



**Meeting** Cabinet

**Date and Time** Wednesday, 12th February, 2025 at 9.30 am.

**Venue** Walton Suite, Guildhall, Winchester and streamed live on YouTube at [www.youtube.com/winchestercc](http://www.youtube.com/winchestercc).

**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. Please note that priority will be given to those wishing to attend and address the meeting over those wishing to attend and observe.

## AGENDA

### PROCEDURAL ITEMS

- 1. Apologies**  
To record the names of apologies given.
- 2. Membership of Cabinet bodies etc.**  
To give consideration to the approval of alternative arrangements for appointments to bodies set up by Cabinet or external bodies, or the making or terminating of such appointments.
- 3. Disclosure of Interests**  
To receive any disclosure of interests from Councillors or Officers in matters to be discussed.  
*Note: Councillors are reminded of their obligations to declare disclosable pecuniary interests (DPIs), other registerable interests (ORIs) and non-registerable interests (NRIs) in accordance with the Council's Code of Conduct.*
- 4. To note any request from Councillors to make representations on an agenda item.**



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

## **BUSINESS ITEMS**

### **5. Public Participation**

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

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

Members of the public and visiting councillors may speak at Cabinet, provided they have registered to speak three working days in advance. Please contact Democratic Services **by 5pm on Thursday 6 February** via [democracy@winchester.gov.uk](mailto:democracy@winchester.gov.uk) or (01962) 848 264 to register to speak and for further details.

6. **Minutes of the previous meeting held on 22 January 2025** (Pages 5 - 8)

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

8. Sir John Moore Barracks Concept Masterplan (Pages 9 - 56)

**Key Decision** (CAB3473)

9. Local Development Scheme (Pages 57 - 98)

**Key Decision** (CAB3499)

10. General Fund budget 2025/26 (Pages 99 - 134)

(CAB3494)

11. Housing Revenue Account (HRA) budget 2025/26 (Pages 135 - 170)

(CAB3490)

12. Capital investment Strategy 2025 - 2035 (Pages 171 - 214)

(CAB3495)

13. Treasury Management Strategy 2025/26 (Pages 215 - 246)

(CAB3496)

14. To note the future items for consideration by Cabinet as shown on the March 2025 Forward Plan. (Pages 247 - 252)

**Laura Taylor  
Chief Executive**



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4 February 2025

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

*\*With the exception of exempt items, Agenda, reports and previous minutes are available on the Council's Website [www.winchester.gov.uk](http://www.winchester.gov.uk)*

## **CABINET – Membership 2024/25**

Chairperson: Councillor Tod (Leader and Asset Management)

	- <b>Cabinet Member</b>
<b>Councillor</b>	
Cutler	- Deputy Leader and Cabinet Member for Finance and Performance
Becker	- Cabinet Member for Community and Engagement
Learney	- Cabinet Member for Climate Emergency
Porter	- Cabinet Member for Place and Local Plan
Thompson	- Cabinet Member for Business and Culture
Westwood	- Cabinet Member for Housing

**Quorum** = 3 Members

### **Corporate Priorities:**

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

### **Public Participation at meetings**

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

To reserve your place to speak, you are asked to **register with Democratic Services three clear working days prior to the meeting** – please see public

participation agenda item below for further details. People will be invited to speak in the order that they have registered, subject to the maximum time period allowed for speaking not being exceeded. Public Participation is at the Chairperson's discretion.

### **Filming and Broadcast Notification**

This meeting will be recorded and broadcast live on the Council's website. The meeting 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).

### **Disabled Access**

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

### **Terms Of Reference**

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



## CABINET

Wednesday, 22 January 2025

Attendance:

Councillors  
Tod (Chairperson)

Cutler  
Becker  
Learney

Thompson  
Westwood

Apologies for Absence:

Councillors Porter

Members in attendance who spoke at the meeting

Councillors Cramoysan, Horrill and Lee

[Video recording of this meeting](#)

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1. **APOLOGIES**

Apologies were received from Councillor Porter.

2. **MEMBERSHIP OF CABINET BODIES ETC.**

There were no changes to be made.

3. **DISCLOSURE OF INTERESTS**

Councillor Tod declared a disclosable pecuniary interest in report CAB3488 due to his role as a Hampshire County Councillor. However, as there was no material conflict of interest, he remained in the room, spoke and voted under the dispensation granted on behalf of the Audit and Governance Committee to participate and vote in all matters which might have a County Council involvement.

4. **PUBLIC PARTICIPATION**

Ian Tait spoke as summarised briefly below.

He requested information regarding the council's proposals for 158 High Street, Winchester which was a vacant building owned by the Council. He believed that this was a potentially valuable asset which should either be used as a source of income for the Council or disposed of. He also highlighted other Council owned land and building assets which were currently vacant awaiting a decision as to their future use.

Councillor Tod responded to the comments made including advising that it had already been decided that 158 High Street would be marketed for potential disposal with the final decision being considered by a future Cabinet.

5. **MINUTES OF THE PREVIOUS MEETING**

RESOLVED:

That the minutes of the previous meeting held on 11 December 2024 be agreed as a correct record.

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

Councillor Thompson announced that the government had confirmed the council would be allocated a further year of shared prosperity funding of approximately £327,000. She highlighted examples of previous use of the funding to support the council's priorities.

Councillor Becker announced that as in previous years, half term football sessions would be offered for children across the district at a cost of £1 per child.

Councillor Tod provided an update on the Partnership for South Hampshire (PfSH) meeting he had attended on 10 December which included confirmation that the council would be receiving £1.9 million towards upgrade of water treatment works. In addition, the council's participation in an agricultural reversal mitigation project at Stubbington was confirmed. He congratulated Simon Kennedy (Head of Environmental Planning at PfSH) for his work in leading the nutrient mitigation projects and securing funding.

Councillor Tod also updated on a Southern Water stakeholder meeting he had attended on 19 December at which he had asked questions regarding their proposals for nutrient stripping and also surface water flooding. Southern Water had agreed to a separate stakeholder meeting regarding the latter issue.

Councillor Tod also referenced the recent government announcement regarding delays to the new hospital programme. He emphasised that the council would seek to continue to support continued investment in the existing hospital in Winchester as far as it was able and press the government and county council to tackle the crisis in social care provision.

7. **PARKING AND ACCESS PROGRAMME – REVIEW AND 25/26 WORKS**  
(CAB3488)

Councillor Learney introduced the report and outlined the improvements undertaken in 2024/25 together with those proposed for 2025/26 which would be subject to approval of the 2025/26 budget by Council in February.

At the invitation of the Leader, Councillors Lee, Cramoysan and Horrill addressed Cabinet as summarised briefly below.

#### Councillor Lee

He expressed concerns about whether the programme had been future proofed against the various challenges facing the council, including reduced government funding, the climate emergency and proposals for local government reorganisation. He referenced the national proposals to ban the future sale of diesel and petrol cars and whether parking spaces should be reduced, workplace levies be considered and EV charging infrastructure prioritised.

#### Councillor Cramoysan

As chair of the Kings Barton Forum, he requested an update on progress towards the provision of a new park and ride facility to serve the North of Winchester as set out in the Winchester Movement Strategy. The park and ride site was required to be connected by a new spine road through the Kings Barton development which had not yet been completed, despite being a Section 106 requirement on the developer CALA. He suggested that CALA should be required to provide an alternative temporary car park close to the school to help alleviate traffic issues until the new park and ride facility was built.

#### Councillor Horrill

Speaking on behalf of Councillor Bolton, she expressed concern about the impact of parking restrictions in market towns on local shops and businesses and believed that a more balanced approach was required to mitigate the impact on the local economy. Events and festivals should be held to attract more footfall into areas even where parking was limited.

Councillor Learney responded to the comments made including agreeing to consider further the proposal for a temporary car park in Kings Barton. Both Councillors Learney and Thompson emphasised that the changes to parking charges had not impacted on the numbers of people parking and disputed that footfall had decreased.

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

#### RESOLVED:

1. That, subject to Full Council approval of the Budget and Capital Investment Strategy in February 2025, expenditure of £1,180,000 for the car park major works programme 2025/26 be approved as outlined in appendix A to the report.
2. That it be noted that the expenditure plans contained within the report exhaust the resources currently available, therefore requiring additional resources to be set aside in the 2025/26 budget.
3. That authority be delegated to the Head of Programme – Place, in consultation with the Corporate Head of Asset Management and Cabinet Member for Climate Emergency, to make minor adjustments to the programme in order to meet maintenance and operational needs of the car

park service throughout the year, as required, and procure works as set out in the report.

4. That it be agreed to convert Middle Brook Street car park from “pay on foot” to “pay and display”.

8. **FUTURE ITEMS FOR CONSIDERATION BY CABINET**

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

Noting that a report on the Sir John Moore Barracks concept masterplan was due to be considered at the February Cabinet, she queried why it was not included on the Scrutiny Committee agenda prior to this? She also suggested further consideration of the timetabling of future Scrutiny Committees.

Councillor Tod responded that this item outlined future reports to be considered by Cabinet and decisions relating to Scrutiny Committee agendas were not a matter for Cabinet to decide upon.

The meeting commenced at 9.30 am and concluded at 10.40 am

Chairperson

CAB3473  
CABINET

REPORT TITLE: SIR JOHN MOORE BARRACKS CONCEPT MASTERPLAN

12 FEBRUARY 2025

REPORT OF CABINET MEMBER: Cllr Jackie Porter Cabinet Member for Place and Local Plan

Contact Officer: Lorna Hutchings Tel No: 01962 848290

Email: lhutchings@winchester.gov.uk

WARD(S): WONSTON AND MICHELDEVER

## PURPOSE

Land at Sir John Moore Barracks is a site which has been allocated within Winchester City Councils Proposed Submission Local Plan (Regulation 19) (policy W2). The policy sets out the requirement for 750-1000 dwellings, mixed uses and a park and ride facility.

The site is currently located outside of the existing settlement boundary in the countryside, part of the site is located in the settlement gap, part of the site is previously developed land and there is landscape and conservation value to the site.

The setting of the site and its military history means that an urban design led masterplan will need to be prepared and agreed in order to provide a clear vision and planning framework for its planned redevelopment and future use. The masterplan will help to deliver a high-quality development solution which responds positively to the site's sensitive location in the countryside, the settlement gap between Winchester and village of Littleton, and reflects the sites characteristics, wider setting and history.

The draft Local Plan has not been adopted. On the 15<sup>th</sup> November 2024, Winchester City Council formally submitted the Regulation 19 Local Plan to the Planning Inspectorate (PINS) for examination. As part of the submission of the Local Plan to PINS, there are a number of Proposed Modifications to the wording of the supporting text and Policy W2. These Proposed Modifications have not yet been the subject of public consultation. An Inspector has been appointed to examine the Local Plan at the time of writing this report no dates have been set for when the examination will take place. When more details are available on the Local Plan examination these

will be published on the Local Plan examination website [Local Plan Examination - Winchester District Local Plan](#).

The emerging Local Plan policy will require any future application at the site to be preceded by, and consistent with, a comprehensive and evidence-based site wide masterplan that has been undertaken following the Council's conceptual master planning framework process. This will demonstrate how high-quality design will be delivered for the whole site which has involved and engaged with stakeholders and interested parties before it is endorsed by the local planning authority as a material consideration for development management purposes.

The applicants have entered into a planning performance agreement with the local planning authority to enable the council's planning team to comment on the site context and masterplan as it has evolved. The site promoter has undertaken a series of community events and where appropriate taken on board comments received.

This report explains the process undertaken by the applicants in preparing their concept masterplan and seeks Cabinet endorsement for this concept masterplan prior to the submission of a related planning application. The concept masterplan approach for Sir John Moore Barracks has been undertaken in conformity with the master planning approach and framework process that is adopted by the Council.

#### RECOMMENDATIONS:

That Cabinet:

1. Note the concept masterplan process including the public engagement strategy undertaken by the applicants which has helped to inform the preparation of the concept masterplan for Sir John Moore Barracks and has been undertaken following the Council's master planning framework process; and
2. Endorse the Sir John Moore Barracks Concept Masterplan Vision Document, that is attached as Appendix 1 which will then become a material consideration to inform the development management assessment of the future planning application.
3. Note that Cabinet is not taking a decision on whether the candidate Site of Importance for Nature Conservation (SINC) will be agreed. This decision will be taken following the assessment and consideration of the future outline planning application.

IMPLICATIONS:1 COUNCIL PLAN OUTCOME

- 1.1 Greener, Faster.
- 1.2 The applicants' concept masterplan sets out the vision and objectives for development at Sir John Moore Barracks. The applicants recognise the Council's commitment to tackle climate emergency and propose to deliver exemplary sustainable, bio-diverse and regenerative development with 4 key principles of biodiversity and landscape, and a sustainable, distinctive and walkable place to live.
- 1.3 The applicants are continuing to engage with WCC officers to review embodied carbon considerations associated with redeveloping the site. While specific sustainability measures will form part of the further design detail to come forward at a later stage, the applicants are committed to delivering high quality, low carbon energy efficient homes throughout.
- 1.4 The concept masterplan also outlines a commitment to deliver safe and attractive connections between new homes and amenities through a pedestrian-first streetscape, with an extensive network of foot and cycle paths both within the site and connecting to the wider area.
- 1.5 The future planning application submission will demonstrate how the applicants will meet the councils emerging local plan policies CN1 and CN3 to reflect the Council's climate and nature emergency declaration. Both the adopted and emerging Local Plan policy will secure the undeveloped part of the site for nature and recreation purposes in perpetuity supporting the council's greener district.
- 1.6 Good Homes for all
- 1.7 The emerging local plan agrees an amount of housing between 750 and 1000 units. The policy asks the development to include the precise amount of residential development including housing densities, tenure, size and house types. The concept master plan identifies a range of land uses, and these will be considered through the development management planning process.
- 1.8 Thriving Places
- 1.9 The emerging local plan policy W2 asked for a mixed use development mainly comprising of residential with supporting uses to make it a sustainable neighbourhood. This includes the possible retention of the existing sports provision on the site, the retention of the chapel and a local centre with mixed uses proposed.

- 1.10 Healthy Communities
- 1.11 Of the 28ha of woodland present on site, around 26ha (over 90%) will be retained, incorporated into the masterplan and improved, where applicable. Existing trees will be retained wherever possible.
- 1.12 The concept masterplan includes the provision of 6.7ha (17 acres) of Nature Park to the north of the site. The Nature Park sits within a broader context of green open space on the site totalling 51 hectares (125 acres), which equates to over 60% of the entire site.
- 1.13 The concept master plan identifies opportunities to have public access to green infrastructure for both new and existing residents. This is in line with the requirements of parts i) and ix) of the emerging local plan policy W2.
- 1.14 Efficient and Effective / Listening and Learning
- 1.15 The requirement for a concept masterplan is to be agreed before the submission of any planning application as well as engagement with stakeholders and interested parties to ensure an open, transparent, inclusive and enabling council and to ensure stakeholders and interested parties have been involved in the concept master planning process.
- 1.16 There has been a 4-part engagement strategy to date, with a series of workshops and events to allow the stakeholders and interested parties to contribute to and inform the principles of the concept master planning as well as the future outline planning application submission at the site.

## 2 FINANCIAL IMPLICATIONS

- 2.1 The land promoters have entered into a pre-planning application arrangement with officers called a 'planning performance agreement' (PPA). This promotes a project team led approach and covers the council's costs in delivering the programme of meetings to comment on and steer the work to deliver both a concept master plan, the urban design master planning and the planning application prior to submission of a planning application.
- 2.2 The site is also allocated in the Reg 19 local plan to provide a Park and Ride facility. A site area is identified in the CMP for a park and ride facility.

## 3 LEGAL AND PROCUREMENT IMPLICATIONS

- 3.1 A report was agreed at cabinet on the 21<sup>st</sup> June 2023 regarding the concept master planning governance (CAB3408). This establishes the framework which all sites requiring a masterplan should follow. The concept masterplan as prepared will be a material consideration for development management purposes in the assessment of a related planning application and at the application stage further legal advice will be sought to ensure that this material consideration is weighted appropriately in the planning balance.



- 3.2 There are no other particular legal or procurement implications in agreeing to the process that this concept masterplan has followed.

#### 4 WORKFORCE IMPLICATIONS

- 4.1 The PPA secures cost recovery for officer time.

#### 5 PROPERTY AND ASSET IMPLICATIONS

- 5.1 None

#### 6 CONSULTATION AND COMMUNICATION

- 6.1 As required by the Local Plan policy and concept master planning, the developer has undertaken a series of stakeholder engagement events which has informed their concept master plan and the stakeholder engagement.
- 6.2 The consultation included in person events, target newsletters and a survey on the bespoke website: <https://sirjohnmoorewinchester.co.uk/>
- 6.3 The CMP document illustrates the timeline for the public engagement from 2020 and how the objectives of the One Great Win - Winchester Vision 2020 – 2030, policy W2 and DIO Visioning for the site has been reconciled with stakeholder aspirations to move forward with an agreed set of objectives and principles. Members have also been briefed outside of this at an Informal leaders board – 22<sup>nd</sup> July 2024 and an all member briefing on the 31<sup>st</sup> July 2024.
- 6.4 The latest Ward Member meeting for Wonston and Micheldever was held on 25<sup>th</sup> July 2024. The overarching presentation of the document demonstrates the influence of the community throughout, alongside that of the Design Review Panel and Pre Application process, with details of the engagement timeline on pages 28/29 and 32-37 of Appendix 1, leading to the Development of a Framework Plan.
- 6.5 Members discussed Highways and Transportation confirming sensitivity of proposed realignment of Andover Road; Walking and Cycling highlighting importance of creating “sense of arrival” at site; Park and Ride seeking clarification of DIO’s “offer” on P&R facility; Sport and Recreation seeking clarification of consultation and engagement and to avoid creating a facility that creates a destination and competes with other sport and recreation facilities in the city; and Urban Design / Placemaking - discussing the character of the new place and the need to create destinations within the site.
- 6.6 Littleton and Harestock Parish Council were met on 1st August 2024. During the course of the meeting a number of issues were raised including an in principle concern that development parcels were shown within the northern training fields area, which seemingly contradicts the Parish Council’s desire to see no development there – the project team were keen to demonstrate in the presentation, and in response to the issue being raised during the question

and answer , that low density development in the northern training fields had been necessitated by a policy requirement to deliver between 750 and 1,000 homes on site, and that this would not be possible to deliver from the central area of the site unless a level of density was shown which would not be in keeping with the surrounding area.

- 6.7 There has been a longstanding concern that development in the northern training fields would result in a loss of biodiversity, with certain species being disrupted as a result of development. The CMP illustrates the best options for how habitats in the northern training fields could be enhanced and through the creation and management of a 6.7ha nature park.
- 6.8 A concern was raised that the far east parcel of the three parcels shown in the northern training fields was too dense. The CMP sets the framework for this being biodiversity led for nature and public access and landscape led well designed housing.
- 6.9 A debate was had about the merits of a managed and sizeable nature park, instead of a “blanket approach” SINC which the Parish Council had sought a designate for in the northern training fields. A managed nature park is shown to be a significant benefit to the community which would not be the case were the northern training fields to be designated as a SINC. The current SINC in the south of the site currently has a poor level of biodiversity despite its SINC designation.
- 6.10 A concern was expressed that the parking standards had not been finalised at this stage and that the City Council’s Local Plan Regulation 19 consultation would effectively allow the project team to show a level of parking that would be lower than current parking levels. The site has evolved through the public engagement to be primarily one for movement of people by walking and cycling with the loss of an engineered vehicular route through the nature park.
- 6.11 The MP toured the site on 6<sup>th</sup> September 2024.
- 6.12 All member – masterplan governance briefing
- 6.13 A briefing on masterplan governance was given to Members on 23rd May 2023. A report went to cabinet on the 21<sup>st</sup> June 2023 regarding concept master planning governance (CAB3408). This establishes the framework which all sites requiring a masterplan will follow.

## 7 ENVIRONMENTAL CONSIDERATIONS

- 7.1 Environmental considerations have informed the council’s Proposed Submission Local Plan (Regulation 19) policy in terms of requiring a mixed use high quality mainly residential site with ancillary and supporting uses to deliver a sustainable neighbourhood with a park and ride facility which would align with one of the key recommendations in the Winchester Movement Strategy.

- 7.2 The applicants' concept masterplan emphasises the importance of place making and exemplary design, ensuring that the proposals are informed by a Landscape Visual Impact Appraisal and density and connectivity analysis along with a suite of Environmental baseline assessments, and testing to ensure efficient use of land and accessibility for new residents. The concepts for the site design will build upon the site's military legacy as a place for living and enjoyment by the wider public.
- 7.3 The site is expected to mitigate the impact of nutrients (with no off site solution required). The DIO have provided a nutrient budget based on a series of assumptions regarding water usage and occupancy levels. Next step for them is to access Natural England's Development Access Service (DAS) to agree the calculations which have been set out in their Delivery Statement in respect of the emerging Local Plan.
- 7.4 The northern part of the site is a candidate SINC which has been nominated by the Parish Council to HBIC with the aim of enhancing the biodiversity of the site. There is a pre existing SINC in the southern part of the site adjacent Harestock Road. Criteria (x) of emerging policy W2 requires the retention and management of the existing designated Flowerdown SINC in perpetuity requiring a management and maintenance plan. Further criteria (xiii) in relation to green/blue infrastructure/SuDS requires development to not have a detrimental impact on the SINC or other protected sites. There are also other policies in the draft plan, particularly NE1 and NE5 which deal with protection of protected sites including of SINC's. The local plan should be read as a whole.
- 7.5 Hampshire County Council (HCC) have considered previous reports submitted to them and identified the North Fields site as a non-statutory candidate SINC local site. The city council has agreed with HCC that the site will remain a candidate SINC while the concept master plan process and future outline planning application are being considered enabling this to be considered as part of that process. Before its public consultation the Regulation 19 plan was considered by Scrutiny Committee then Cabinet and Full Council. The candidate SINC was raised then, and as agreed with officers at HCC, WCC have advised the Parish Council that this would be considered in the assessment of any subsequent planning application along with the concept masterplan process. The status of the northern part of the site as a candidate SINC is being fully considered through the concept mastering planning phase and beyond that into the assessment of a planning application. Although not yet designated the candidate SINC will be appropriately taken into account as a material planning consideration by the Local Planning Authority in the assessment of any future planning application.
- 7.6 It is important to recognise that the purpose of designating a SINC is to safeguard those areas identified. This involves seeking stewardship by the landowners and managers, usually in the form of safeguarding the presence of important habitat or notable species. It is therefore usual that areas

designated as SINC are not publicly accessible. If they are not managed the site will deteriorate and the protected habitat or notable species will decline.

