £19.9m. Overall costs to be incurred in 2024/25 is expected to be £2.9m, and budget carry forward of £2.1m from 2024/25 has been agreed in September.

- **Southbrook Cottages**

*Total budget £1.99m*

*Exp Prior years: £1.86m*

*Q2: £0.274m*

*Total £2.504m*

The development of six Passivhaus units at Southbrook Cottages is due to complete in 2024/25. There is cost overrun on the scheme, partly as a result of rectification works required to the properties and partly due to cost overrun. A fuller report on the scheme will be brought to Scrutiny Committee in due course.

- **Local Authority Housing Fund**

*Total budget: £12.145m*

*Exp: Prior years £10.306m*

*Q2 £0.499m*

*Total £10.805m*

The Local Authority Housing fund is specific government grant funding awarded to the council to support the resettlement of Ukrainian refugees via acquisition or new build of properties. The council agreed to acquire a number of properties into the HRA in 2023/24, of which at the 2023/24 year end a small number of properties were still awaiting final completion. These properties completed during July and are now undergoing refurbishment works where necessary.

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**WINCHESTER CITY COUNCIL – THE SCRUTINY COMMITTEE WORK PROGRAMME**

|                          | Item                                                         | Lead Officer     | Date for Scrutiny | Date for Cabinet |
|--------------------------|--------------------------------------------------------------|------------------|-------------------|------------------|
| Meeting 12 November 2024 |                                                              |                  |                   |                  |
| 1                        | Procurement of HRA Repairs and Maintenance Term Contract     | Gillian Knight   | 12 Nov 2024       | 20 Nov 2024      |
| 2                        | Acquisition of affordable homes at Kings Barton, Winchester  | Caroline Egan    | 12 Nov 2024       | 20 Nov 2024      |
| 3                        | General Fund Budget Options & Medium Term Financial Strategy | Liz Keys         | 12 Nov 2024       | 20 Nov 2024      |
| 4                        | HRA business plan & budget options                           | Simon Hendey     | 12 Nov 2024       | 20 Nov 2024      |
| 5                        | Q2 Finance & Performance Monitoring                          | Simon Howson     | 12 Nov 2024       | 20 Nov 2024      |
| Meeting 4 February 2025  |                                                              |                  |                   |                  |
| 6                        | Housing Revenue Account budget 2025/26                       | Liz Keys         | 4 Feb 2025        | 12 Feb 2025      |
| 7                        | General Fund budget 2025/26                                  | Liz Keys         | 4 Feb 2025        | 12 Feb 2025      |
| 8                        | Capital investment Strategy 2025 - 2035                      | Liz Keys         | 4 Feb 2025        | 12 Feb 2025      |
| 9                        | Treasury Management Strategy 2024/25                         | Liz Keys         | 4 Feb 2025        | 12 Feb 2025      |
| Meeting 5 March 2025     |                                                              |                  |                   |                  |
| 10                       | Community Safety Partnership Performance Review              | Sandra Tuddenham | 5 Mar 2025        |                  |
| 11                       | Q3 Finance & Performance Monitoring                          | Simon Howson     | 5 Mar 2025        | 13 Mar 2025      |
| Future Items             |                                                              |                  |                   |                  |

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## Forward Plan of Key Decisions

1 December 2024 – 28 February 2025

This document sets out key decisions to be taken within the next 28 days, together with any key decision by individual Members of the Cabinet and officers. It also includes potential key decisions beyond that period, though this is not comprehensive and items will be confirmed in the publication of the key decisions document 28 days before a decision is taken.

Key Decisions are those which are financially significant or which have a significant impact. This has been decided, by the Council, to be decisions which involve income or expenditure over £250,000 or which will have a significant effect on people or organisations in two or more wards.

The majority of decisions are taken by Cabinet, together with the individual Cabinet Members, where appropriate. The membership of Cabinet and its meeting dates can be found [via this link](#). Other decisions may be taken by Cabinet Committees, Cabinet Members or Officers in accordance with the Officers' Scheme of Delegation, as agreed by the Council.

Whilst the majority of the Cabinet's business at the meetings listed in this document will be open to the public, there will be occasions when the business to be considered contains confidential, commercially sensitive or personal information. The items of business where this is likely to apply are indicated on the plan.