- 7.7 The candidate SINC was identified following survey work submitted in 2021. As part of the future outline planning application, the DIO has commissioned updated survey work which concluded at the end of 2024. This once evaluated will inform how both the existing SINC and candidate SINC should be treated.
- 7.8 The northern area currently consists of the series of sloping fields with areas of woodland. The CMP outlines that woodlands are to be retained, with development focused on areas of the lowest habitat value and distinctiveness, with additional woodland and hedgerow planting proposed between buildings to connect currently fragmented parcels of woodland.
- 7.9 Selective thinning of trees and the creation of rides within the woodland will be undertaken to increase the understorey and ground flora. Public access to these woodlands will be managed through the creation of designated waymarked footpaths. These retained habitats will be appropriately managed to enhance their biodiversity value.
- 7.10 While the species-poor grassland areas (i.e. a habitat of low value and distinctiveness) will be partly lost to accommodate development, the retained grassland areas are proposed to be developed into a nature park. The nature park will also be managed, with the aim of allowing the area to develop into a species rich grassland.
- 7.11 Appropriate wildlife tunnels will be installed under access and spine roads to maintain and increase connectivity for reptiles and other wildlife. All areas of retained and created habitat will be managed appropriately for a minimum of 30 years, in line with the statutory requirements in relation to overall delivery of Biodiversity Net Gain through development.
- 7.12 The development of the area in the north remains of concern to the Parish Council due to general biodiversity, it has been established that the quality of the biodiversity is sporadic and needs careful stewardship. The survey work completed in 2020 and updated survey work undertaken in 2024 has identified that the site supports populations of dormice, reptiles as well as areas of calcareous grassland, with the northern part of the Site meeting the selection criteria for designation as SINC. However, surveys have also recorded that the habitats within the site are not currently being managed appropriately and are in poor condition. By applying a management approach to the northern area it will enhance the potential of BNG, whilst complying with the local plan policies to deliver 750 -1000 homes at SJMB. The DIO is seeking to conclude the reporting and analysis of the recently completed 2024 survey work and be able to follow that up through further engagement with Winchester City Council's ecologist to develop a full suite of mitigation and enhancement strategies, including the nature park and associated proposals, that work with the concept masterplan in greater detail.

- 7.13 All final strategies will be required to be robust and compliant to satisfy Environmental Impact Assessment requirements.
- 7.14 The DIO is familiar with undertaking such stewardship work in the form of trusts and is proposing to work with the local community to provide enhanced BNG across the whole site and in particular the northern area. It is considered that this will achieve a much better outcome in the interests of habitat creation and management alongside public access to a high value amenity space which is also capable of accommodating well designed housing.

## 8 PUBLIC SECTOR EQUALITY DUTY

- 8.1 Section 149 of the Equality Act 2010 (1) A public authority must, in the exercise of its functions, have due regard to the need to:
- a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
  - b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
  - c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
- 8.2 Having an agreed concept masterplan that has been subject to public consultation is the most effective way of ensuring public involvement in the concept masterplan process.

## 9 DATA PROTECTION IMPACT ASSESSMENT

- 9.1 None required

## 10 RISK MANAGEMENT

<b>Risk</b>	<b>Mitigation</b>	<b>Opportunities</b>
Financial Exposure	Park and Ride facility	The Local Plan policy requires a Park and Ride facility.
Exposure to challenge	Ensure concept masterplan properly taken into account as material consideration in assessment of related planning application.	A report went to cabinet on the 21 <sup>st</sup> June 2023 regarding concept master planning governance (CAB3408). This establishes the framework which all sites requiring a masterplan will follow and

		this CMP follows that process.
Innovation	N/A	Agreeing a concept masterplan ensures that development proceeds in accordance with the council plan 2025 – 2030 and the development plan. The concept masterplan will help to ensure high quality residential homes and other supporting uses. It also enhances local level collaborative engagement in its widest sense with appropriate key stakeholders, essential to speeding up the decision-making process and to the successful delivery of development.
Reputation	Approving poor quality master plans would impact the councils reputation. PPA's are being used to ensure quality time and resource is applied to the technical assessments of the masterplan. Training has been given to members on the 24 <sup>th</sup> January 2023 and 23 <sup>rd</sup> May 2023.	N/A
Achievement of outcome	PPA's are being used to ensure quality time and resource is applied to the development of the concepts of the masterplan.	N/A
Property	N/A	N/A
Community Support	Series of public exhibitions and workshops actively engaging the public in the	Further consultation opportunities during the planning application process.

	concept master planning process.	
Timescales	N/A	N/A
Project capacity	PPA's are being used to ensure quality time and resource is applied to the development of the concepts of the masterplan.	N/A
Other	N/A	N/A

## 11 SUPPORTING INFORMATION:

- 11.1 Sir John Moore Barracks is a military barrack complex dating from the mid 1980's. It is situated on the site of the former HMS Flowerdown, a second world war naval listening station. Prior to that, the site was used as a temporary transition camp for Allied soldiers during the first world war.
- 11.2 In 2016 the MOD embarked on the single biggest estates change programme within Defence. They are investing £5.1Bn in a better structured, modern and more sustainable estate to support military capacity and improve security and resilience. This is aligned with the future capacity requirements and force structures set out in Future Soldier which plans for a more agile Army. Relocating the current users of Sir John Moore Barracks to new facilities is part of an ambitious portfolio of independent programmes, construction activity, unit and personnel moves, and land release. Sir John Moore Barracks will be vacated in 2026. The MOD will look to ensure the sites future and the vision can be achieved through delivery arrangements.
- 11.3 The site comprises of 86.5ha of land. The central area contains the main barrack facilities enclosed by mature woodland. It also contains extensive areas of green space around this, which is currently not public.
- 11.4 The site is allocated within Winchester City Council's Proposed Submission Local Plan (Regulation 19) (Policy W2) to deliver between 750 and 1000 homes. The draft allocation includes the following requirements:
- Deliver high-quality design, including the delivery of green spaces, high standards of architectural design, and innovative, sustainable new buildings;
  - Deliver a scheme which relates to the whole of the allocated site or does not prejudice the remainder of the site, avoiding piecemeal development;
  - Provide necessary supporting infrastructure, and create neighbourhood centres with supporting uses (noting that these should be proportionate to any proposed redevelopment and dependent on identified need);

- Investigates the potential to reuse/repurpose existing buildings and prioritises the use of previously developed land;
- Consider the need for education on or off-site, and provides suitable sustainable travel links;
- Provide access via Andover Road North (most northern section of Andover Road and further north of the point of new road route through Kings Barton) and maximise opportunities for sustainable travel;
- Include safe, direct, well-lit active travel links to, from, and within the site in the form of walking cycling, wheeling and public transport facilities. These will link to the surrounding area/PROW/cycle networks and existing public transport routes;
- Ensure the existing access from Chestnut Avenue is used for pedestrian, cyclists and potential emergency access purposes;
- Mitigate flooding impacts, deliver SuDS which include multi-functional green/blue links which increase biodiversity on the site and avoid impacts on the SINC;
- Record and retain features of heritage significance, and provide a heritage trail which celebrates the sites military history;
- Incorporate and include public realm to create a sense of place;
- Assessment of the condition and the potential of the reuse of the existing leisure centre for public use;
- Phased development to align with sewage infrastructure upgrades;
- Include a Park and Ride of circa 850 spaces.

11.5 The developer has undertaken a series of stakeholder engagement events including public consultation with an interactive website, engagement with ward member and the Parish council and full member briefings. The engagement strategy and feedback has been an iterative process through the engagement of a communication specialist company. From the outset the meeting schedules and topics for more technical assessment and design have been evolving alongside the communications work, feeding into the wider collaboration of the project groups of the council and the DIO with their planning agents Avison Young, and delivered through the PPA.

11.6 The council's project team includes: Planners, Urban Designer, Historic Environment/Archaeology, Sustainability, WCC transport planners, Hampshire Highways, Landscape, Arboriculture, Ecology, Environmental Protection, Drainage, Local Flood Authority, Environmental Agency and the Local Plans Team and Place Directorate.



11.7 The South East Design Review Panel (SEDRP) was held on the 7<sup>th</sup> October 2021. A site visit was carried out to understand the existing conditions and context ahead of the design review meeting. The outcomes of the review were that further work needs to be done to arrive at a proposal that fully responds to the opportunity on offer. The Key recommendations from the SEDRP:

- Clarify the vision for this place to inform the development and refinement of the strategic principles for the development.
- Carry out an analysis of the context and character of Hampshire villages, including an understanding of the morphology of the neighbouring villages of Littleton and Harestock, to inform the development of a proposal that is unique in its character and identity.
- Reconsider the proposed areas of development, in particular the northern part of the site where consideration of development is being driven by the location of the Park and Ride, which is not yet considered a compelling argument for this layout.
- Evidence the market analysis that clarifies the viability of the development, both the housing provision and the employment provision, to inform the master planning process.
- Explore the potential to densify the central part of the site to help with viability, demonstrating a full range of optioneering and reconsidering block depths.
- Demonstrate the layers of movement that underpin the strategy to clarify how the landscape might need to be shaped or adapted to facilitate movement based on clear desire lines.
- Reconsider the strategy for demolition or retention of the existing buildings by drawing up a hierarchy of building types based on a more forensic analysis.
- Carry out a meaningful process of engagement with the local community to ensure that local aspirations are part of the ongoing master planning process.

11.8 In 2022/2023 a series of meetings were held further to the SEDRP session to enable all relevant consultees to have a further opportunity to assess again the base line evidence.

11.9 During 2024 a series of site visits, evidence-based topic meetings and workshops have been undertaken to progress the conceptual masterplan by the Council and the DIO team. This included:

- Site visit by all consultees was carried out 6<sup>th</sup> March 2024.

- A series of evidence based meetings: Introduction – 14<sup>th</sup> March 2024, Flood risk and drainage (with HCC) - 14<sup>th</sup> March 2024, Education (with HCC) – 14<sup>th</sup> March 2024, Climate change – 15<sup>th</sup> March 2024, Green infrastructure strategy – 15<sup>th</sup> March 2024, Transport (with HCC) – 26<sup>th</sup> March 2024, Access, connectivity and circulation/Park and Rise (with HCC) – 26<sup>th</sup> March 2024, Technical meeting (Noise, Air Quality, Heritage) – 27<sup>th</sup> March 2024, NHS – 27<sup>th</sup> March 2024, Housing matters and non residential uses – 27<sup>th</sup> March.
- A number of workshop meetings: 10<sup>th</sup> May 2024, 16<sup>th</sup> May 2024, 21<sup>st</sup> May 2024, 5<sup>th</sup> June 2024.

11.10 The Winchester and Eastleigh Design Review Panel (DRP) also met in relation to the proposals at Sir John Moore Barracks. Two presentations were made by the applicants, the first of which was presented on the 18<sup>th</sup> June and covered the engagement process and principles set out by the applicants leading up to that design review.

11.11 The second design review covered the potential opportunities, initial design thinking and how the scheme can be delivered while maintaining and further developing the design principles. A site visit was also carried out on the 24<sup>th</sup> July 2024. The general outcomes from the DRP were positive, with the panel noting that they are pleased to have been involved in the process and are keen to be involved where more detailed design concepts and design detailing has been considered. Moving forward it was decided that we work with our local DRP rather than further engaging with SEDRP, but that remains an option. It is considered that the recommendations of the SEDRP were undertaken in moving the project forward from 2021.

11.12 The concept masterplan sets out a timeline highlighting the processes undertaken to inform and shape the concept master plan. This included significant early site research and analysis carried out by the appointed developer team in order to fully understand the sites context, constraints and potential. A number of stakeholder and community engagement events happened ensuring that key stakeholders and communities have played their role in the master planning process. Extensive and proactive engagement with council officers and independent design review panels also undertaken demonstrates an extensive and well informed master planning process. It is considered that a meaningful process of engagement with the local community to ensure that local aspirations are part of the ongoing master planning process has been carried out in accordance with the concept masterplan governance procedure.

11.13 A masterplan training event, opened up to all members to attend took place in the Guildhall Winchester on 24<sup>th</sup> January 2023. This training was provided by Andrew Cameron Associates and Design South East. This training gave an overview of good master planning to give Members the tools to make an informed view on the concept master planning process.

- 11.14 The concept masterplan should be based on and in conformity with the councils proposed mastering approach and should:
- a) Establish a vision and objectives;
  - b) Agree baseline information / issues to be addressed;
  - c) Engagement and Consultation;
  - d) Design Review Panel;
  - e) Explain the sites constraints and opportunities and setting out the key parameters for the following elements:
    - (i) Movement and access;
    - (ii) Land use;
    - (iii) Sustainability;
    - (iv) Design principles;
    - (v) Landscape principles;
    - (vi) Green and blue infrastructure.
- 11.15 The concept masterplan has responded to these points and establishes a vision, objectives, context and approach, establishing design principles, land use and movement both outside, into and through the site. In relation to the key CMP preparation processes set out in the WCCMACM, the CMP demonstrates:
- 11.16 Establishing a vision and aspirations – the CMP sets out the clear vision and aspirations for the redevelopment of the SJM site.
- 11.17 Identifying a baseline of information and issues that need to be addressed – DIO has identifying and tested scenarios – the CMP sets out various options for development across the SJMB site, particularly in relation to carrying out consultation exercises and refining processes - the supporting CMP Meeting Place report (not appended) comprehensively sets out the three main stages of consultation undertaken, the feedback received, and how the CM proposals have evolved as a result of that feedback.
- 11.18 Considering the implementation of proposals and future management issues – the CMP acknowledges that the future redevelopment OPA will need to address various implementation matters and in terms of future management issues, the CMP acknowledges there are significant opportunities for the future management of the existing SINC and retained/proposed green infrastructure – the future redevelopment OPA will set out appropriate management/maintenance proposals based on DIO's successful green infrastructure management/maintenance models/arrangements that operate

on other (former) MoD sites which are undergoing major redevelopment principally involving residential led schemes.

11.19 It establishes recreational links and identifies land to be secured for long term future management for public benefit. It proposes the siting across the site for the parcels of residential development, the existing SINC, a Nature Park, a Park and Ride facility and a commercial centre. It also illustrates concepts for sustainable movement within the site and active travel out of the site and beyond towards Kings Barton, South Wonston, Littleton, Harestock and the wider city.

11.20 The preparation of the Concept Master plan is considered to have followed an acceptable process and it is recommended that it is agreed. This can then be considered as a material consideration for development management purposes and will feed into further work to be undertaken by the applicants to continue masterplanning the site ready for an outline planning application submission.

## 12 OTHER OPTIONS CONSIDERED AND REJECTED

12.1 Emerging local plan policy requires any new application for development of this site to be preceded by, and consistent with a comprehensive masterplan. It is therefore appropriate for the concept masterplan to be considered and endorsed by Cabinet.

### BACKGROUND DOCUMENTS:-

Cabinet report CAB3408 – Concept masterplan governance

### Previous Committee Reports:-

None

### Other Background Documents:-

Available on the council's website - <https://www.localplan.winchester.gov.uk/local-plan-library>)

Winchester District Local Plan Part 1 – March 2013

Winchester District Local Plan Part 2 – April 2017

Regulation 19 Winchester District Local Plan 2020 – 2040 (submitted 15<sup>th</sup> November 2024)

### APPENDICES:

Appendix 1 – Concept Masterplan Vision Document

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# Sir John Moore Barracks

## Concept Masterplan Vision Document

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# Executive Summary

## A Concept Masterplan for Sir John Moore Barracks

During the formation of this Concept Masterplan (CMP) it has changed considerably in response to consultation.

Through engagement with the local community, Winchester City Council (WCC) officers and the design review panel, we have tested a range of development options to maximise the areas of the site that will be open / undeveloped and delivering the emerging Local Plan's policy requirements and a biodiversity net gain in perpetuity.

In response to consultations the CMP has evolved considerably. Notably, moving away from an employment focus in the north, and moving development areas away from sensitive edges and appropriately responding to the local context in terms of housing quantum across the whole site. The CMP process has been undertaken diligently, balancing respective priorities of key stakeholders and delivering emerging development plan policy.

The resulting CMP, which is presented through this document, will provide the homes Winchester needs, the connections that sustainably knit the new neighbourhood into Winchester and the wider community, and preserves and enhances a biodiverse landscape and environment that respects both the heritage of the site, as well as Littleton and Harestock.

The process to date has highlighted some key topics which we will build on and refine during Defence Infrastructure Organisation's (DIO) proposed stage 4 public consultation process. We look forward to working with the community and key stakeholders on the outline planning application that follows.

The Concept Masterplan delivers on the vision and development principles in the following ways:

### Enhancing biodiversity and landscape

- **60% of the development will be open space, which future and existing residents will have access to.**
- A new 6.7 hectare Nature Park between Littleton and the new development, which will be properly managed and maintained.
- The vast majority of mature woodland will be retained and maintained.
- The planning application will deliver a 10% net gain in biodiversity. Comprehensive management plans will be put in place for all habitats across the site, with a stewardship vehicle secured in perpetuity.

### Establishing a sustainable place to live

- **Delivering c.900 highly quality energy efficient homes.**
- Providing a range of facilities within walking distance.
- Creating a range of new walking and cycling links.
- Fast public transport access via a new Park and Ride facility / bus interchange, to be delivered with WCC and Hampshire County Council.

### Creating a distinctive place

- **Delivering hundreds of new homes of character, to include a policy compliant proportion of affordable homes.**
- Celebrating the sites rich history and heritage.
- A strategy for retention of existing buildings for community use.
- Significant sports provision and the potential re-use of the sports complex and swimming pool.

### Connecting a walkable neighbourhood

- **Opening the site to the public, with new walking and cycling paths throughout the development.**
- A new primary controlled crossing in the south, allowing pedestrian and cycle access from the development through to Priors Dean Road.
- Significant facilities within walking distance of the new homes.

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### Key Information

The Concept Masterplan, which is presented through this document, will provide the homes Winchester needs, the connections that sustainably knit the new neighbourhood into Winchester.



Sir John Moore Barracks Concept Masterplan





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# 1 Introduction



## Our Vision

Our vision is to create a distinctive neighbourhood for Winchester that responds to the site's topography, benefiting from views in and out of the site, and offering a unique setting and place to live.

The development of the Sir John Moore Barracks will preserve the character and setting of adjacent villages, promote biodiversity, and encourage healthy living and active travel. Alongside providing a range of much needed new homes for all, designed and built to the highest standards of energy efficiency, as well as significant new public green spaces and hub for new community facilities.

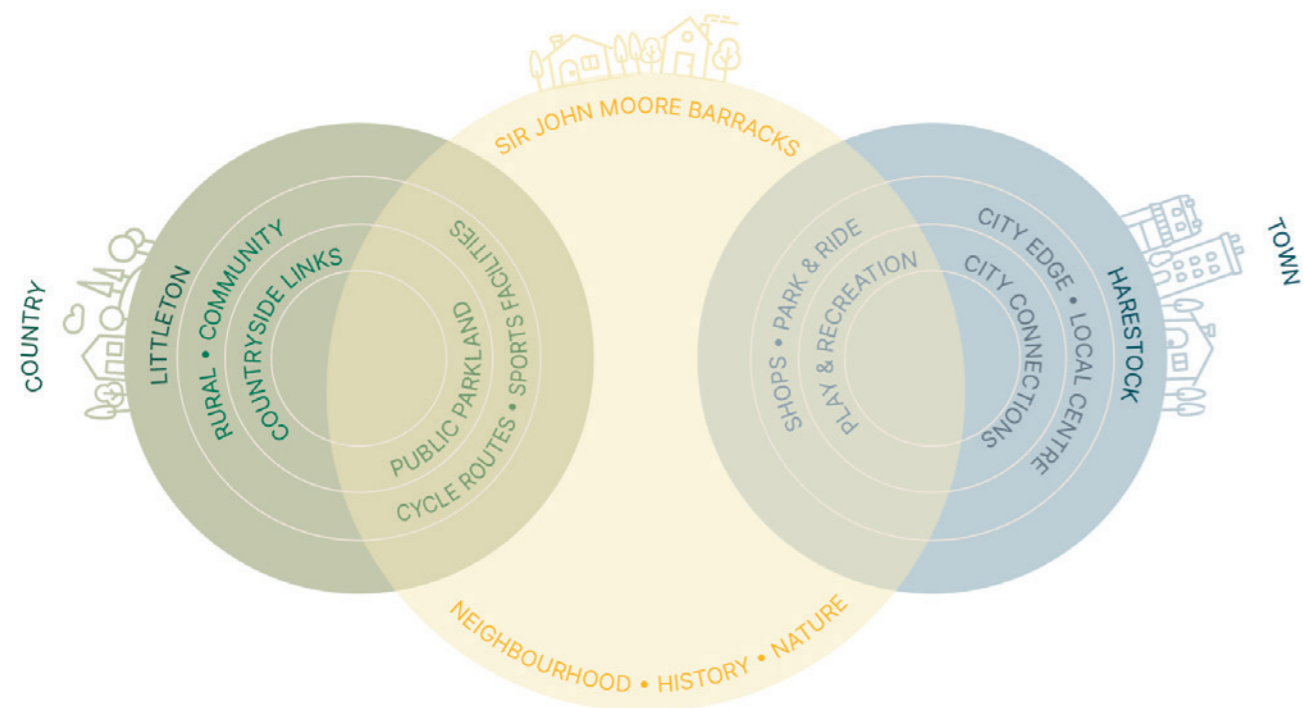
Located at the interface of the city of Winchester and the rural Hampshire countryside, the Sir John Moore Barracks (SJMB) site presents a rare opportunity to combine the best elements of both to meet placemaking objectives / creating improved connections to develop a community with nature at its heart.

The new community will be a distinctive neighbourhood sensitively responding to the site's remarkable landscape. A landscape-led approach will promote biodiversity and encourage healthy living and active travel.

Building on the site's heritage as the location of the former HMS Flowerdown 'Y' Station, the new neighbourhood will respond to the site's topography, offering a unique setting and place to live.

### Key Information

**Sir John Moore Barracks will provide a range of much needed new homes for all, designed and built to the highest standards of energy efficiency, alongside significant new public open spaces and a local hub for new community facilities.**



Positioning SJMB at the interface of Town and Country

## Why is the Sir John Moore Barracks Site Significant for Winchester?

Sir John Moore Barracks represents a significant opportunity for Winchester. Supporting the city's future growth aspirations, the site offers the potential to provide new homes, including affordable housing alongside a range of community facilities.

Winchester City Council's vision for the City, "One Great Win - Winchester Vision 2020 - 2030" focuses on five key areas - ecology, culture, homes, movement, lifestyles - that determine the character of the city and its future aspirations.

The site offers a unique opportunity to deliver on each of these ambitions, delivering an ecologically rich, culturally and socially dynamic new neighbourhood with sustainable movement at its heart.

### Key Information

**Sir John Moore Barracks represents a highly significant opportunity to support the city's future growth, deliver a significant number of the Council's projected housing delivery targets, utilising brownfield land and fulfil the Local Plan policy requirements.**



The site offers the opportunity to deliver a significant number of the Council's projected housing delivery over the Winchester District Local Plan period.



Helps to satisfy local need, delivering a spectrum of housing types and tenures, from affordable to private family homes.



A locally led development of this scale has the potential to deliver 750-1000 new, high quality homes.



Opportunity to deliver the housing delivery requirement of Policy W2 of the emerging Local Plan 2020 - 2040 (Regulation 19 submission version).



Contributes to the city's strategic movement network through a Park & Ride facility of up to 850 car parking spaces.



Optimising developed land while reclaiming previously publicly inaccessible open space and community facilities for public use.

## Key Development Principles

An extensive design process has been undertaken to develop a clear vision and development proposals for the SJMB site. This document presents the conceptual proposals to realise the vision and set the scene for the emergence of an exemplar new community for Winchester.

### Enhancing biodiversity and landscape

- Utilise site topography to create a climate adaptive neighbourhood.
- Integrate mature woodland and landscape to provide an attractive setting.
- Enhance existing and create new habitat and improve biodiversity connectivity.



Biodiverse landscape - Lovedon Fields, Winchester

### Creating a distinctive place

- Celebrating, enhancing and protecting the site's green spaces.
- A variety of homes and tenure to create an inclusive neighbourhood.
- Embracing local materials whilst also being innovative in design.



A distinct character - Abode, Cambridge

In the context of the "One Great Win Winchester Vision 2020 - 2030", and policies in the Regulation 19 submission Local Plan 2020 - 2040 the development of the Concept Masterplan (CMP) has been guided by a series of key development principles.

First presented as part of Stage 1 consultation, each of these four key development principles have received overwhelming support from local stakeholders, and have now been taken forward with no changes, forming the bedrock on which to build the vision for the place:

### Establishing a sustainable place to live

- Safe and attractive connections between new homes and amenities.
- High quality, energy efficient homes.
- Provision of a Park & Ride facility to promote city wide sustainable travel options.



Sustainable-led design - Hanham Hall, Bristol

### Connecting a walkable neighbourhood

- Mixed local facilities within walking distance.
- Pedestrian-first streetscape.
- Site permeability and connectivity for pedestrians and cyclists inside and outside the site.
- New paths creating safe and attractive routes.
- Streets designed to be pedestrian and cycle friendly.

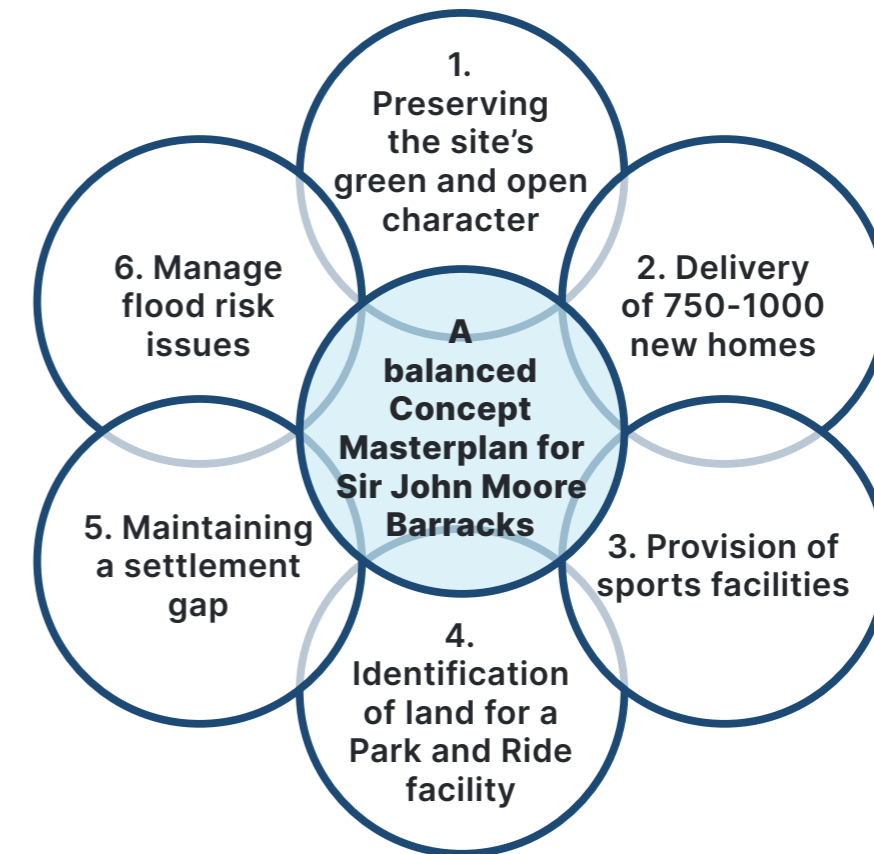


Pedestrian first approach - Accordia, Cambridge

## Reconciling Objectives

The Concept Masterplan set out across this document has been brought forward through a close collaboration with Winchester City Council, Hampshire County Council, a range of statutory consultees, and local stakeholders.

In order to deliver against the needs and requirements of these various voices, whilst fulfilling the vision's ambitious ecological, sustainability, and placemaking objectives, the Concept Masterplan adopts a highly considered and balanced approach to the scheme's key drivers.



### 1. Preserving the site's green and open character

- Retaining and enhancing the most important elements of the site's biodiversity and landscape character.
- Maintaining the integrity of views both into and out of the site.
- Offering new public access to the site.

### 2. Delivery of 750-1000 new homes

- Delivery of the number, type and tenure of homes needed to meet Winchester's housing needs.
- Delivering appropriate densities whilst maintaining the vision's placemaking objectives.

### 3. Provision of sports facilities

- Recognising the existing sports facilities on the site and balancing the potential impact on the long term viability of existing sports facilities in the city.

### 4. Identification of land for the Park and Ride facility

- A spatially connected sustainable Park and Ride facility for the Winchester Movement Strategy with reference to highways considerations, flood risk, landscape and visual impact.
- The site's layout will ensure that residents can walk, cycle or scoot to catch the bus. Plus new links to the wider community add to these sustainability benefits.

### 5. Maintaining a settlement gap

- Maintaining an appropriate settlement gap while delivering homes on the site.

### 6. Manage flood risk issues

- Responding positively to the site's hydrological conditions and requirements for water management and create new winterbourne habitats.





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## 2 Site Context & Opportunities

View looking into one of the site's residential barracks clusters



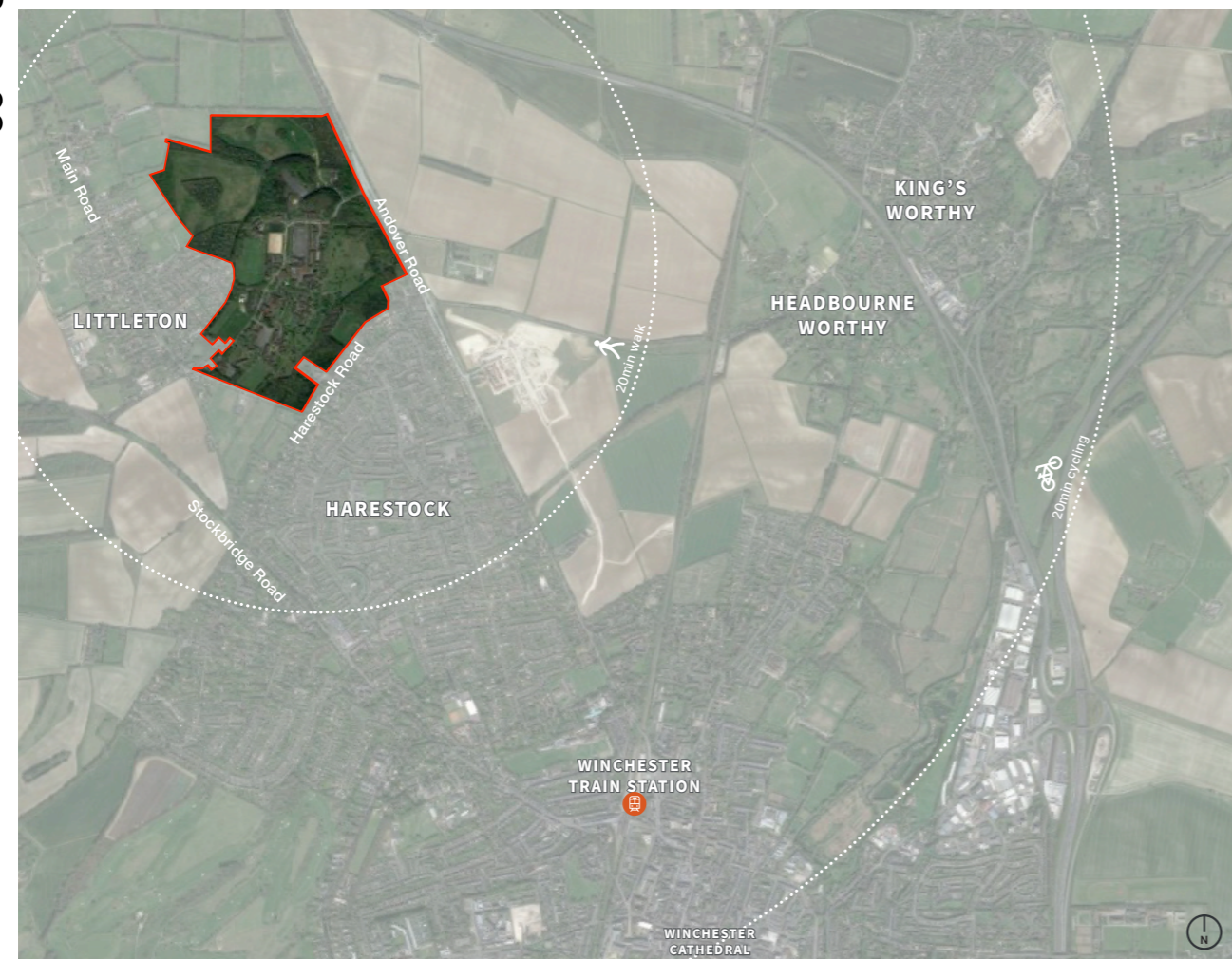
## Contextual Location

The Site is located to the north west of Winchester city centre, between Littleton Village and the Harestock neighbourhood.

### Key Information

Winchester City Council has been preparing its Local Plan. The draft plan allocates Sir John Moore Barracks as a site which is capable of delivering a significant residential-led development. The emerging policy states:

*“Land at Sir John Moore Barracks, Winchester as defined on the Policies Map, is allocated as a mixed use site which is mainly residential led comprising of 750 to 1,000 homes, ancillary and supporting uses to make this a sustainable neighbourhood with approximately an 850 space Park & Ride facility”*



Sir John Moore Barracks location plan

## Contextual Opportunities

Sir John Moore Barracks can play a significant role in the city's future connectivity aspirations.

### Connections to the City

- Opportunity to promote sustainable active travel by incorporating the Winchester Movement Strategy Park and Ride facility to the north of the city.
- Opportunity to create three 'safe routes' connecting the site to the city centre. Improving footpaths and introducing cycle lanes.
- Opportunity to create new links through the site, improving connection between Littleton and Harestock, thereby increasing access to facilities.

### Stepping Stone to the Countryside

- Opportunity to extend existing Public Rights of Way (PRoW) and cycle routes through the site, broadening opportunities for recreational uses and public access.

### Local Amenities and Communities

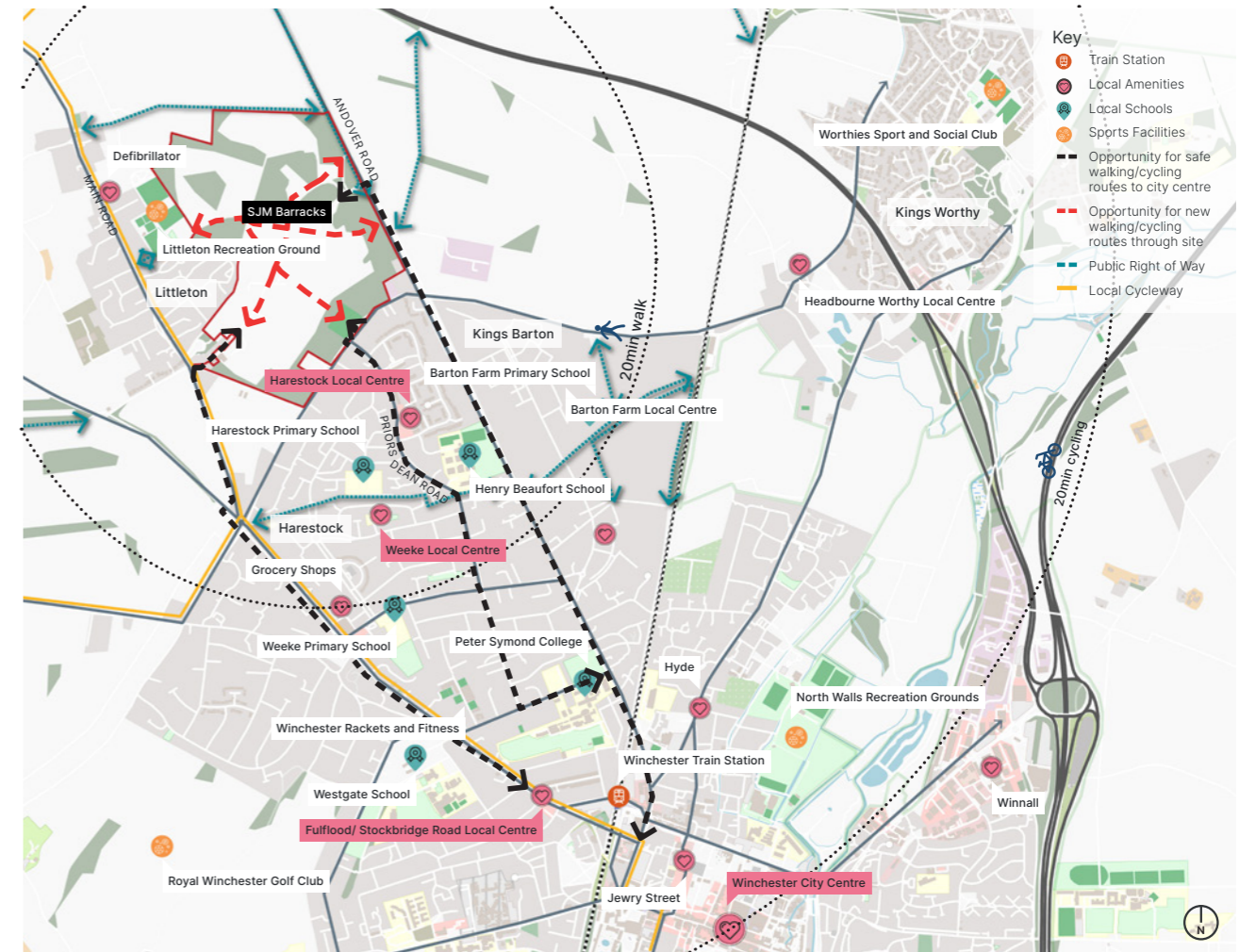
- Opportunity to connect the site with a number of local centre(s) and services within a short walk or cycle from the site.
- Opportunity for enhanced regular bus service to/from City Centre.

### Local Schools

- Support good quality, well-lit routes to local schools, to meet Active Travel England's design guidance.

### Sports and Recreation Areas

- Opportunity to promote routes to a range of sports and recreation facilities. On site sports and swimming facilities to provide for needs arising.



Contextual opportunities plan connecting the site to Winchester city centre



# Planning Policy Context

The relevant adopted Development Plan for Winchester comprises:

- Winchester District Local Plan Part 1 (LPP1) – Joint Core Strategy (adopted March 2013)
- Winchester District Local Plan Part 2 (LPP2) – Development Management and Site Allocations (adopted April 2017)
- Hampshire Minerals and Waste Plan (2013)

A summary of the relevant adopted development plan policies is provided with the Appendix to this document.

## WCC Replacement Local Plan

Winchester City Council (WCC) has commenced the preparation of a replacement Local Plan entitled the 'Winchester District Local Plan 2020 – 2040'. When adopted, the new Local Plan will supersede the LPP1 and LPP2, both of which will no longer be part of the development plan.

The replacement Local Plan has reached the Regulation 22 stage with WCC submitting its Proposed Submission Local Plan 2040 to the Secretary of State for Housing, Communities and Local Government on 15th November 2024 for independent examination, which is likely to take place in early 2025. A summary of all the relevant emerging development plan policies is provided within the Appendix including Policy W2.

This emerging Policy W2 states that Sir John Moore Barracks is allocated as a mixed used site for between 750 to 1000 homes, and states that the site is to include ancillary and supporting uses to make a sustainable neighbourhood, in addition to including a Park and Ride with 850 car parking spaces, subject to the detailed proposals according with the development plan.

## Area:

Winchester Town

## Name of Site:

Sir John Moore Barracks

## Location:

Andover Road, Winchester

## Size:

86 hectares (total site area)

## SHELAA site Reference:

LH05

## Allocated Use:

Mixed use and park and ride facility

## Indicative number of homes:

750 – 1,000 dwellings

## Existing use:

Military Barracks (Defence Infrastructure Organisation)



Part of the Winchester District Development Framework

Adopted March 2013



Part of the Winchester District Development Framework

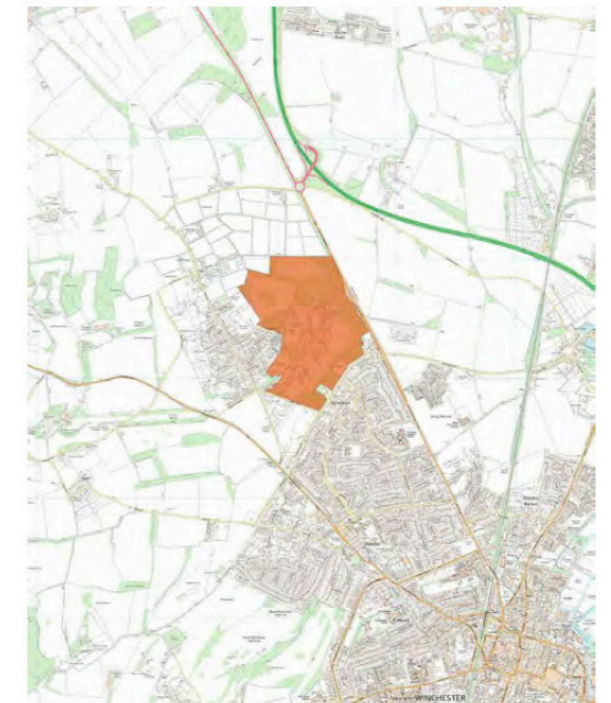
Adopted April 2017



## Site Plan



## Wider context



Site Allocation as presented in the Winchester District Local Plan 2020-2040



Policy W2 sets out a description of the site allocation along with twenty criteria that a planning application to redevelop the SJMB site must accord with.