This is formal notice under The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 that part of the Cabinet meetings listed in this document may be held in private because the agenda and reports for the meeting will contain exempt information under Part 1 of Schedule 12A to the Local Government Act 1972 (as amended) and that the public interest in withholding the information outweighs the public interest in disclosing it.

If you have any representations as to why the meeting should be held in private, then please contact the Council via [democracy@winchester.gov.uk](mailto:democracy@winchester.gov.uk) . **[Please follow this link to the Council's Constitution](#) which includes a definition of the paragraphs** (Access to Information Procedure Rules, Part 4 paragraph 8.4) detailing why a matter may be classed as exempt from publication under the Local Government Acts, and not available to the public.

Anyone who wishes to make representations about any item included in the Plan please contact the Democratic Services Team prior to the meeting to make your request. Copies of documents listed in the Plan for submission to a decision taker are available for inspection on the Council's website. Where the document is a committee report, it will usually be available five days before the meeting. Other documents relevant to the decision may also be submitted to the decision maker and are available on Council's website or via email [democracy@winchester.gov.uk](mailto:democracy@winchester.gov.uk).

Please note that the decision dates are indicative and occasionally subject to change.

If you have any queries regarding the operation or content of the Forward Plan please contact David Blakemore (Democratic Services Team Manager) on 01962 848 217.

|  | Item | Cabinet Member | Key Decision | Wards Affected | Lead Officer | Documents submitted to decision taker | Decision taker (Cabinet, Cabinet Member or Officer) | Date/period decision to be taken | Committee Date (if applicable) | Open/private meeting or document? If private meeting, include relevant exempt paragraph number |
|--|------|----------------|--------------|----------------|--------------|---------------------------------------|-----------------------------------------------------|----------------------------------|--------------------------------|------------------------------------------------------------------------------------------------|
|--|------|----------------|--------------|----------------|--------------|---------------------------------------|-----------------------------------------------------|----------------------------------|--------------------------------|------------------------------------------------------------------------------------------------|

## Section A

### Decisions made by Cabinet & Cabinet committees

|   |                                                                     |                                             |     |                   |                          |                       |                 |                  |                        |                      |
|---|---------------------------------------------------------------------|---------------------------------------------|-----|-------------------|--------------------------|-----------------------|-----------------|------------------|------------------------|----------------------|
| 1 | Council Plan 2025-30                                                | Cabinet Member for Asset Management         | No  | All Wards         | Simon Howson             | Cabinet report        | Cabinet Council | Dec-24<br>Jan-25 | 11-Dec-24<br>15-Jan-25 | Open                 |
|   | Land transaction (if required)                                      | Cabinet Member for Asset Management         | Yes | All Wards         | Geoff Coe                | Cabinet report        | Cabinet         | Dec-24           | 11-Dec-24              | Part exempt 3        |
| 3 | <i>Development Delivery Plans - Central Winchester Regeneration</i> | <i>Cabinet Member for Asset Management</i>  | Yes | <i>Town Wards</i> | <i>Veryan Lyons</i>      | <i>Cabinet report</i> | <i>Cabinet</i>  | <i>Jan-25</i>    | <i>22-Jan-25</i>       | <i>Part exempt 3</i> |
| 4 | <i>Car park and access programme – review and 25/26 works</i>       | <i>Cabinet Member for Climate Emergency</i> | Yes | <i>All Wards</i>  | <i>Campbell Williams</i> | <i>Cabinet report</i> | <i>Cabinet</i>  | <i>Jan-25</i>    | <i>22-Jan-25</i>       | <i>Open</i>          |