Land at Sir John Moore Barracks, Winchester as defined on the Policies Map, is allocated as a mixed use site which is mainly residential led comprising of 750 to 1,000 homes, ancillary and supporting uses to make this a sustainable neighbourhood with approximately an 850 space Park & Ride facility provided that detailed proposals accord with the Development Plan and demonstrate how proposals will accord with the following:

1. Any application for development is preceded by, and is consistent with, a comprehensive and evidence based site wide masterplan which demonstrates how high quality design, green spaces, settlement gaps will be delivered for the whole site which has involved and engaged with stakeholders and interested parties before it is agreed by the local planning authority;
2. The proposals relate to the whole of the allocated site or, if less, do not in any way prejudice the implementation of the masterplan for the whole site;
3. The proposals include a phasing and delivery strategy that is related to the provision of infrastructure and the creation of neighbourhood centres with ancillary and supporting uses;
4. The proposals investigate the opportunity to reuse/re-purpose any of the existing buildings and gives priority to the use of the previously developed land and the intensification of the existing built up area before the use of undeveloped land;
5. The proposals consider and address the need for education provision (Primary and Secondary) to meet the needs of the development and if not provided on the site, provide suitable sustainable links that can be used all year round;
6. The proposals include a high standard of architectural design and use quality materials and detailing, through the creation of a design response that will deliver innovative, sustainable new buildings, creating and providing high quality public spaces and improvements to the public realm;
7. Access should be off Andover Road;
8. Include direct, safe and lit, active travel links as part of a strategy that minimises car journeys from the development. High quality facilities for walking, cycling and wheeling and public transport that is connected to the surrounding area/ PROW/cycle network in accordance with the Hampshire Movement and Place

- Framework and Healthy Streets approach;
9. The proposals ensure that the existing access to the site via Chestnut Avenue (which is a private road)/Kennel Lane is retained and is only used for pedestrian, cyclists and potential emergency access purposes;
  10. The proposals consider the importance, retention and management of the Flowerdown Site of Importance for Nature Conservation (SINC) in perpetuity by including a management plan for the maintenance and monitoring of these habitats;
  11. A site specific Flood Risk Assessment will need to be prepared and agreed that demonstrates how the development will be safe for its lifetime taking climate change and the vulnerability of the developments users into account, and ensure that flood risk is not increased elsewhere as a result of the development;
  12. As part of the design process, further investigation (through topographic surveys and flood modelling) determines the exact route of the winterbourne which crosses the site which should be managed and protected as it carries floodwater away from Littleton when groundwater levels are high;
  13. The proposals are accompanied by a green/blue infrastructure/ SuDS hierarchy strategy to both enhance the development and mitigate potential impacts on the surface water from flooding and ground water from Littleton in a way that increases the biodiversity on the site. This should include the provision of multi-functional green/blue links throughout the site and ensure that any additional surface water resulting from the development does not have a detrimental impact on the SINC or other protected sites;
  14. The proposals record features of heritage significance and incorporates them where feasible into any re-development of the site as part of a wider heritage trail that celebrates the sites military history and helps the general public to understand and appreciate how the site has evolved. The proposals will also need to minimise harm to the setting of the adjacent Round Barrows;
  15. The proposals incorporate and include public realm to enhance the intrinsic quality of the site and creates a 'sense of place' putting people and places at the forefront of the development;
  16. The proposals retain the existing Chapel and opens this up to the community as part of any new development, as this will reinforce links to Peninsula Barracks and historical military associations with Winchester;
  17. The proposals include an assessment of the condition, age and the need to retain/ incorporate the existing gym, leisure facilities and the swimming pool as part of the wider residential led scheme. Depending on the outcome of this assessment if they are viable, they should be opened up for use by the local community and management plan should accompany any planning application for this part of the site;
  18. The proposals consider the potential impacts of wastewater (nutrients) produced by the development upon the Solent SAC and River Itchen SAC and identify mitigation so as to avoid any adverse impact on these nationally protected sites either by incorporating measures within the site as part of the development or secured by alternative means if this is not feasible (Policy NE6);
  19. The proposals include a Park & Ride facility of approximately 850 spaces that would be in addition to and would need to be connected operationally to the 200 space Kings Barton Park & Ride light. The scale and location of the Park & Ride facility should be determined through the master planning process and transport assessment include the provision of electrical charging points and cycle parking facilities; and
  20. Occupation of development will be phased to align with the delivery of sewerage infrastructure, in consultation with the service provider.
- All except the first of the above Policy W2 criteria relate to the content and scope of a future planning application to propose the redevelopment of the SJMB site – the preparation of an outline redevelopment application is well advanced and due for submission in 2025. The current CMP preparation process has been carried out with reference to the emerging policy and an analysis of the concepts in the SJMB CMP against the above criteria is provided in section 3 of this document.



# The Sir John Moore Barracks Site

The site lies in an undulating landscape to the south east of the village of Littleton, covering an area of approximately 86.5ha.

## Existing Uses and Built Form

The site holds a long association with the military, with the central area comprising military barrack facilities. Situated on the site of the former HMS Flowerdown, a Second World War naval listening station, the site contains several original radio mast fixings in the northern training area.

Existing buildings are set within a characterful landscape setting, with extensive areas of mature woodland and green space surrounding the campus.

## Landscapes and Topography

The site is undulating, with several small valley features running across it creating a varied and interesting internal landscape. Grass training fields and parade grounds form flatter open spaces adjacent to the buildings, with larger sloping training fields in the north.

The site consists of large areas of plantation woodland wrapping around the site, which, together with the Flowerdown Site of Importance for Nature Conservation (SINC) located to the east, present a verdant landscape setting.

Several areas along the north and south-eastern boundaries, are identified as Habitats of Principle Importance (HPI). Further areas of plantation woodland and grassland are home to several protected species, including badgers, breeding birds, bats, dormice, and reptiles.

## Infrastructure and Connectivity

There is currently no public access through the site due to its military use, however due to its close proximity to surrounding communities, it presents an easily accessible site by car, public transport, bike or on foot.

The site's main vehicle entrance is on Andover Road North. The internal roads are in good condition, most of which could be reused as part of the proposed redevelopment of the site.

The site offers the potential to integrate with existing infrastructure, connecting to existing pedestrian and cycle networks with new entrances surrounding the perimeter.

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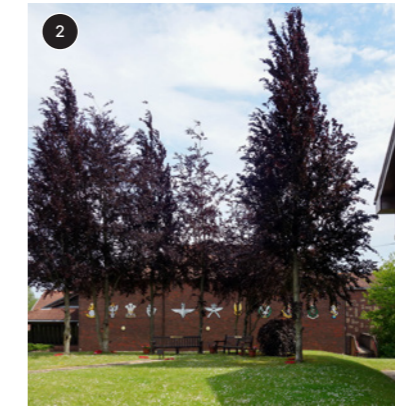
Aerial view of the Sir John Moore Barracks site

## Key Information

The site includes some areas of ecologically rich and diverse landscape (and other areas that would benefit from enhancement), a range of buildings with potential for reuse, a good quality internal road network, and opportunities to connect into surrounding footpath and cycle infrastructure.



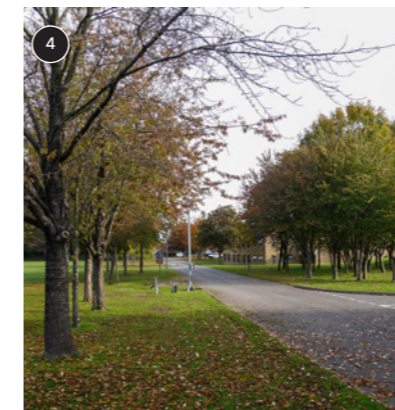
Large training areas



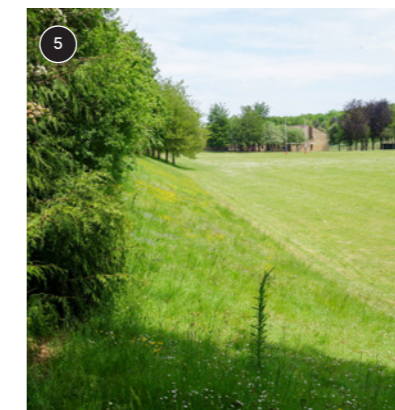
Looking towards the Sports Complex



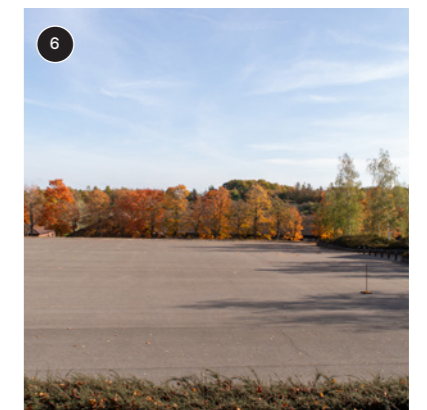
Valley Road



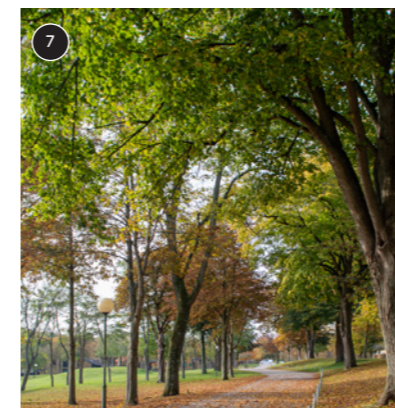
View from the SINC



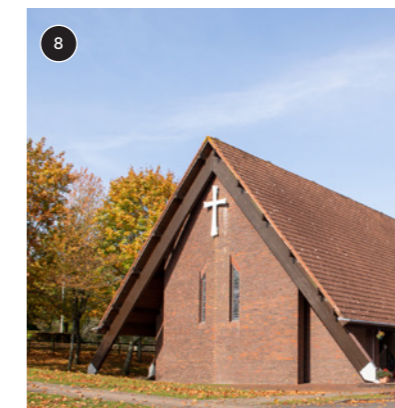
Training area also laid out to provide for rugby



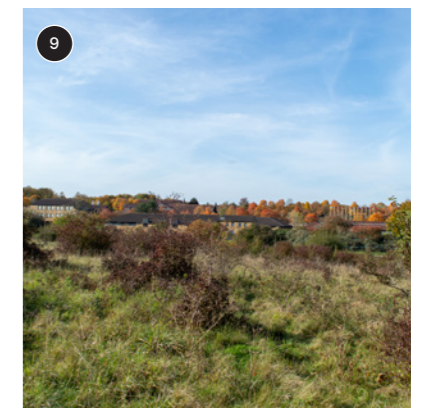
Parade Square



Typical street character within the site



The Chapel



Flowerdown SINC



## Site Constraints

The site comprises a range of potential development constraints. These features have been considered iteratively throughout the design process, with the design team, wherever possible, seeking solutions to use these advantageously in the scheme and respond sensitively to the site context.

The key constraints that have informed the design development process include the following:

### Existing Uses and Built Form

- **Approximately 28ha (33%) of the site is currently developed.** The built form comprises a range of buildings for different uses, ranging from 1-4 storeys in height. While some offer the potential for retention and re-use, many do not, with current layouts that significantly under-optimize the site's development potential.
- **Existing buildings may be able to be refurbished into apartment buildings.** However, further consideration should be given to the District's housing need and the demand of the local market, with an appreciation to a wider housing mix and urban form to support a future neighbourhood.
- Clusters of residential buildings are inward looking with little engagement with surrounding streets and small internal courtyards which do not comply with privacy regulations.
- **Partial retention of some buildings could be considered subject to further surveys and testing.**

### Flood Risk

- **Majority of site is Flood Zone 1, however, areas of the Site in the north are located within Flood Zones 2 and 3,** as well as winterbourne streams that are dry during the summer months. These present significant limitations on development in these areas.
- **Residential and commercial units to be excluded from areas at greatest risk of flooding.**
- **The site will be designed to ensure all infrastructure remains operational during a flood event.**

### Landscapes and Topography

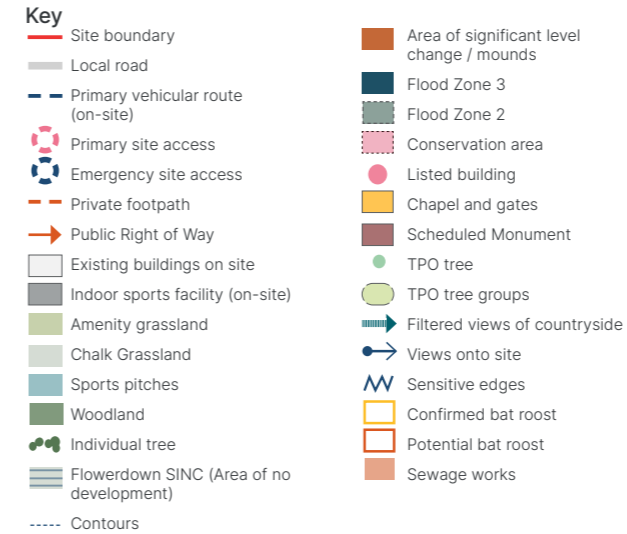
- **58ha (67%) of the site consists of large woodland belts, grassland slopes, and the Flowerdown SINC.** Each of these presents a significant contribution to the local wildlife network.
- **Wildlife surveys have informed our understanding of the variety of habitats and protected species present.** The aim is to retain features of landscape and ecological importance and provide suitable mitigation for any loss, while improving connectivity, incorporating biodiversity within the built environment, and delivering a 10% Biodiversity Net Gain.
- Nutrient neutrality solutions required to protect the Solent Nutrient Impact Zone and River Itchen.
- The land generally falls from the north west to south east. Valley features that run approximately west to east, create an interesting yet challenging landscape to build on. Development areas will be required to respond to the stepping topography.

### Infrastructure and Connectivity

- **Desire to avoid coalescence between Harestock and Littleton,** by maintaining a green settlement gap.
- Limit impact on existing residents of Littleton, retaining views, avoiding potential for overlooking, and limiting access and potential for rat-runs.

### Key Information

The site presents a range of development constraints which have been carefully assessed and considered in the design and development of the Concept Masterplan, with an approach to reusing existing buildings where possible, sensitively responding to existing landscape features, flood risks, and connectivity issues.



Sir John Moore Barracks Constraints Plan



# Site Opportunities

The site comprises a landscape of undulating woodland, boasting characterful views along tree lined avenues, across grasslands, and along sloping valleys. A previously developed site, readily available for regeneration in a sustainable location.

The site is 2.5km from Winchester city centre and adjoins two key sustainable travel corridors and offers a gateway to the surrounding countryside, representing an exceptional opportunity to deliver an exemplar new neighbourhood immersed in nature.

The Concept Masterplan has sought to capitalise on, and explore, a range of opportunities including the following:

## Existing Uses and Built Form

- Opportunity to retain existing buildings where possible, particularly the Chapel, Officers Mess and Corporals Mess for potential reuse as community facilities given stretched demand on existing indoor community space in the area.
- Opportunity to re-purpose existing military sports complex - requires viability assessment from a market and sustainability perspective.
- Opportunity to deliver new leisure and community facilities - including local shops, sport facilities etc., all open to the wider public.
- Deliver much needed high quality new homes for all - including affordable homes, new commercial/ business space and retail uses to be delivered.
- Opportunities to create a distinctive neighbourhood settled sensitively in the site's topography, benefiting from views in and out of the site offering a unique setting to live.
- The site is very well screened from its surroundings by mature woodland, presenting an opportunity for higher densities in lower, shielded areas.

## Landscapes and Topography

- **Opportunity to maximise the retention and management of key green space and provide a robust landscape strategy.**
- Opportunity for a landscape-led masterplan with a significant amount of green space provided for the benefit of new and existing residents, opening up a site that has not previously been publicly accessible.
- Opportunity to enhance and connect woodland habitats.
- Opportunity for enhancement of existing SINC and long term future management.
- Opportunities for Sustainable Drainage Systems (SuDS) through multiuse infiltration and storage options will be optimised in areas such as play spaces and areas for biodiversity.
- The site's topography allows for a series of 'terraces' to be formed, benefiting from long views.
- Mature trees define edges and create structure in the central part of the site.

## Infrastructure and Connectivity

- **Unlocking public access and opening up existing green areas - with new pedestrian, cycling and vehicular permeability, providing key linkages and amenities to neighbouring settlements.**
- Design to support sustainable lifestyles through the promotion of sustainable transport and active travel - **with focus on walking, cycling and public transport (including the Park and Ride facility on the site)**, alongside energy efficient homes and on-site renewable energy infrastructure.
- Opportunity for the site's heritage to be celebrated through the proposals e.g. a heritage trail.

## Biodiversity enhancement

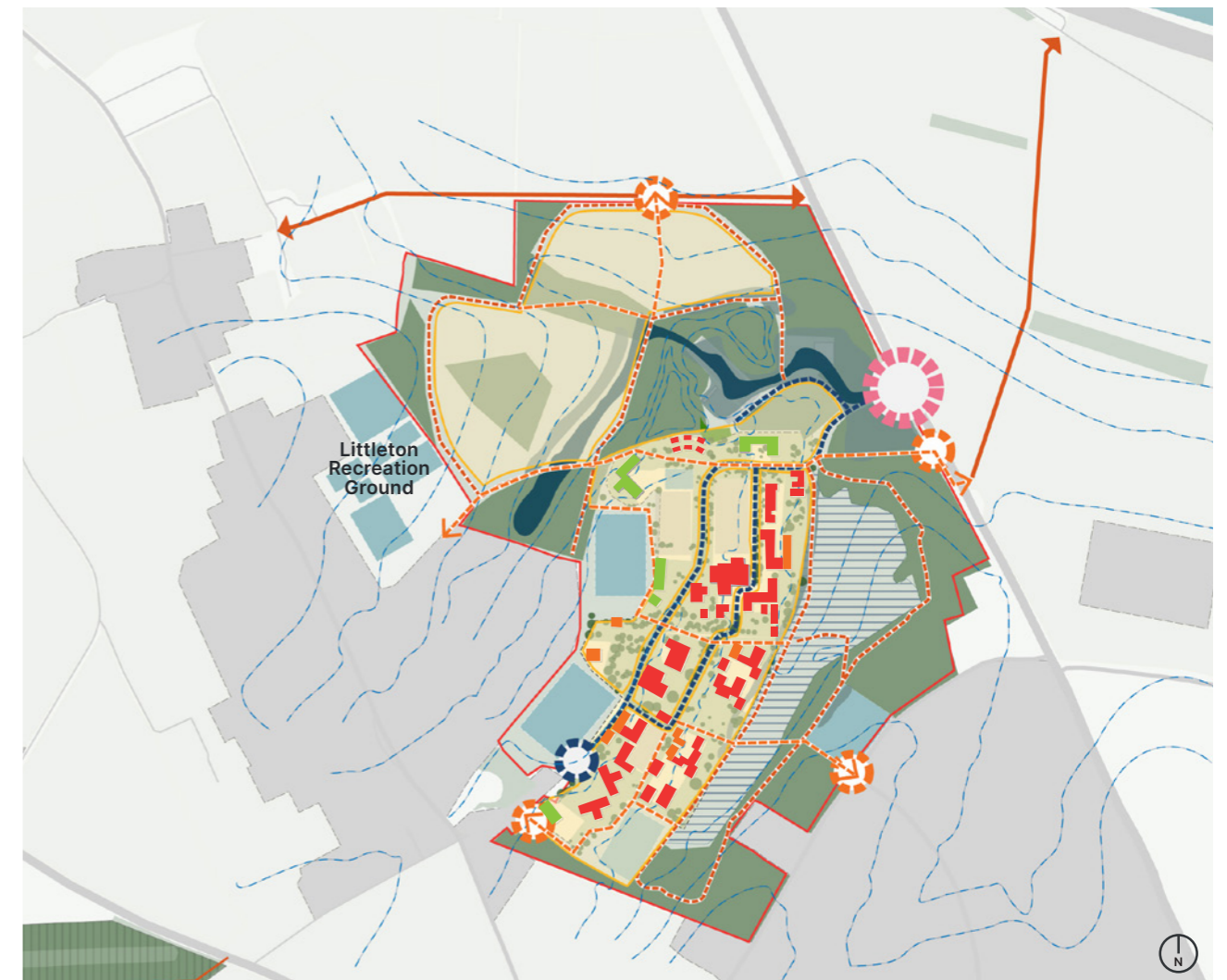
- **Significant opportunity to enhance biodiversity throughout the site, particularly in conjunction with development elements of the northern fields. The proposals are informed by robust ecological and habitat surveys updated during 2024. Ecological strategies are being developed through our work to prepare for DIO's next stage 4 public consultation.**
- Active management of existing habitats.
- Creation of new habitats with ongoing management and stewardship.
- Opportunity for local engagement, consultation and a community based stewardship vehicle.

### Key Information

The unique landscape presents a variety of exciting opportunities across the site. From reusing existing buildings, celebrating and enhancing the natural landscape and building on the good quality road network and site heritage.

**Key**

Site boundary	Woodland
Local road	Individual tree
Primary vehicular route (on-site)	Flowerdown SINC (Area of no development)
Primary site access	Flood Zone 3
Emergency site access	Contours
Potential new pedestrian / cycle access points	Additional pedestrian footpath
Potential new public foot paths	Potential development areas
Public Right of Way	Existing building considered to be removed
Amenity grassland	Existing building considered to be retained
Chalk Grassland	Existing building with potential to be retained
Sports pitches	



Sir John Moore Barracks Opportunities Plan



# Defining the Development Opportunity

Having identified the range of opportunities and constraints across the site, the design team established a comprehensive approach to defining the potential development area.

The design team adopted the following sequence of area based considerations to establish the Development Area:

### Key Information

The site's physical constraints and desire to retain a sensitive edge to Littleton, inform an iterative approach to defining the potential development area. Leading to three parcels being identified as the potential for accommodating development of varied scales and density.

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## 1. Topography

- Varied site levels across the site and a steep artificial mound feature to northern area.

**Key**

- Site Boundary
- Areas of sloping ground presenting significant barriers to development and movement
- Steep slopes
- 1. Mound feature
- 2. Training area embankment



Areas of sloping ground

## 4. Ecology

- Flowerdown Site of Importance for Nature Conservation (SINC).
- A wide range of wildlife and ecological surveys have been carried out to record habitats and protected species present across areas of good habitat quality.

**Key**

- Site Boundary
- Ecology and good habitats quality presenting significant barriers to development and movement
- 1. Priority Woodland
- 2. Chalk Embankment
- 3. SINC



Ecology and good quality habitats

## 5. Potential Capacity

Total gross area of site remaining:

- 35 ha split over 3 main parcels of land (A,B,C), around 40% of the whole site (86 ha)

Excluding areas for:

- Sports / Play requirement
  - Primary road Infrastructure
  - Secondary Green Infrastructure
- Total likely net development area 25 ha.

**Key**

- Site Boundary
- Areas without significant barriers to development
- A. Approximately 24 ha
- B. Approximately 6 ha
- C. Approximately 5 ha
- Potential P&R Location



Areas without barriers to development

## 2. Flood Risk and Drainage

- Areas of Flood Zone 2 and 3 located within the lower valley.
- Parts of the site are at risk of flooding from pluvial surface water and groundwater flooding.
- Winterbourne streams that are dry during summer months.

**Key**

- Site Boundary
- Areas of flood zone 3 presenting a barrier to developments



Areas of flooding

## 3. Landscape

- Existing woodland, trees and hedgerows form key structural and ecological components of the site.
- Mature and semi mature trees are present scattered across the centre of the Barracks site and forming avenues along internal roads.

**Key**

- Site Boundary
- Landscape features presenting significant barriers to development and movement



Landscape features

## 6. LVIA Testing and Height Opportunities

- Exploring opportunities for delivering height in areas that are less visually sensitive, lower in valley, and well screened.
- Ensuring smaller buildings are delivered in areas of greatest sensitivity.

**Key**

- Site Boundary
- Buildings up to 10m
- Buildings up to 15m
- Buildings up to 20m
- Sensitive edge



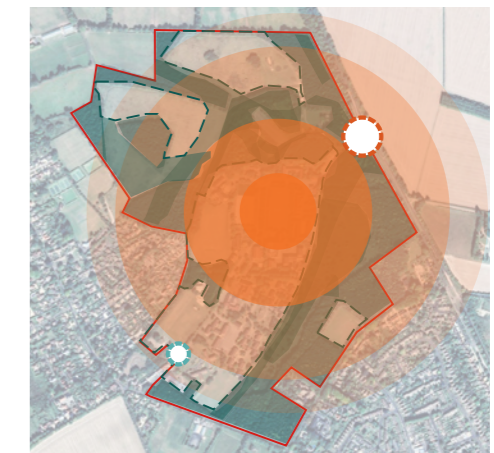
Areas with opportunity for height

## 7. Approach to Capacity

- Higher density focused close to site access, areas of least visual sensitivity potential P&R location, and likely location for local facilities / amenities - promoting active travel.
- Density reduced in areas of visual/ landscape sensitivity.
- Graduations in density used to support place-making, character and street scene.

**Key**

- Site Boundary
- Approach to Density
- Potential P&R Location
- Existing Vehicular Site Access
- Existing Emergency Site Access



Approach to density



## Consultation Timeline

Responding to the requirements of the allocation in the draft Local Plan, the concept masterplan is the result of extensive collaboration between the project team, Winchester City Council, statutory consultees and the local community.

The below timeline is subject to change, but sets out the next steps in the path of the developing scheme and key milestones in bringing the site forward through the planning process:

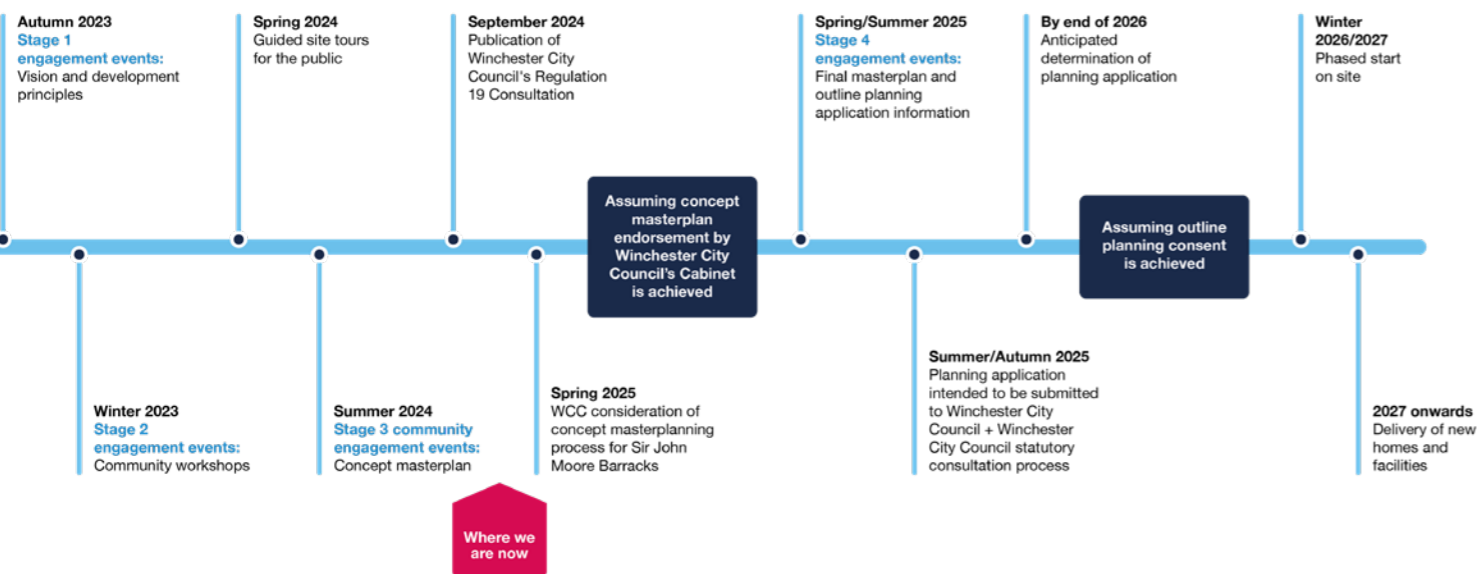


Stage 2 consultation community workshops



Stage 2 consultation community workshops

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## Community Engagement Feedback Summary

In accordance with Winchester City Council's Concept Masterplanning process to guide the planning of significant development sites, the team have gathered a wide range of feedback during the programme's three stages of consultation. Feedback has been shared during regular meetings with Winchester City Council and Littleton & Harestock Parish Council, as well as a range of public engagement sessions:

### Feedback from Stage 1 and Stage 2 consultations

Stage 1 of consultation sought feedback, through drop in engagement events and a digital engagement platform, on the vision and development principles which are set out in chapter 1 of this document. Stage 2 involved workshops with key stakeholder representatives and local residents, taking a deep dive look at how best to work with the constraints of the site and maximise the opportunities of a new neighbourhood in this location.

### Sport and Leisure

- Significant support for a range of sports provision on site.
- An acknowledgement that it won't be possible to include extensive provision while meeting requirements of the allocation.
- Continuing to explore options to provide indoor leisure provision, subject to further viability and sustainability assessments.

### Retention of Existing Buildings

- Support for seeing existing buildings such as the Officers Mess retained and re-purposed for community use.
- Some buildings acknowledged as not being appropriate for re-use e.g. existing barracks blocks.
- Continuing to explore options to retain and re-purpose key buildings of considerable architectural/historical value for potential community use.

### Celebration of the site's Heritage and History

- Strong desire to see the site's rich history and heritage celebrated.
- As suggested and supported in feedback, the CMP includes a heritage trail around the site.

### Development Parcels

- Location of development responding to existing constraints, reflects desire to retain and protect settlement gaps with Littleton and Harestock.
- Some feedback suggested development should be limited to the central area of the site to preserve existing green space and nature to the north.
- Placement of development parcels in the north ensures protection of views from Littleton Recreation Ground, while retention and enhancement of green space across the site will help enhance biodiversity and provide ample green open space.

### Transport and Infrastructure

- Some concerns remained around potential pressure on infrastructure, particularly in relation to anticipated additional traffic and highway capacity.
- Primary vehicular access off Andover Road.
- Nevertheless, based on consultation with Hampshire County Council Highways, highway capacity is not seen as a constraint to development.
- CMP reflects significant support for the promotion of active and sustainable travel options.

### Feedback from Stage 3 consultation – Concept Masterplan

The third stage asked the local community to respond to the concept masterplan. This stage was a similar format to the first stage, with public consultation events seeking direct feedback on proposals.

The feedback showed continued support for the principle of the development at Sir John Moore Barracks, with broad support for all of the features included in the concept masterplan:

- Popular elements of the CMP were the extent of the site remaining undeveloped, the retention of sports playing fields and the plans to develop on the existing building footprint.
- There was some criticism of specific elements of the concept masterplan included limited opposition to development in the northern training areas, a desire for more sports amenity provision on site, and wider concerns about the impact on existing local infrastructure from the development. These are all areas we will continue to work on with statutory consultees and the local community during the outline planning application process.
- Feedback also showed opposition to the planned diversion of Andover Road, a constraint of the sites context that we must work with. There was however strong support expressed for the speed limit reduction on Harestock Road.





View looking north along tree lined avenue alongside the parade ground

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# 3 The Concept Masterplan



# Design Evolution through Consultation

The CMP has been developed through an iterative process in close collaboration with WCC.

The below sequence identifies key milestones throughout the project programme, illustrating the iterative process of responding to feedback.

## Winter 2020

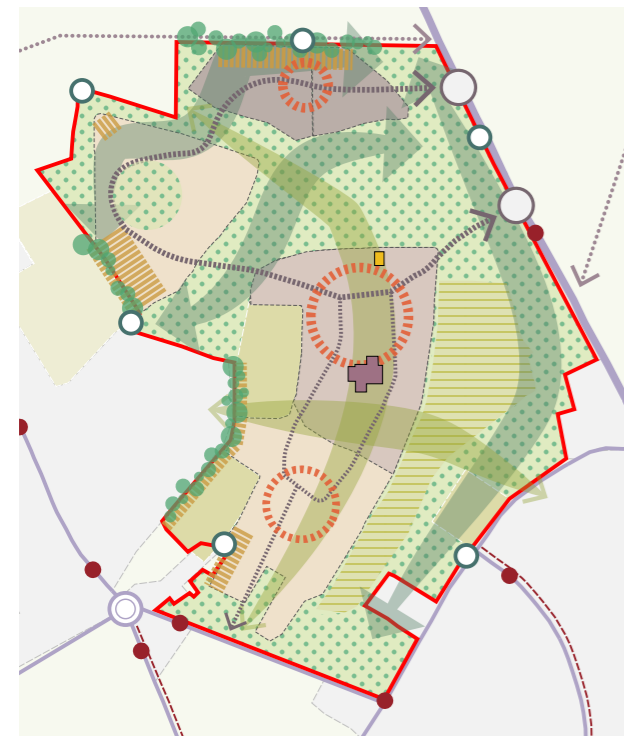
### Public Consultation & Early Masterplanning Development

#### Key feedback from Consultation

- **Access Strategy** - Kennel Lane access point not favoured, potential for rat-running.
- **Park & Ride facility** - Confirm with WCC/HCC on requirement, scale and location.
- **Non-Residential Uses** - Confirm quantum and type of floorspace.
- **Northern Training Fields** - Change approach to development uses.
- **Connectivity** - Focus on active travel connection opportunities.
- **Flood Risk Alleviation** - Any opportunities to alleviate risk to Littleton.

#### Conclusion to early Masterplanning work

- **Access Strategy** - Confirmed all vehicle movements to be from Andover Road.
- **Park & Ride Facilities** - Movement Strategy requirement confirmed as approximate 850 spaces, to prioritise swift bus turnaround times from Andover Road.
- **Non-Residential Uses** - Market Demand and Policy Assessment completed, agreed with stakeholders that non- residential content should be locally scaled only. Not a major employment site.
- **Northern Training Fields** - Density of development to be focussed in existing built-up areas of barracks to be considered first; and extent of development in the north should be pulled back to Littleton edge to maintain gap to the semi-rural settlement.
- **Connectivity** - Focus on active travel connection opportunities between existing neighbourhood centres and schools.
- **Flood Risk Alleviation** - Receives overland flows from Littleton (Pitter Close), this would continue. Request to define the role of the site currently during a high groundwater event and ensure this is maintained.



Winter 2020 - Opportunities Plan

#### Key Information

Consultation feedback technical evidence base & early masterplanning work informed the Policy Response in Local Plan Policy W2.

## Winter 2022

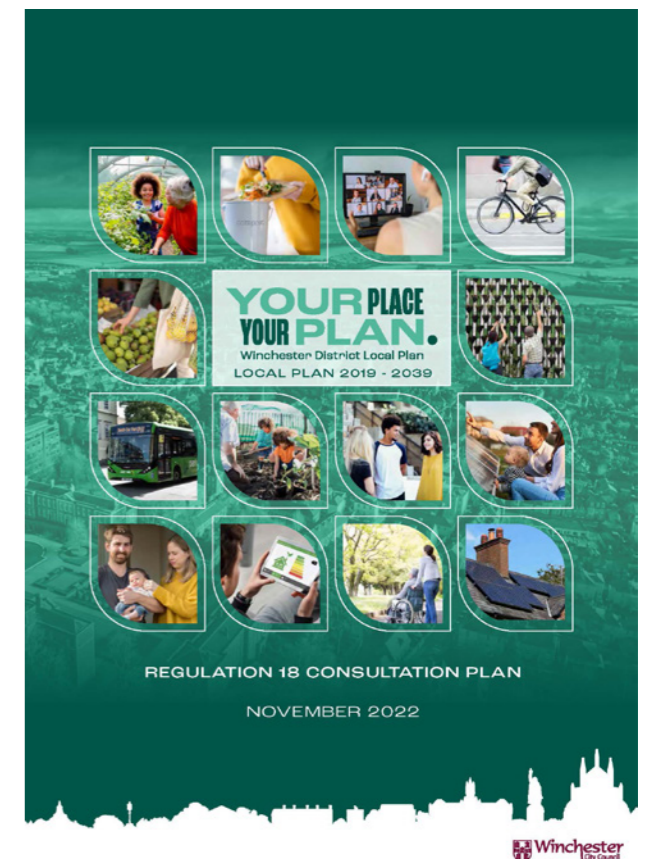
### Reg 18 Local Plan - Policy W2

#### Key policy requirements and responsive actions to inform design development

- **Access Strategy** - All vehicle movements to be from Andover Road - requiring further transport modelling to ensure CMP successfully integrates with surrounding network.
- **Park & Ride facility** - Provision of an 850 space facility - requiring consultation with bus operators to agree the scale and location within the scheme.
- **Non-Residential Uses** - Provision of a neighbourhood centre with ancillary and supporting uses - requiring workshops on suitable scale and location of non-residential uses across the site.
- **New Homes** - Delivery of 750-1000 new homes - requiring further technical site testing, including a Townscape Visual Impact Assessment to refine developable area and approach to density across the site.

#### Workstreams in response to Policy W2:

- **Park & Ride facility** - Options Study to identify siting options for the Park and Ride facility.
- **Leisure Complex and Swimming Pool** - Sports consultant engaged to assess sports complex opportunities.
- **Re-Use of Buildings** - Framework required to assess buildings for re-use.



Winchester City Council's Local Plan (Regulation 18) Document

Winter to Spring 2023/24  
Public Consultation Phase 2 Workshops

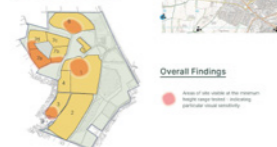
Key feedback from Consultation

- Desire to respect the site's rich military history.
- Concerns about the current levels of traffic on Andover Road and concerns that using it for access would exacerbate this, with similar issues raised about traffic on Harestock Road.
- Concerned about the visual impact of Park and Ride facility and the extent that demand existed.
- Clear support for the highest standards in energy efficiency and biodiversity.
- A range of facilities and amenities could be delivered on site to benefit both future residents and the wider surrounding area.

Context and Site Constraints

Testing Visual Sensitivity

The VSA process can be used to establish the visual impacts of new road from the site. A selection of viewpoints have been chosen to test the masterplan and the visibility of development on different areas of the site. This will help us to collectively agree the appropriate maximum built form within the site, in order to avoid adverse visual effects.



Context and Site Constraints

Up to 1,000 homes allocated into the emerging local plan. What does this mean for the site?



What does this look like?

Total Site Area: 89 Ha  
Developed Land: Approximately 18 Ha  
Green Spaces: Approximately 50 Ha  
Training Pitches: Approximately 5 Ha

Density: 25 dph  
Area Reserved for 1,000 homes  
Approximately 18 Ha  
Mixed Uses

Density: 40 dph  
Area Reserved for 2,000 homes  
Approximately 18 Ha  
Mixed Uses

Density: 80 dph  
Area Reserved for 4,000 homes  
Approximately 18 Ha  
Mixed Uses

Feedback informed refinements of Design Principals

- **History and heritage** - Commitment to celebrate the site's military history, preserving historical setting of Littleton, and ambitious approach to retention of buildings.
- **Transport** - Review of a short list of Park & Ride facility locations, possible access strategies and internal network. Exploring opportunities for local improvements and connections to existing neighbourhoods and facilities.
- **Flooding** - Exploring opportunities to formalise winterbourne route and how site operates during a flood event.
- **Landscape** - Definition of settlement gap extent and distribution of development areas through the site.
- **Density** - Exploring the look and feel of different housing densities. Interaction between height and typologies, including approach to mixed use neighbourhood centres.
- **Climate resilience and sustainability** - Developing proposals for managed green spaces that would remain to be properly managed with a mix of informal open spaces, formal areas like the SINC, allotments and community gardens.
- **People and community** - Areas of dog walking kept separate from children's play areas and other community facilities.
- **Sports Workshop** - Retention and integration of sports hall, fitness complex and swimming pool together with external sports field for a variety of clubs/sports, balanced with meeting the primary aims of Policy W2 as a residential scheme.

Spring 2024  
WCC Pre Application Workshops

Outputs in response to technical evidence base and 'Fixing' Masterplan Fundamental elements:

- **Park & Ride facility** - Siting Options Study finalised; Siting option agreed with WCC and HCC from short list.
- **Leisure Complex and Swimming Pool** - Continuing assessment of sports complex. Associated Land Parcel confirmed.
- **Vehicle Access Strategy** - Functional requirement for 2nd site access, north of existing entrance accepted. Supports development of internal movement network.
- **Re-Use of Buildings** - A four stage framework is agreed, for assessment of buildings for re-use and whole life carbon assessment to be progressed alongside development of the masterplan.
- **Masterplanning Strategies** - Agreement as to the masterplanning strategies to be followed and tested in order to prepare concept masterplan:
  - Confirmation of max potential unconstrained developable areas of the site - including northern training areas.
  - Establishing a physical separation or 'gap' between Littleton and the development - aligning with the Littleton Neighbourhood Plan.
  - Confirmed approach to density and likely site capacity - based on sustainability and place-making principles.
  - Implications of sports focused site layout.
- **Extent of sports provision** - There was strong consultation feedback from sports groups that Winchester was lacking a sub-regional sports hub. Efforts to accommodate formal sports pitch provision in excess of that required in policy terms would displace residential development the local plan requires elsewhere within the site. Given the topography of the site, this would have meant a higher density and a greater extent of development in the northern training areas, to accommodate additional sports fields in central and southern areas, and a greater traffic impact.



WCC Pre Application Workshops - Framework Masterplan



Summer 2024

WCC Design Review Panel Workshops

Key feedback from Workshops

- As an isolated, 'fringe' development it is essential that the scheme has its own character.
- Feels large enough to have its own neighbourhood centre.
- Opportunity to be an exemplar scheme for Winchester.
- The non-residential space in the neighbourhood centre should have low/no rent attributed to it for viability purposes (at least initially), to ensure early occupancy to create active frontages from the outset, rather than empty hoarded up ground floor space for years.
- In terms of the proposed development, it is understood why the northern fields are being used and the design of this is good for the site overall.
- The northern area would need to have a good sense of place when arriving at the site.
- The Panel would like to see a clear identification of cycling, pedestrian and vehicular movements and routes into and across the site.
- Important to factor in;
  - Starter homes
  - Custom build units / self-build plots
  - Downsizer homes



WCC Design Review Panel Workshops - Framework Masterplan with character areas identified

Summer 2024

Public Consultation Phase 3

Feedback informed refinements of Concept Masterplan

- **Development area** - Agreed with WCC, including northern training fields
- **Quantum of development** - Agreed with WCC with defined density strategy and approach to masterplan layout and building retention.
- **Neighbourhood centre** - Defined the potential area for a neighbourhood centre and outlined the potential mix of uses and facilities that may form the centre.
- **Sustainability** - Committed to delivering high sustainability standards across the site.
- **Connectivity** - introduction of new pedestrian, cycle connections between the northern area and neighbourhood centre, improving connectivity across the site. Alongside further definition of an integrated, car-lite movement network.
- **Placemaking** - Introduction of an arrival square to define the gateway experience when arriving at the neighbourhood centre. Alongside further narrative around the placemaking character of the site, highlighting its distinctive features and mix of facilities.