|   | 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 |
|---|---------------------------------------------------|---------------------------------------------------|--------------|----------------------------------|----------------------|---------------------------------------|------------------------------------------------------------------|----------------------------------|-------------------------------------------------------------|------------------------------------------------------------------------------------------------|
| 5 | <i>Sir John Moore Barracks Concept Masterplan</i> | <i>Cabinet Member for Place &amp; Local Plan</i>  | Yes          | <i>Wonston &amp; Micheldever</i> | <i>Julie Pinnock</i> | <i>Cabinet report</i>                 | <i>Cabinet</i>                                                   | <i>Jan-25</i>                    | <i>22-Jan-25</i>                                            | <i>Open</i>                                                                                    |
| 6 | <i>General Fund budget 2025/26</i>                | <i>Cabinet Member for Finance and Performance</i> | No           | <i>All Wards</i>                 | <i>Liz Keys</i>      | <i>Cabinet report</i>                 | <i>Cabinet Council</i>                                           | <i>Feb-25</i>                    | <i>12-Feb-25</i><br><i>27-Feb-25</i>                        | <i>Open</i>                                                                                    |
| 7 | <i>Housing Revenue Account budget 2025/26</i>     | <i>Cabinet Member for Housing</i>                 | No           | <i>All Wards</i>                 | <i>Liz Keys</i>      | <i>Cabinet report</i>                 | <i>Cabinet Committee : Housing</i><br><br><i>Cabinet Council</i> | <i>Feb-25</i>                    | <i>3-Feb-25</i><br><br><i>12-Feb-25</i><br><i>27-Feb-25</i> | <i>Open</i>                                                                                    |
| 8 | <i>Capital investment Strategy 2025 - 2035</i>    | <i>Cabinet Member for Finance and Performance</i> | No           | <i>All Wards</i>                 | <i>Liz Keys</i>      | <i>Cabinet report</i>                 | <i>Cabinet Council</i>                                           | <i>Feb-25</i>                    | <i>12-Feb-25</i><br><i>27-Feb-25</i>                        | <i>Open</i>                                                                                    |

|    | 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 |
|----|--------------------------------------|--------------------------------------------|--------------|----------------|--------------|---------------------------------------|-----------------------------------------------------|----------------------------------|--------------------------------|------------------------------------------------------------------------------------------------|
| 9  | Treasury Management Strategy 2024/25 | Cabinet Member for Finance and Performance | Yes          | All Wards      | Liz Keys     | Cabinet report                        | Council                                             | Feb-25                           | 27-Feb-25                      | Open                                                                                           |
| 10 | Air Quality Strategy                 | Cabinet Member for Place & Local Plan      | Yes          | All Wards      | David Ingram | Cabinet report                        | Cabinet                                             | Feb-25                           | 12-Feb-25                      | Open                                                                                           |

**Section B**

*Decisions made by individual Cabinet Members*

|    |                               |                                       |     |           |            |                       |                                                    |        |           |      |
|----|-------------------------------|---------------------------------------|-----|-----------|------------|-----------------------|----------------------------------------------------|--------|-----------|------|
| 11 | Shared Ownership Sales Policy | Cabinet Member for Housing            | Yes | All Wards | Geoff Coe  | Cabinet member report | Cabinet Member for Housing Decision Day            | Dec-24 | 11-Dec-24 | Open |
| 12 | Revised Bird Aware Strategy   | Cabinet Member for Place & Local Plan | Yes | All Wards | Rick Smith | Cabinet member report | Cabinet Member for Place & Local Plan Decision Day | Dec-24 | 11-Dec-24 | Open |

|                                                       | Item                                                                                                                                             | Cabinet Member                             | Key Decision | Wards Affected | Lead Officer                        | Documents submitted to decision taker | Decision taker (Cabinet, Cabinet Member or Officer) | Date/period decision to be taken | Committee Date (if applicable) | Open/private meeting or document? If private meeting, include relevant exempt paragraph number |
|-------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|--------------|----------------|-------------------------------------|---------------------------------------|-----------------------------------------------------|----------------------------------|--------------------------------|------------------------------------------------------------------------------------------------|
| 13                                                    | Petition from Mr Jerry Adamson regarding proposed community garden in Winnall and bin storage arrangements for 69-163 Firmstone Road, Winchester | Cabinet Member for Housing                 | No           | All Wards      | Sandra Tuddenham                    | Cabinet member report                 | Cabinet Member for Housing Decision Day             | Dec-24                           | 11-Dec-24                      | Open                                                                                           |
| <b>Section C</b><br><b>Decisions made by Officers</b> |                                                                                                                                                  |                                            |              |                |                                     |                                       |                                                     |                                  |                                |                                                                                                |
| 14                                                    | Treasury Management - decisions in accordance with the Council's approved strategy and policy                                                    | Cabinet Member for Finance and Performance | Yes          | All Wards      | Designated HCC Finance staff, daily | Designated working papers             | Designated HCC Finance staff, daily                 | Oct-24                           | Oct-24                         | Open                                                                                           |