Public Consultation Phase 3 - Concept Masterplan



# Developing a Framework Plan

Having established the vision and desired aspirations for the site through consultation, and agreed the Development Area, the team considered how best to deliver these across the site to form a comprehensive masterplan for an exemplary new neighbourhood.

Building on a landscape-led design approach, the team developed the following sequence of strategic spatial design moves, creating a coherent network and framework for development:

## Key Information

Building on a landscape and sustainability-led design approach, the team developed a sequence of strategic spatial design moves, creating a coherent framework for the development. Particular focus was placed on defining the maximum height parameters, driven by an approach to sensitively responding to the site and placing greatest height in the areas of least impact.



### 1. Retention of valuable green spaces and woodland.

- Maintain an 80-90m settlement gap buffer to Littleton and Harestock.
- Formal Sports provision to meet policy requirements, protection of existing SINC, and potential for a new managed parkland in the north-west.



### 2. Refining parcels of potential development.

- Work with the site levels and minimise earthworks, creating deliverable development parcels.
- Plots work around natural features to maximise buffer planting and contain development within the centre of the Site.



### 3. Accommodating potential wider uses - details not yet established.

1. Energy Centre 0.25 ha
2. Leisure Complex 1.3 ha



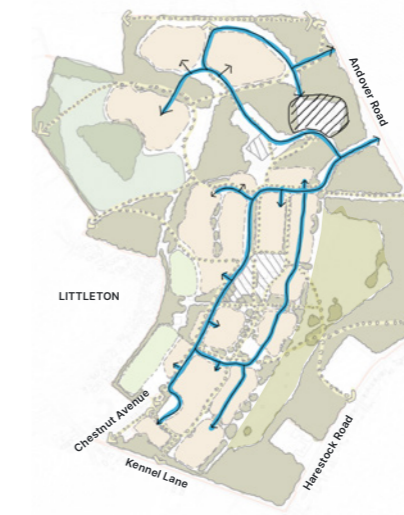
### 4. Defining a network of new walking and cycle paths.

- Extending existing footpaths across the site to connect with surrounding PRoW and pedestrian and cycle routes.
- Creating a permeable and pedestrian first network across the site.



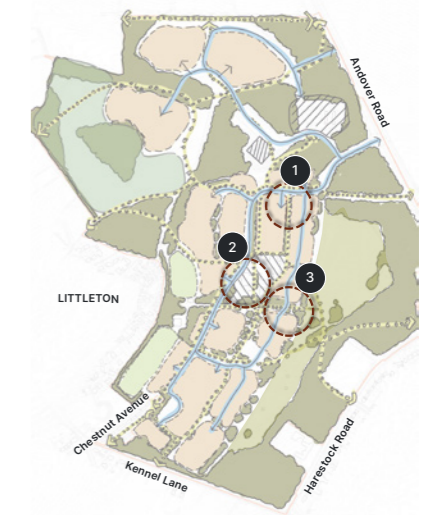
### 5. Working with the existing site infrastructure to minimise construction of new roads.

- Create a simple road network linking all development areas.
- A strategic loop that accesses each plot while keeping vehicle movement to a minimum.
- Opportunity for a new vehicle entrance to access the northern training areas from Andover Road.
- Park and Ride location



### 6. Identifying an appropriate location for a neighbourhood centre.

1. Close to main entrance surrounding existing buildings with potential for retention and refurbishment for commercial uses.
2. Surrounding the existing sports complex with potential for retention and refurbishment.
3. At point of pedestrian arrival from Harestock, supporting connections to neighbouring communities.



### 7. Defining a building heights strategy that responds to sensitive views and enhanced place-making opportunities.

- Locating areas of highest density and tallest buildings in the centre of the site with greatest opportunity conceal buildings within the landscape and offer least impact to neighbouring communities.
- Proposed building heights have been heavily informed through a Townscape and Visual Impact Assessment process to limit the impact of development and retain a landscape-led development ethos.
- Scale of the development used to enhance place-making and define an active street scene.

- High Density - 80dph
- Med / High Density - 60pdh
- Medium Density - 40pdh
- Low Density - 30dph
- Very Low Density - 20dph
- 20m 5-6 storey residential building
- 15m 4-5 storey residential building
- 10m 2-3 storey residential building
- <10m 1-2 storey (sensitive edge)





# Exploring the Ingredients of an Exemplar Sustainable Neighbourhood

Representing a significant city fringe “sustainable” site, Sir John Moore Barracks offers the opportunity to create a new community that is organically integrated into the existing natural character, embracing the qualities of both rural and urban development.

Learning from best in class case studies, offers the opportunity to develop an informed, exemplar community which builds upon the sites unique characteristics.

## Key Information



Learning from best in class examples establishes a set of guiding characteristics to inform the emerging vision for the site:

- Amplifying nature in the public realm;
- Embracing low to mid-rise, high density building typologies which maximise connections to open space;
- Prioritising sustainable modes of transport;
- Creating homes which open onto natural landscapes;
- Maximising sustainable technologies;
- Creating a community focussed local centre;
- Responding to the requirements of the 20 minute neighbourhood.

### Eddington - Cambridge - 80dph+

Significance for SJMB:

- Car-lite, pedestrian led streetscapes
- Homes opening onto natural landscapes
- High-density, low-rise typologies
- Well connected by Park and Ride facility and cycleways to the city and surrounding communities



### Barton Park - Oxford - 70dph+

Significance for SJMB:

- Soft organic landscape edge
- Tight block arrangements with selection of bespoke housing typologies to increase density
- Homes opening onto natural landscape



Image credit: tor&co



### Trumpington Meadows - Cambridge - 60dph+

Significance for SJMB:

- Terrace housing with amenity roofs
- Marker apartment buildings at key junctions
- Tight back to back distances (<14m) with innovative building design and rear parking courts and mews streets to sensitively increase site density
- Provision of large public open space - a new asset to the city fringe



### Accordia - Cambridge - 40dph+

Significance for SJMB:

- Compact terrace blocks with integrated garage and roof amenity space
- Landscape streets between blocks provide public/private amenity
- Homes set within a landscape setting, maximising views over nature



### Hanham Hall - Bristol - 50dph+

Significance for SJMB:

- Linear blocks allowing landscape views and amenity space into the development
- Tight back to back distances, <14m with innovative building design on rear courts to sensitively increase site density
- Zero carbon design principles and an embrace of sustainable design solutions



### Lovedon Fields - Winchester - 20-30dph

Significance for SJMB:

- Mix of short terraces with stepping building lines and larger detached and semi-detached houses
- Streetscapes that promote wildlife and views over nature



# Sustainable Design Approach

How can we create a socially-sustainable, environmentally responsible, and climate responsive community that provides a higher quality of life than is currently delivered by volume housebuilding?

We believe the solution lies in integrating a highly considered and comprehensive approach to sustainability to the design process from the outset.

**The vision for Sir John Moore Barracks goes beyond the empty replication of typical rural design features. It is driven by an ethos that climate conscious design must encourage healthy and proactive communities to operate within natural systems, seeking to symbiotically enhance, and work alongside, the landscapes in which it sits.**

The design process has incorporated extensive engagement to establish the sustainability approach. The following has been undertaken to date:

- Consultation with the Sustainable Development Consultant for WCC regarding applicable sustainability/energy policies, targets for CO2 reduction/net zero, district heating policy/nearby networks and the structure of sustainability statement and energy statement.
- Sustainability workshop held with WCC to discuss the approach to sustainability and the emerging energy strategy.
- Development of Energy Strategy options
- To inform the Sustainable Design Approach

The team have developed the following series of objectives to define the sustainability approach behind the concept masterplan proposals:



## Supporting Winchester's Carbon Targets

Developing a masterplan that delivers high quality, low carbon energy efficient homes, along with on-site renewable and low-carbon energy generation, while promoting carbon neutral movement networks:

- Follow the Energy Hierarchy
- Masterplan principles to passively reduce energy demands
- Aspire to align with the emerging Building Regulations
- Explore potential for a smart energy hub



## Prioritising Sustainable Mobility

A super cycleway and network of foot paths connect the site with surrounding communities, alongside a Park and Ride facility, represent key components of the site's sustainable movement strategy:

- Pedestrian-first streetscapes
- Extensive site permeability for pedestrians and cyclists, along with connections to surrounding areas
- High-quality cycling infrastructure including cycle hub, cycle facilities and cycle superhighway
- Increased accessibility for public buses
- Promotion of low car zones and car club along with adequate
- EV charging points
- Organising parking at the edges of building clusters



## Prioritising Health and Wellbeing

A diverse mix of activities that develops a truly sustainable community which offers a healthy lifestyle:

- Promoting active travel
- Extensive open space and formal/ informal sport provision
- High quality housing of diverse types and tenures to support all sectors of our society, including young and older people
- Inclusive, diverse and holistic approach
- 20 minute neighbourhood
- Shared community facilities
- Accessibility for people with limited mobility and to good quality, safe, accessible outdoor space

### Key Information

Following extensive engagement with WCC, the team have developed a series of objectives to define the sustainability approach behind the concept masterplan.



## Amplifying Landscape Character and Built Heritage

Retaining and upgrading as much of the existing landscape and building on the integrity of the wider landscape character:

- Habitat retention
- Enhancement of woodlands, species rich grasslands including the SINC, and the built environment
- Promoting new planting, multifunctional SuDS ponds and green roofs
- Biodiversity net gain
- Improving landscape and biodiversity connectivity inside and outside of the site
- Consideration of off-site heritage
- Celebration of military heritage including heritage trails



## Sustainable Resource and Pollution Management

Exploring opportunities to retain and refurbish existing buildings, bringing new life and energy efficiencies. Working with existing road network and site topography to limit requirements for remodelling the landscape:

- Minimise impacts on air quality through sustainable movement strategy
- Mitigate new noise impacts from the building services, leisure and community facilities
- Utilising previously developed land
- Apply a four stage process to the review of potential reuse and whole life carbon assessment of existing buildings where viable
- Minimising waste going to landfill during construction
- Managing operational waste to maximise the convenience of recycling and composting
- Promoting material choices that are environmentally and socially sustainable



## Working with Topography and Water Management

Upgrading existing infrastructure, routes and trails. Utilising existing developed land to accommodate new buildings:

- SuDS hierarchy to be followed and attenuate surface water runoff to predevelopment rates across site
- Building layout has responded to flood risk
- Consideration of multi-use infiltration and storage options
- Nitrate neutrality
- Water consumption target of 100 litres/ person/day



# The Concept Masterplan

Building on the site-based opportunities, consultation feedback, and overarching sustainable objectives, the design team have developed a concept masterplan for the Sir John Moore Barracks.

The concept masterplan proposes a set of broad illustrative principles for the development. These include: the approximate number of new homes, and where these will be located; where there will be woodland and open space including walking and cycling routes; other broad uses of the land including vehicle access and infrastructure, as well as connections to the surrounding area – known collectively as the placemaking principles.

The concept masterplan brings the vision for the new community onto the site. Through bold graphics it aims to simply introduce the key features of the development, including site access points, movement through the site, areas of landscape and those designated for development, and the key land uses, activities and features of the development

The adjacent concept masterplan highlights the potential to deliver a series of key social, environmental and placemaking benefits:

### Sustainable Living

Up to 900 high quality energy efficient homes, alongside a range of supporting facilities. Delivering a policy compliant proportion of affordable housing, in an area where affordability issues are amongst the most acute outside London and the South East.

### Celebrating Heritage

A heritage trail, naming the development and the repurposing of existing buildings that are retained are some of the features to retain and celebrate the site's military history.

### Embracing Nature

Retaining the majority of mature woodland with significant opportunities to enhance biodiversity and create new habitat, particularly in northern training areas.

### Active Travel

Extensive new walking and cycling links to connect the development with the surrounding area, particularly school routes.

### Access to Green Space

60% of the site will be open space and woodland, including a 6.7 hectare nature park between Littleton and the new development.

### Sport and Leisure Provision

Up to 1.9 hectares of sports playing fields/pitch space and the potential retention of the existing sports complex and swimming pool.



The Sir John Moore Barracks Concept Masterplan

### Key Information

The masterplan seeks to present a conceptual approach to developing the site without being too prescriptive on the detailed nature, and exact location of these important pieces of the proposed development. Our interest in developing this conceptual approach is to share our proposals for the key features of the new community, while encourage open conversations with the local community on the requirements for and possible location of these features.



# Masterplan Strategies

In designing and developing the concept masterplan, the design team sought to address a series of key topics to have emerged from ongoing consultation feedback and the draft policy requirements of the site allocation and status within the emerging Local Plan:

## Density and Extent of Development



Particular consideration was given to the extent to which the housing need expressed by the policy requirement could be met through maximising the central development parcels (land parcel A) – which represent around 40% of the whole site, before consideration to also develop the northern training areas (land parcels B and C).

Though close collaboration with Winchester City Council Planning Officers, and an independent design review panel, an approach was agreed to incorporate parcels B and C. **This will improve the diversity of the housing offer, alleviate the pressure on parcel A and enhance the scheme's overall design, whilst promoting high quality place-making within the development and ensuring compliance with the draft Local Plan policy.**

The team identified a number of challenges to delivering quality development solely on parcel A. These challenges helped support the agreed approach to expand development into parcels B and C:

- Difficulty in introducing higher density typologies while maintaining a landscape-led, rural character.
- Maximising the development opportunity and housing delivery, pushes apartment mix requirement and necessity for tighter terraced typologies - limiting the opportunity for a greater mix of house types.
- Higher densities are less flexible - relying on bespoke typologies to achieve required density.
- Difficult to achieve parking policy whilst promoting active travel and creating car-lite streetscapes.

### Key Information

The emerging density strategy represents a balanced approach, which will deliver:

- Circa 900 new homes across the site, of which 20% will be apartments.
- An average density of 45 dwellings per hectare across the whole site.

- A balanced mix of house types, tenure and sizes.
- Flexibility within the density plan to deliver on the masterplan's development principles.
- Significant opportunities to maximise nature and natural systems across the site.

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In developing the concept masterplan the team adopted a pragmatic approach to density, exploring the effects of different densities on the ability to meet the policy requirement for 750-1000 homes, whilst also fulfilling the desired development principles.

The team first looked at the unconstrained land seeking opportunities to direct the majority of development in these locations. This led to three principal developable areas being identified – land parcels A, B and C.

## Sport and Play



The consultation feedback indicated support for both indoor and outdoor sporting facilities on site, including multi-use all-weather pitches to accommodate a range of sports including football and hockey in particular. This included the retention of formal training areas / sports pitches along the western boundary of the site with Littleton being included in the masterplan, opening this up to local sports clubs and the wider public.

There was also a desire for indoor sports facilities, including a swimming pool and an indoor multi-use sports hall through retention and reuse of the existing military sports complex.

### Key Information

The emerging sports provision and open space shown represents a balanced approach, which:

- Seeks to align with the Council's strategic approach to the provision of sports in Winchester.
- Retains the potential re-purposing of the sports complex as a sports and leisure facility as an option for further consideration.
- Provides part of a green buffer to Littleton.

- Meets the vision for Sir John Moore Barracks as a balanced neighbourhood with a comprehensive and varied community offer.
- Ensures that over development of the site, the northern training areas in particular, is avoided.
- The Concept Masterplan has located the spatial requirement for formal sports pitch use within the Masterplan.
- The sports use of such pitch space is still to be determined.

## Green Infrastructure and Estate Stewardship



There was a strong desire from residents to ensure that there would be public access to the future green infrastructure – such as the proposed woodland, the nature park and other green space – and to ensure that appropriate future funding and management arrangements were in place in order to maintain this effectively. A long-term stewardship vehicle will be established and secured through future Section 106 legal agreements at the time that planning applications are progressed with the City Council.

### Key Information

- It was recognised that there was a significant opportunity to enhance the existing woodland and SINC.
- Of the 28 hectares of woodland present on site, around 26ha (over 90%) will be retained, incorporated into the masterplan and improved, where applicable. Existing trees will be retained as much as possible.

- Nature park – the concept masterplan includes the provision of a 6.7ha (17 acres) nature park to the northwest of the site, providing a buffer with Littleton and protecting existing sensitive sight lines and habitats.
- Open space – the nature park sits within a broader context of green open space totalling 51 hectares (126 acres). This equates to over 60% of the entire site.



### Walking and Cycle Connections



Due to the site's military use, there is currently no public access through the site. The proposals present a real opportunity to open up the site through an internal network of footpaths, cycle infrastructure and streets.

The concept masterplan outlines a commitment to deliver safe and attractive connections between new homes and amenities through a pedestrian-first approach to designing streetscapes, with an extensive network of foot and cycle paths both within the site and connecting to the wider area.

This approach was driven through positive school engagement and general consultation for the Harestock and Priors Dean Road traffic calming proposals - delivering for the needs and aspirations of the next generation of active travellers.

This includes key linkages through to Littleton conservation area and playing fields, Chesnut Avenue and Kennel Lane to the west, as well as Harestock and Kings Barton to the east.

#### Key Information

Several crossings along Harestock Road are needed to make the site accessible:

- A primary controlled crossing allowing pedestrian and cycle access from the site through to Priors Dean Road.
- Three secondary crossing points, likely to be informal and uncontrolled.
- A network of informal foot and cycle paths through woodland areas and green spaces will offer routes for leisure and dog walking.

The concept masterplan includes a simple road network linking each of the proposed development parcels. The current vehicular access strategy centres on using the existing access off Andover Road and introducing a second new access to the north, also off Andover Road. Primarily, a development of this scale requires the resilience of two access points. This strategy also offers greater flexibility in the operation of the Park and Ride facility, with options to create a one-way system for the Park and Ride facility and/or separate bus and car traffic.

Discussions with Winchester City Council and Hampshire County Council (HCC) officers remain ongoing as part of our pre-application consultations, in order to 'fix' the access options. HCC are supportive of the functional rationale for a second access point.

Reflecting feedback received from the local community, there will be no primary vehicular access from nor onto Kennel Lane. All vehicular access (both primary and secondary) will be from Andover Road.

#### Key Information

The concept masterplan includes a simple road network with two all modes access points off Andover Road, helping provide:

- Greater resilience of the road network, in case part or complete closures of the main access to And over Road are required.
- Two distinct accesses to the northern and southern parts of the development.

### Vehicle Movement



### Facilities and Amenities



In addition to the potential for a community hub for social events and community groups, there are clear commercial opportunities that should be tested further with occupiers to understand the scale and nature of the potential commercial space, driven largely by the ability to serve local residents and create an attractive place to live.

The masterplan identifies a central location to cluster these uses into an accessible local centre, creating a community heart for the new neighbourhood.

#### Key Information

Feedback has outlined a desire to see small-scale, potential multi-use options come forward at Sir John Moore Barracks, including:

- Co-working/shared workspace.
- Convenience retail.
- A small / mid-sized grocery store.
- Café.
- Gym – subject to future of existing leisure centre retention.

### Retention of Existing Buildings and Celebrating Heritage



Feedback received highlighted a desire to retain existing buildings on site where possible, particularly in the case of the Chapel, the Officers Mess and Corporals Mess for potential reuse as community facilities, catering to demand on existing indoor community space in the area.

In the context of energy efficiency, there are a number of factors which need to be considered to assess the suitability of buildings for retention, partial retention or demolition, including from a housing need, market and sustainability perspective. These assessments are currently being carried out across a range of existing buildings on site.

Situated on the site of the former HMS Flowerdown, a Second World War naval listening station, the site contains several original radio mast fixings in the northern training area.

#### Key Information

Some ideas for incorporating heritage features have included:

- Using of the name "Flowerdown" for the site and new community.
- Retaining some key buildings to retain heritage.
- An interpretative trail introducing historical features.
- Naming roads after key people associated with the site's history.



# Ecological Improvements

## Retention of Biodiversity and Habitat Value

The northern area currently consists of the series of sloping fields with areas of woodland. Woodlands are to be retained, with development focused on areas of the lowest habitat value and distinctiveness, with additional woodland and hedgerow planting proposed between buildings to connect currently fragmented parcels of woodland.

Selective thinning of trees and the creation of rides within the woodland will be undertaken to increase the understorey and ground flora. Public access to these woodlands will be managed through the creation of designated waymarked footpaths. These retained habitats will be appropriately managed to enhance their biodiversity value.

While the species-poor grassland areas (i.e. a habitat of low value and distinctiveness) will be partly lost to accommodate development, the retained grassland areas are proposed to be developed into a nature park. The nature park will also be managed, with the aim of allowing the area to develop into a species rich grassland.

Appropriate wildlife tunnels will be installed under access and spine roads to maintain and increase connectivity for reptiles and other wildlife. All areas of retained and created habitat will be managed appropriately for a minimum of 30 years, in line with the statutory requirements in relation to overall delivery of Biodiversity Net Gain through development.

Whilst we are aware of the sensitivities of developing in the north of the site due to general biodiversity, we have established that the quality of the biodiversity is sporadic and needs careful stewardship. By applying a management approach to the northern area we can enhance the potential of BNG, whilst complying with the Local Plan policies to deliver 750 -1000 homes at SJMB.

DIO is familiar with undertaking such stewardship work in the form of trusts and we will work with the local community to provide enhanced BNG across the whole site and in particular the northern area.

## Stewardship

Local examples being DIO's partnerships with the Land's Trust at Bordon & Whitehill (the Hogmoor Enclosure) and Aldershot Urban Extension (Wellesley Woodlands and Blandford Woodlands), both Green Flag Award® winning schemes.

The DIO has significant experience of putting in place long term stewardship arrangements that create opportunities for community involvement and greater social value as well as biodiversity benefits in the long term.

## Next Steps

The survey work completed in 2020 (as supplemented with further targeted updated survey work undertaken in 2024), has identified that the Site supports populations of dormice, reptiles as well as areas of calcareous grassland, with the northern part of the Site meeting the selection criteria for designation as SINC. However, surveys have also recorded that the habitats within the Site are not currently being managed appropriately and are in poor condition.

DIO is seeking to conclude the reporting and analysis of the recently completed 2024 survey work and be able to follow that up through further engagement with Winchester City Council's ecologist to develop a full suite of mitigation and enhancement strategies, including the nature park and associated proposals, that work with the concept masterplan in greater detail. The outline planning application will propose secure positive conservation aims with a secure stewardship vehicle in perpetuity as an enhancement / alternative to the candidate SINC designation.

Through DIO's engagement during preparation of the draft outline application scheme, these ecological mitigation and enhancement strategies will be developed and consulted on during Stage 4 of DIO's consultation programme, before an application is made.

All final strategies will be required to be robust and compliant to satisfy Environmental Impact Assessment requirements.

During the stages 1 and 2 consultations, there was a strong desire from residents to ensure that there would be public access to the future green infrastructure – such as the proposed woodland, the nature park and other green space – and to ensure that appropriate future funding and management arrangements were in place in order to maintain this effectively.

It was recognised through the consultation that there was a significant opportunity to enhance the existing woodland and SINC.

Existing woodland areas – these have helped to shape the concept masterplan, with development being situated outside of these areas. Of the 28 hectares of woodland present on site, around 26ha (over 90%) will be retained, incorporated into the masterplan and improved, where applicable. Existing trees will be retained as much as possible.

Nature park – the concept masterplan also includes the provision of a 6.7ha (17 acres) nature park to the northwest of the site, providing a buffer with Littleton and protecting existing sensitive sight lines.

Open space – the nature park sits within a broader context of green open space totalling 51 hectares (126 acres). This equates to over 60% of the entire site.

A balance was required to ensure that the burden of maintenance that would fall on the development was sufficiently supported – a small development would be burdened by disproportionate provision and service charge costs.

There was a strong desire expressed for community involvement in the future stewardship.

To ensure both the nature park and wider green spaces across the site can be enjoyed by local residents for decades to come while capitalising on the opportunity to further enhance ecological value, a long-term stewardship vehicle will be established and secured through a future legal agreement as part of the determination process of a future outline planning application submission.

The balance struck in the masterplan will ensure that the burden of maintenance obligations of future occupiers at the site is well compensated for by the significant benefits of new green infrastructure, biodiversity and natural opportunities and activities.



The Northern Area Concept Masterplan





View looking along a parameter tree belt

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# 4 Appendix



## Responding to WCC's Objectives

The DIO's vision for the site, which underpins the CMP, is to deliver a sustainable and distinctive neighbourhood, closely integrated with the City of Winchester, which conserves the character of the neighbouring village of Littleton and the character of the surrounding countryside. The vision also seeks to ensure that the redevelopment proposals do not undermine the purpose or function of the Littleton-Winchester settlement-gap.

The CMP promotes biodiversity and encourages healthy living and active travel. It identifies a range of much-needed new homes for all, designed to the highest standards of energy efficiency, alongside significant new public green spaces and a hub for new community facilities.

The CMP is a comprehensive document which relates to the SJMB site as a whole. It will be noted that the CMP area accommodates the swimming pool and gyms / sports halls areas albeit DIO is continuing to explore the possibility of creating a facility which would best be described, in non-military terms, as a "sports complex". DIO has commissioned viability assessments in respect of this and is investigating whether a financially sustainable model for the operation of a sports complex facility, in civilian use, is achievable. If the pool and sports complex can be retained/repurposed this will be included in the main redevelopment OPA, but if not, an alternative use(s) of this part of the site will need to be considered.

The CMP demonstrates how a residential-led, mixed use, development, of approximately 900 homes could be delivered on the site. The scheme contemplated would comprise of 80% houses and 20% flatted accommodation: at an average density of 45 dwellings per hectare, along with a small number of local centre/commercial and community uses. The 900 homes shown within the CMP would make a substantial contribution to meeting Winchester City Council's existing and emerging housing needs.

The scheme contemplated in the CMP also identifies a suitable site for a Park and Ride facility that could accommodate approximately 850 car parking spaces.

The policy requirement for a Park and Ride facility will support the Council's strategic objectives of promoting sustainable travel in the city, as set out in the "Winchester Movement Strategy Feasibility Studies – Phase 2 Summary Report" (2021), which prioritises securing funding from Central Government under this strategy by Winchester City Council and Hampshire County Council for new Park and Ride provision in the Andover Road corridor.

DIO will work in partnership with Winchester City Council and Hampshire County Council to assist the respective councils in sourcing Central Government funding for the Park and Ride facility.

The delivery of the local centre and other non-residential uses would help residents to sustainably meet their day-to-day shopping and other needs within the site.

### Winchester City Council's Master Planning Approach to Concept Masterplans (WCCMACM)

In relation to the key CMP preparation processes set out in the WCCMACM, the CMP demonstrates:

- Establishing a vision and aspirations – the CMP sets out the clear vision and aspirations for the redevelopment of the SJM site.
- Identifying a baseline of information and issues that need to be addressed – significant engagement with WCC / HCC and stakeholders / public consultation has established a range of issues which the CMP outlines and addresses.
- Identifying and testing scenarios – the CMP sets out various options for development across the SJMB site, particularly in relation to considering options for the redevelopment of the existing central built up part of the SJMB site.
- Carrying out consultation exercises – the supporting CMP Meeting Place report comprehensively sets out the three main stages of consultation undertaken, the feedback received, and how the CM proposals have evolved as a result of that feedback.
- Refining proposals – the supporting CMP Meeting Place report comprehensively sets out the three main stages of consultation undertaken, the feedback received, and how the CMP proposals have evolved and have been refined as a result of that feedback.
- Considering the implementation of proposals and future management issues – the CMP acknowledges that the future redevelopment OPA will need to address various implementation matters and in terms of future management issues, the CMP acknowledges there are significant opportunities for the future management of the existing SINC and retained/proposed green infrastructure – the future redevelopment OPA will set out appropriate management/maintenance proposals based on DIO's successful green infrastructure management/maintenance models/arrangements that operate on other (former) MoD sites which are undergoing major redevelopment principally involving residential led schemes.



## Emerging WCC LP Policy W2

This document addresses the twenty criteria set out in emerging Local Plan Policy W2 as follows:

1. Any application for development is preceded by, and is consistent with, a comprehensive and evidence based site wide masterplan which demonstrates how high quality design, green spaces, settlement gaps will be delivered for the whole site which has involved and engaged with stakeholders and interested parties before it is agreed by the local planning authority.

**This document charts the preparation/ evolution of the SJMB CMP and the significant engagement that has taken place to date.**

2. The proposals relate to the whole of the allocated site or, if less, do not in any way prejudice the implementation of the masterplan for the whole site.

**Whilst this will be for a future OPA to address, it is DIO's current intention to submit a single planning application covering the whole SJMB site.**

3. The proposals include a phasing and delivery strategy that is related to the provision of infrastructure and the creation of neighbourhood centres with ancillary and supporting uses

**The future redevelopment OPA will address all these matters.**

4. The proposals investigate the opportunity to reuse/re-purpose any of the existing buildings and gives priority to the use of the previously developed land and the intensification of the existing built up area before the use of undeveloped land.

**This document sets out how the initial stages of reusing and repurposing existing buildings has been explored in the CMP and how options to explore an appropriate quantum of development to be delivered in the 'existing built-up area' can meet placemaking objectives at a suitable density/height to deliver quality homes in a suitable environment.**

5. The proposals consider and address the need for education provision (Primary and Secondary) to meet the needs of the development and if not provided on the site, provide suitable sustainable links that can be used all year round.

**Discussions with Hampshire County Council education officers has focussed on meeting education needs arising from the SJMB development - as the Local Education Authority HCC has stated that this need will be best met by appropriately financially contributing to enhancing the capacity of local off-site education facilities - as such the CMP does not allocate land for educational use.**

**The CMP demonstrates opportunities of the creation of suitable links through the SJMB site (and off-site improvements) to connect to routes to local schools.**

6. The proposals include a high standard of architectural design and use quality materials and detailing, through the creation of a design response that will deliver innovative, sustainable new buildings, creating and providing high quality public spaces and improvements to the public realm.

**The CMP sets out opportunities for the provision for a series of high quality public spaces around the site and whilst early consideration has been given to architectural design/materials/detailing, these will be matters for the future redevelopment OPA to address.**

7. Access should be off Andover Road.

**The CMP is based on the re-use/improvement of the existing main SJMB access as well as the creation of a secondary vehicular access to the north-east of the SJMB site.**

8. Include direct, safe and lit, active travel links as part of a strategy that minimises car journeys from the development. High quality facilities for walking, cycling and wheeling and public transport that is connected to the surrounding area/ PROW/cycle network in accordance with the Hampshire Movement and Place Framework and Healthy Streets approach.

**As above, the CMP demonstrates opportunities of the creation of suitable links through the SJMB site (and off-site improvements) for pedestrian/cycle movements to connect to Littleton and Harestock as well as connecting into wider movement corridors.**

9. The proposals ensure that the existing access to the site via Chestnut Avenue (which is a private road)/Kennel Lane is retained and is only used for pedestrian, cyclists and potential emergency access purposes.

**The CMP retains this link.**

10. The proposals consider the importance, retention and management of the Flowerdown Site of Importance for Nature Conservation (SINC) in perpetuity by including a management plan for the maintenance and monitoring of these habitats.

**The CMP sets out opportunities for the future management of the existing SINC and the future redevelopment OPA will set out appropriate management/maintenance proposals based on DIO's successful green infrastructure management/maintenance models/arrangements that operate on other (former) MoD sites which are undergoing major redevelopment principally involving residential led schemes.**

11. A site specific Flood Risk Assessment will need to be prepared and agreed that demonstrates how the development will be safe for its lifetime taking climate change and the vulnerability of the developments users into account, and ensure that flood risk is not increased elsewhere as a result of the development.

**A Flood Risk Assessment will be prepared as part of the future redevelopment OPA submission. The CMP recognises the existing flooding conditions/ constraints and has set out redevelopment concepts that address/will allow such constraints to be respected.**

12. As part of the design process, further investigation (through topographic surveys and flood modelling) determines the exact route of the winterbourne which crosses the site which should be managed and protected as it carries floodwater away from Littleton when groundwater levels are high.

**A Flood Risk Assessment will be prepared as part of the future redevelopment OPA submission. The CMP recognises the existing flooding conditions/ constraints and has set out redevelopment concepts that address/will allow such constraints to be respected, such as the winterbourne.**

13. The proposals are accompanied by a green/blue infrastructure/ SuDS hierarchy strategy to both enhance the development and mitigate potential impacts on the surface water from flooding and ground water from Littleton in a way that increases the biodiversity on the site. This should include the provision of multi-functional green/blue links throughout the site and ensure that any additional surface water resulting from the development does not have a detrimental impact on the SINC or other protected sites.

**The future redevelopment OPA will address these matters and as above, the constraints/opportunities in relation to green/blue infrastructure have been taken account of in the preparation of this CMP.**

14. The proposals record features of heritage significance and incorporates them where feasible into any re-development of the site as part of a wider heritage trail that celebrates the sites military history and helps the general public to understand and appreciate how the site has evolved. The proposals will also need to minimise harm to the setting of the adjacent Round Barrows.

**The future redevelopment OPA will address these matters - the constraints/opportunities in relation to heritage matters have been taken positively account of in the preparation of this CMP.**

15. The proposals incorporate and include public realm to enhance the intrinsic quality of the site and creates a 'sense of place' putting people and places at the forefront of the development.

**The future redevelopment OPA will address public realm matters and as above, the CMP demonstrates opportunities to create high quality public spaces**

16. The proposals retain the existing Chapel and opens this up to the community as part of any new development, as this will reinforce links to Peninsula Barracks and historical military associations with Winchester.

**The CMP shows the retention of the existing chapel building the OPA will include details of potential future community/public use(s).**

17. The proposals include an assessment of the condition, age and the need to retain/incorporate the existing gym, leisure facilities and the swimming pool as part of the wider residential led scheme. Depending on the outcome of this assessment if they are viable, they should be opened up for use by the local community and management plan should accompany any planning application for this part of the site.

**This assessment is currently being undertaken to inform the preparation of the redevelopment OPA.**

18. The proposals consider the potential impacts of wastewater (nutrients) produced by the development upon the Solent SAC and River Itchen SAC and identify mitigation so as to avoid any adverse impact on these nationally protected sites either by incorporating measures within the site as part of the development or secured by alternative means if this is not feasible (Policy NE6).

**An assessment is currently being undertaken to inform the preparation of the redevelopment OPA.**

19. The proposals include a Park & Ride facility of approximately 850 spaces that would be in addition to and would need to be connected operationally to the 200 space Kings Barton Park & Ride light. The scale and location of the Park & Ride facility should be determined through the master planning process and transport assessment include the provision of electrical charging points and cycle parking facilities.

**The CMP identifies land suitable to accommodate a Park and Ride facility, and appropriate access arrangements to serve this facility.**

20. Occupation of development will be phased to align with the delivery of sewerage infrastructure, in consultation with the service provider.

**Engagement with the service provider continues to be undertaken to ensure such alignment is achieved.**

**Following due process, the determination of the Planning Application will consider and conclude on the compliance of the scheme with either the emerging or adopted development policy having regard to all relevant policies in the Local Plan.**

## Local Planning Policy Framework

### Adopted Development Plans

The relevant adopted Development Plan for Winchester comprises:

- Winchester District Local Plan Part 1 (LPP1) – Joint Core Strategy (adopted March 2013)
- Winchester District Local Plan Part 2 (LPP2) – Development Management and Site Allocations (adopted April 2017)
- Hampshire Minerals and Waste Plan (2013)

The main policies from each of the Winchester plans are summarised below. The objective when considering development plan policy in the context of the CMP is to demonstrate that the CMP complies broadly with the prevailing and emerging planning policy climate in which a future planning application will be assessed. Detailed analysis of each policy and how a redevelopment scheme might comply with it will be considered as part of the planning application process.

### LPP1 – Joint Core Strategy (adopted March 2013)

The Council's Policies Map confirms that the SJMB site is subject to two designations in the adopted Development Plan. One designation covers approximately the northern half of the SJMB site and is designated 'Countryside' (Policy MTRA 4), whilst the other designation covers approximately the southern half of the site and is designated 'Settlement Gaps' (Policy CP18). The boundary between the two designations follows an arbitrary line, as opposed to following any built form of development or natural features and runs from east to west through the approximate centre of the site. The entirety of the site is outside of the 'Settlement Boundaries' (Policy DM1).

### Policy MTRA4 – Development in the Countryside

As identified above, the northern portion of the of the site is designated as "Countryside".

The policy states that in the countryside, the LPA will only permit the following types of development:

- Development which has an operational need for a countryside location
- Proposals for reuse of existing rural buildings for employment, tourist accommodation, community use or affordable housing.
- Expansion or redevelopment of existing buildings to facilitate the expansion of on-site established businesses.
- Small scale sites for low key tourist accommodation appropriate to the site, location and setting.

The policy adds that development proposed in accordance with this policy should not cause harm to the character and landscape of the area or neighbouring uses or create inappropriate noise/light and traffic generation.

With regard to existing buildings within the countryside, the supporting text of the policy in paragraph 6.31 sets out an openness to redevelopment opportunities. The paragraph states –

*"These existing Structures [buildings within the countryside] are often an accepted part of the landscape and it is considered appropriate to provide for them to be used productively, through re-use, or for them to be redeveloped."*

### Policy CP18 – Settlement Gaps

As identified above, the southern portion of the site is located within a designated settlement gap, entitled the Winchester – Littleton settlement gap. The settlement gap also covers the land immediately adjacent to the southern edge of the site, between Kennel Lane and Stockbridge Road.

The policy states the LPA will retain the generally open and undeveloped nature of the designated settlement gaps. It adds, that within these areas only development that does not physically or visually diminish the gap will be allowed.

With regards to defining the extent of a gap, the supporting text of the policy in paragraph 6.31 confirms an emphasis on physical and visual separation. The paragraph states –

*... no more land than is necessary to prevent the coalescence of settlements should be included having regard to maintaining their physical and visual separation.*

### Policy DS1 – Development Strategy Principles

The policy identifies the circumstances in which the LPA will seek to take a positive approach consistent with the presumption in favour of sustainable development set out in the National Planning Policy Framework.

The policy states that the LPA will support the delivery of new housing, economic growth and diversification through following a development strategy which directs the majority of development to locations within Winchester Town and South Hampshire Urban Areas, whilst directing a smaller amount of development to Market Towns and Rural Areas.

To deliver the District's housing, employment and community requirements the policy sets out various principles that it expects development proposals to demonstrate conformity with. These principles include:

- Maintaining and enhancing environmental, heritage and landscape assets
- Promoting sustainable transport
- Achieving high standards of design
- Testing existing infrastructure and service capacity
- Assessing the impact on climate change and other associated impacts.

Notwithstanding the above, it should be noted that the supporting text for the policy in paragraph 3.2 sets out a clear preference for development on

previously developed land. The paragraph states –  
*"The emphasis will be to follow a sequential approach to development by establishing the capacity of previously developed land first before allocating sites outside existing settlement boundaries through future development plan documents or Neighbourhood Plans."*

### LPP2 – Development Management and Site Allocations (adopted April 2017)

#### Policy DM1 – Location of New Development

The policy states that development which accords with the Development Plan will be permitted within the defined boundary of settlements that are confirmed in the Policies Map.

Outside of defined settlement boundaries, policies MTRA4 (Development in the Countryside), DM10 (Essential Facilities & Services in the Countryside), DM11 (Housing for Essential Rural Workers), DM12 (Equestrian Development) and DM13 (Leisure and Recreation in the Countryside) apply.

#### Policy DM14 – Masterplans

The policy states that in the interests of sustainable development and securing long term benefits, that proposals for sites occupied by major landowners or uses should form part of long-term masterplans.

Proposals for significant development on sites occupied by major landowners and users will be permitted where they accord with the Development Plan and long-term masterplans have been prepared. The policy adds that these should be agreed with the local planning authority and show how the wider implications or cumulative benefits can be addressed.

The supporting text of the policy in paragraph 4.7 confirms that masterplans should be prepared before, or in conjunction with the submission of development proposals, and prepared with the input from the local planning authority.

In summary, it is apparent that the adopted Local Plan was prepared before the opportunity to redevelop the site had been identified. The emerging Local Plan embraces the opportunity and includes proposed policies that support and guide the redevelopment.



### Emerging Local Plan

Winchester City Council has commenced the preparation of a replacement Local Plan entitled the 'Winchester District Local Plan 2020 – 2040'. When adopted, the new Local Plan will supersede the LPP1 and LPP2, both of which will no longer be part of the development plan.

The Regulation 19 draft of the emerging Local Plan was published in July 2024, and was subject to public consultation between 30th August to 13th October 2024. The timetable for the adoption of the emerging Local Plan was updated on 18th July 2024 and identifies the following dates:

2024	
Publication of Regulation 19 Consultation	July, 2024
Submission to Planning Inspectorate (Regulation 22)	October to December, 2024
2025	
Local Plan Examination	January to March, 2025
Consultation on Main Modifications	April to June, 2025
Inspector's Report	October to December, 2025
Adoption of the Local Plan	October to December, 2025

The replacement Local Plan has recently reached the Regulation 22 stage with WCC submitting its Proposed Submission Local Plan 2040 to the Secretary of State for Housing, Communities and Local Government on 15th November 2024 for independent examination, likely to take place in early 2025 as set out above.

#### Policy D5 – Masterplans

The emerging policy states that, in the interests of sustainable development, good quality place-making and securing long term benefits, when larger sites are brought forward the LPA will seek to ensure a masterplan is developed and agreed for the site.

The emerging policy goes on to set out fifteen criteria that a masterplan is expected to achieve and deliver. The policy also states that a management plan must be produced as part of the wider masterplanning process to demonstrate how infrastructure and community assets will be maintained and managed, once the development has been completed.

#### Policy NE7 – Settlement Gaps

The emerging policy states that the generally open and undeveloped nature of the settlement gaps will be retained. Within these areas only development which does not undermine the function of the gap and its intended role will be permitted. The emerging policy adds that development should not threaten the generally open and undeveloped nature of the gap and avoid coalescence of settlements.

#### Policy W2 – Sir John Moore Barracks

The emerging policy states that Sir John Moore Barracks is allocated as a mixed used site of between 750 to 1000 homes. It states that the site includes ancillary and supporting uses to make a sustainable neighbourhood, including a Park and Ride with 850 car parking spaces, subject to the detailed proposals according with the development plan.

The policy sets out twenty criteria that a planning application to redevelop the site must accord with. These are set out previously in this document.

All except the first of the criteria relate to the content and scope of a future planning application. To accord with the policy, the CMP preparation process has been carried out with reference to the emerging Local Plan policy.

### Winchester City Council's Master Planning Approach to Concept Masterplans

Winchester City Council has sought to establish a bespoke approach to the preparation of masterplans for the redevelopment of 'significant development sites' through the publication of its "Winchester City Council Master Planning Approach to Concept Masterplans" (WCCMACM) on 21st June 2023. The document encourages the preparation of Concept Masterplans (CMPs) for significant development sites and identifies a process for doing so.

The overarching objective of the WCCMACM is to ensure the preparation process for CMPs is:

- As consistent as possible.
- Inclusive.
- Engaging; and
- Transparent.

The focus of the process is on how the CMP has been prepared, rather than its conclusions. The output of the process, i.e. the CMP itself, will be subject to robust scrutiny at the planning application stage, hence the focus of the WCCMACM on process.

The CMP preparation process set out in the WCCMACM and includes:

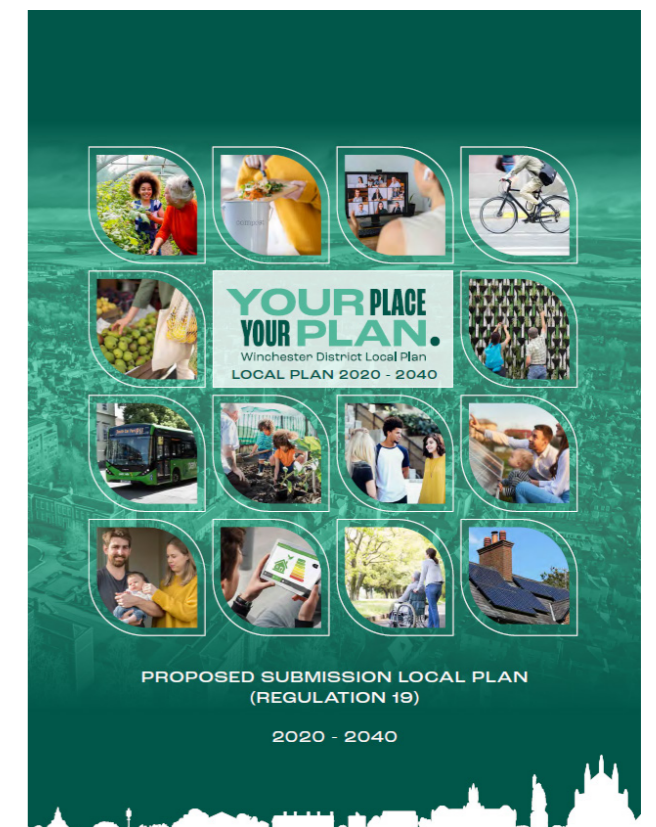
- establishing a vision and aspirations.
- identifying a baseline of information and issues that need to be addressed.
- identifying and testing scenarios.
- carrying out consultation exercises.
- refining proposals; and
- considering the implementation of proposals and future management issues.

The resulting CMP is then presented to the Council's Cabinet. The Cabinet has the opportunity to 'endorse' the CMP preparation process as robust.

The CMP preparation process for the site has been carried out with reference to the process identified in the WCCMACM.



Winchester City Council's Master Planning Approach to Concept Masterplans Documents



Winchester City Council's Proposed Submission Local Plan (Regulation 19) Document



CAB3499  
CABINET

REPORT TITLE: LOCAL DEVELOPMENT SCHEME

12 FEBRUARY 2025

REPORT OF CABINET MEMBER: Councillor Jackie Porter, Cabinet Member for the Built Environment and Local Plan

Contact Officer: Adrian Fox, Strategic Planning Officer Tel No: 01962 848278  
Email [afox@winchester.gov.uk](mailto:afox@winchester.gov.uk)

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

## PURPOSE

The Council has a statutory duty under the Planning and Compulsory Purchase Act 2004 (as amended) to prepare and maintain an up-to-date Local Development Scheme (LDS). The Chief Planning Officer has contacted all Local Planning Authorities and requested that they agree an updated LDS by 6 March 2025. The new LDS attached to this report (Appendix 1) would fulfil this requirement by outlining a clear and realistic timetable for the adoption of the new Local Plan 2040<sup>1</sup> that will shortly be the subject of an examination and it also covers the production of the next Local Plan following that.

Having an up-to-date Local Plan is extremely important as it ensures that the city council is able to demonstrate having a Housing Land Supply and so can better defend planning appeals and control where future development takes place. This report seeks approval for the adoption of an updated LDS, which replaces the previous version (August 2023).

The LDS establishes a forward-looking framework including to guide the adoption of the new Local Plan 2040 and it also covers the preparation of the next Local Plan process in line with current legislation and has been prepared to meet the request from the Chief Planning Officer. The preparation and the timing of the adoption of the next Local Plan is, however, dependent on the government issuing the Levelling Up and Regeneration Act secondary legislation which will include details about the revised plan-making system.

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<sup>1</sup> Note – Winchester City Council has a current Adopted Local Plan consist of Local Plan Part 1: Joint Core Strategy Adopted 2013 and Winchester District Local Plan Part 2: Development Management and Site Allocations Adopted 2017. We have been preparing a new plan to replace these Local Plans. Once adopted – that plan will be known as Local Plan 2040. Further to this, we will begin preparing another new Local Plan in accordance with the latest regulations.

**RECOMMENDATIONS:**

1. That the updated Winchester District Local Development Scheme February 2025, as set out in Appendix 1 to this Report, be approved and brought into immediate effect; and
2. That authority is delegated to the Strategic Planning Manager, in consultation with the Cabinet Member for Place and Local Plan, to undertake minor updating and drafting of any amendments required prior to publication.

IMPLICATIONS:

- 1 COUNCIL PLAN OUTCOME
- 1.1 Greener, Faster
- 1.2 The Local Development Scheme (LDS) sets out the timetable for the preparation and adoption of the new Local Plan 2040 which is a statutory requirement of Section 15 of the Planning and Compulsory Purchase Act 2004 (as amended) and the programme for the next Local Plan. The preparation of the Local Plan must comply with the requirements of national planning legislation and the need to deliver sustainable development which encompasses all considerations in relation to the built and natural environment.
- 1.3 The LDS does not include any Local Plan policies on tackling the climate emergency and creating a greener district as this is the role of the Local Plan. Due to the climate emergency, it is important that the next Local Plan is also prepared through the climate emergency lens. There are a number of policies in the new Local Plan 2040 that is currently the subject of the examination will, when it is adopted, contribute towards dramatically cutting the district's carbon footprint and assist the district to become carbon neutral by 2030.
- 1.4 Good Homes for all
- 1.5 It is the role of the new Local Plan 2040 rather than the LDS to determine where and how much residential development should be located in the district outside the South Downs National Park. The number of new homes that we need to plan for is set by the government by its standard method (currently 1,157 dwellings per year based on the new NPPF and any adjustments as a result of changes that have been made by the government to paragraph 014 in the Planning Policy Guidance under 'Housing and Economic Needs Assessment').
- 1.6 The government also requires all authorities in the country to have a five-year rolling supply of housing land (from 1 July 2026 if the Local Plan was adopted against the requirements of the previous version of the National Planning Policy Framework Local Planning Authorities will be required in effect to have a 6 year Housing Land Supply).
- 1.7 The new Local Plan 2040 includes a development strategy and identifies the quantum of housing that will be required predominantly in Winchester, the market towns, and larger villages, to meet the government target for our district.



## 1.8 Thriving Places

1.9 Whilst this is not a matter for the LDS, creating strong, sustainable business growth remains a really important matter for the Local Plan. The new Local Plan 2040 identifies how we will enable Winchester District to continue to have a strong vibrant economy by providing opportunities for new purpose-built employment space, the sustainable consolidation and expansion of existing businesses, and preservation of current employment floor space whilst seeking to protect and enhance our town and other centres which provide a range of facilities and services. It is important that the next Local Plan that is also based on a sound evidence base that is up-to-date and it is in line the latest requirements in the government's National Planning Policy Framework in terms of identifying land for specific employment sectors.

## 1.10 Healthy Communities

1.11 It is the role of the of the new Local Plan 2040 and the next Local Plan rather than LDS to identify how developers need to achieve high quality, well-designed places which remain a critical part of place making and an integral component of climate change and the city council's journey to net-zero and health and wellbeing agendas. Allied to this an important function of the next Local Plan to continue to fully consider and address how development can help meet the needs of our residents including age ranges, genders and ability.

## 1.12 Efficient and Effective / Listening and Learning

1.13 Whilst there is no legal requirement to consult on the Local Development Scheme, the next Local Plan will, like previous Local Plans, be developed using a variety of engagement and consultation techniques. A key part of the plan making process is to seek early and open engagement on the content and shape of the draft Local Plan which is one of the reasons the LDS must be kept up-to-date so that people are kept informed about progress on the Local Plan and the next steps.

1.14 Consultations for the new Local Plan will continue to be undertaken in accordance with The Town and Country Planning (Local Planning) (England) Regulations 2012 and any changes which may result from the Levelling Up and Regeneration Act 2023.

## 2 FINANCIAL IMPLICATIONS

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

2.2 The new Local Plan budget has been previously funded from earmarked reserves which has been topped up with a yearly

contribution of £36,700. Subject to the successful outcome of the Local Plan examination and taking into account 3 year yearly contribution from the central budget (£110,000) there would be approximately £610,000 available to fund the next review of the Local Plan. If further funding is required to support the Local Plan making process this will be dealt with via the normal budget making process.

### 3 LEGAL AND PROCUREMENT IMPLICATIONS

- 3.1 All Local Planning Authorities (irrespective of whether or not the LDS has been updated recently or whether they have recently adopted Local Plan) have been requested by the Chief Planning Officer to agree an updated LDS by 6 March 2025. Having an 'interim' timetable for the next Local Plan will ensure that the city council will be able to demonstrate having a Housing Land Supply position and so can better avoid planning by appeal. An up-to-date LDS is also a fundamental element and statutory requirement of the Local Plan process and it is a requirement to submit the LDS at the submission stage prior to examination to the Planning Inspectorate. Maintaining an up-to-date LDS is one of the first tests of soundness to be considered at the Local Plan examination and is statutory requirement under Section 15 of the Planning and Compulsory Purchase Act 2004 (as amended). It is, therefore, essential that it is kept under review and updated accordingly.
- 3.2 The new Local Plan 2040 and the next Local Plan must be prepared in line with the process set out in national legislation/regulations and can only be adopted by the Council if it is found to be legally compliant and sound by a Planning Inspector that is appointed by the Secretary of State to conduct a public examination. Whilst there are ongoing discussions about devolution (see paragraph 11.32), the government has made it very clear that Local Planning Authorities should not delay the development of Local Plans whilst they implement a universal system of strategic planning within the next five years.
- 3.3 There are no direct procurement implications as a result of this report.

### 4 WORKFORCE IMPLICATIONS

- 4.1 The Strategic Planning Team leads the preparation of the new Local Plan and associated documents and will also be responsible for the production of the next Local Plan. This includes commissioning consultants, visiting and assessing the suitability of sites for development, drafting the Local Plan, setting up and hosting public consultation events, analysing the results of the public consultations and making changes to the Local Plan. It also involves working with colleagues across the whole of the council, neighbouring local planning authorities under the Duty to Cooperate, statutory agencies (Natural



England, Historic England and the Environment Agency et al) and the Partnership for South Hampshire (PfSH).

- 4.2 The resource available to the team are kept under review to ensure the plan process remains on track culminating in adoption of the new plan. All of the Officers in the Strategic Planning team are employed directly by the Council.

## 5 PROPERTY AND ASSET IMPLICATIONS

- 5.1 Once the new Local Plan 2040 has been adopted, it will be the statutory Development Plan which means that any applications that come forward that are made by council, or involve land in our ownership, will need to be assessed against the policies and proposals in the Plan.

## 6 CONSULTATION AND COMMUNICATION

- 6.1 There is no requirement to consult on the LDS, however, the Council is required to make it publicly available and keep it up to date. Discussions have taken place with the Cabinet Member for Place and Local Plan regarding the content of this revised LDS. An email alert will also be sent to Parish and Town Councils and organisations that are registered to receive updates on the Local Plan will be notified about the Cabinet meeting.

## 7 ENVIRONMENTAL CONSIDERATIONS

- 7.1 The Council's declaration of climate emergency continues to be a defining issue for the next Local Plan (after the adoption of the new Local Plan) in terms of how the Plan can support the objective of dramatically cutting the district's emissions. The preparation of the Local Plan must comply with the requirements of national planning legislation and the need to deliver sustainable development which encompasses all considerations in relation to the built and natural environment.

## 8 PUBLIC SECTOR EQUALITY DUTY

- 8.1 The LDS does not introduce new policy. However, undertaking an Equality Impact Assessment (EqIA) is a key part of preparing a 'sound' Local Plan and has been factored into the timetable that has been included in LDS. The Local Plan process needs to ensure that the issues and options that are considered during the process do not lead to direct and indirect discrimination, and should advance equality of opportunity and foster good relations between those with a 'protected characteristic' (race, age, sex, disability, sexual orientation, gender reassignment, religion or belief and pregnancy or maternity) and all others.

- 8.2 Consultants will need to be appointed to undertake an EqIA and Health Impact Assessment, alongside the Sustainability Appraisal and the Habitats Regulations Assessment cited above, under the umbrella of the IIA for the SA and EqIA.
- 8.3 The Local Plan will be subject to and required to publish equality impact assessments to ensure that the policies and proposals are consistent with the Council's Equality Policy.

## 9 DATA PROTECTION IMPACT ASSESSMENT

- 9.1 Not Applicable. The LDS is a project management tool that sets out the timetable for the Local Plan.

## 10 RISK MANAGEMENT

- 10.1 The production of a Local Plan requires consideration of the potential risks involved in its preparation. These vary from local matters such as changes in staffing levels or political / administrative changes to those of regional or national significance including publication of revised government guidance along with a number of changes to the plan making system that on the horizon which have been outlined in the main body of this report.
- 10.2 The new Local Plan (that is the subject of a Local Plan examination) will cover the period 2020 - 2040. At the time of writing this report there is not yet new policy guidance from Government on how Local Planning Authorities should prepare a new Local Plan. Working on the basis of the current policy, the next Local Plan would also need to cover 20 years and provide for a minimum of 15 years from the date of adoption.
- 10.3 The LDS at Appendix 1 includes a matrix at Table 1 which identifies a range of potential risks involved with preparing a Local Plan, their impact and likelihood of occurrence together with contingency and mitigation measures. A more detailed risk assessment will need to be prepared as there are a several strands of work that need to align for the delivery of this revised timetable.

<b>Risk</b>	<b>Mitigation</b>	<b>Opportunities</b>
Financial Exposure	Funding for the preparation of the Local Plan comes out of Local Plan budget and vacancy savings across Built Environment Service.	Joint commissioning of research with neighbouring authorities for example, through the Partnership with South Hampshire (PfSH).



	Funding for Local Plan Review will be covered by the earmarked reserve and be topped up as appropriate in line with the normal budget making process.	
Exposure to challenge	Ensure the Plan making process follows current national planning legislation and any subsequent changes to planning legislation. The new Local Plan that has been submitted for examination has been reviewed by Counsel and given that the production of the Local Plan remains a corporate priority it would be prudent to continue instructing Counsel regarding the next Local Plan review.	There is great opportunity through the Local Plan making process to engage with a wide range of people on the future development of the district.
Innovation	Ensuring that the Council is creative in the way that it engages with as many people as possible and reaching out to hard to reach groups is a key part of the Local Plan process. Publicity and the methods of Local Plan engagement will be a key component of this. This needs to build on the RTPI awards that given for the local plan engagement strategy that was developed for the Strategic Issues and Priorities public Consultation. However, the engagement process for next Local Plan will	The opportunity was taken to change the presentation of the Local Plan that is examination to make it more appealing and interesting to a wide range of audiences. Further thought would need to be given as to whether the stand-alone Local Plan website could be used again for the next Local Plan to support the branding 'Your Place, Your Plan' and increase accessibility and usability.

	need to be managed against preparing a Local Plan in a 30 month timeframe.	
Reputation	Producing a 'sound' Local Plan is one of the council's biggest corporate priorities. The development of the Local Plan needs to undergo various statutory stages, and, in this respect, it is essential that there are various checks put in place to make sure that it follows the correct procedure. This would include asking for advice from a leading KC at key stages of the Local Plan process,	The preparation of the Local Plan is a great opportunity to reach out and engage with as many people as possible. Developing a new Local website and the Local Development Scheme and Local Plan are kept up to-date to ensure that the Council communicates when people can get involve and provide feedback on the Local Plan. Engaging with the local community is a real opportunity as it will clearly set out the Council vision for the district, bringing with it certainty and investment to the area. The success of this public engagement process can then be replicated by other departments within the Council.
Achievement of outcome	The Plan needs to go through various statutory stages and it will be necessary to ensure that all of the appropriate steps are undertaken in order to provide a 'sound' Local Plan. This can only be achieved if the Local Plan is underpinned by an Evidence Base and sufficient time is allowed for this to be incorporated into the Local Plan.	The Council has declared a climate emergency and there is a great opportunity to provide leadership in terms of not only the presentation and policies of the Local Plan, which seek to reduce/minimise the impact of new development on the environment, but also how the Council engages with the local community



		and other interested parties.
Property	n/a	n/a
Community Support	Develop a Local Plan programme that allows sufficient time for the consultation and assessment of responses to the consultation and other subsequent key stages that require further consultation. The Local Plan process is required to comply with several statutory stages of publication.	Ensure that the communication methods used for consultation are relevant to the task, easy to use and ensure those interested in the plan making process are kept up-to-date and are provided with opportunities to participate.
Timescales	Ensure that there is sufficient capacity in the Strategic Planning team to be able to progress the Local Plan and timings are realistic as set out in the Local Development Scheme. Using additional temporary resources to keep the Local Plan on the project timetable on track if required although this is becoming increasingly harder due to the lack of people with Local Plan experience.	The LDS needs to be kept up-to date and adjusted if necessary to take into account any new issues that may arise or new guidance on how Local Plans need to be prepared and adjusted as appropriate, to deal with the range of other changes to the planning system that are on the horizon.
Project capacity	Ensure that the necessary resources are available. See above commentary on Timescales and Financial Exposure	Work with colleagues, neighbouring authorities through joint commissioning of evidence studies including, for example, the work on PfSH.
Other	n/a	n/a

## 11 SUPPORTING INFORMATION:

### Background

#### What is an LDS?

- 11.1 The LDS is effectively a project management plan tool that sets out the timetable for the production of new or revised Development Plan Documents which will form the Council's Local Plan. The LDS is required under Section 15 of the Planning and Compulsory Purchase Act 2004 (as amended). The LDS must specify (among other matters) the development plan documents which, when prepared, will comprise the Local Plan. It must be made publicly available on the Council's website and be kept up-to-date to enable local communities and interested parties to keep track of progress. It is reviewed annually through the Council's Authorities Monitoring Report.
- 11.2 The LDS is important in the context of communication and transparency. The local community, businesses and others with an interest in the future planning of the District must be properly informed of the planning documents that the Council intends to produce and the timescale for their preparation, consultation and adoption.
- 11.3 Although consultations on the Local Plan will continue to be advertised and interested parties notified in accordance with the Council's Adopted Statement of Community Involvement, the LDS provides information about when consultations are likely to happen.
- 11.4 The LDS is also a useful tool for establishing and reflecting the Council's priorities and enables work programmes to be set for the preparation of planning documents. It also provides a context for the review of planning documents once they have been prepared. It is important that the LDS is kept up-to-date as one of the key soundness tests at the Local Plan examination is whether the Local Plan has been prepared in accordance with the agreed LDS.

#### **Why are we updating the LDS now when there are considerable changes about to happen to the Plan-making system as a result of the change in administration?**

- 11.5 The Chief Planning Officer has contacted all Local Planning Authorities [Chief Planner's newsletter December 2024](#) and advised them that the Deputy Prime Minister has requested that *'all local planning authorities produce an updated Local Development Scheme (LDS) within 12 weeks of the publication of the National Planning Policy Framework, i.e. by no later than 6 March 2025. The updated LDS should include clear, realistic, and specific dates for consultation and submission of the local plan. We ask that once updated, the LDS is made publicly available, and a copy is sent to the Ministry using the following email*

address: [LocalPlans@communities.gov.uk](mailto:LocalPlans@communities.gov.uk) AND the key information is recorded by filling out an online form'. As the above indicates, city council is required by Ministry to prepare a submit an updated LDS. – we have no choice in the matter.

### **What factors need to be taken into consideration in terms of preparing an LDS?**

- 11.6 Before setting out a revised LDS, it is important that Members are aware that there are a number of proposed and anticipated changes to planning legislation and policy from Government that could have important implications for the LDS. Allied to this it is also important to note that if any or a combination of the variables that have been listed in the following section of the report result in a change, the LDS would need to be reset.

### **Changes to the National Planning Policy Framework (NPPF)**

- 11.7 On the 30 July 2024 the government consulted on a number of fundamental proposed changes to the NPPF. The city council responded to the public consultation on the proposed changes to NPPF.

### **Submission of the Local Plan for examination**

- 11.8 In terms of the transitional arrangements, paragraph 226 (c) in Annex 1 to the proposed changes to the NPPF in July 2024 originally stated that a Local Plan had to be submitted for examination under Regulation 22 on or before [the publication of the updated NPPF + one month]. The City Council met this original deadline as the Local Plan was submitted for examination on 15 November 2024.

### **Final version of the NPPF**

- 11.9 On 12 December 2024 the government issued a final version of the NPPF alongside a number of other changes to the planning system in the form of updates to the Planning Practice Guide. There was an important change to the wording of the transitional arrangements in the final version of the December 2024 NPPF which now states at paragraph 234 that Local Plans can be submitted under the transitional arrangements provided they are submitted to the Planning Inspectorate by 12 March 2025.

### **Housing requirements**

- 11.10 Another significant change in the revised NPPF is that the District's housing requirement has increased from 676 dwellings per year to 1,157 dwellings per year. As the new Local Plan 2040 was submitted to the Planning Inspectorate on the 15 November 2024 the new Local Plan will still be assessed at examination against the previous 2023



NPPF. As the new standard method is based on housing stock, initial discussions have taken place with Officers from the South Downs National Park, Chichester, Eastbourne and Lewis and East Hants Local Planning Authorities regarding the new housing figures and the implications of this calculation and the need to work together on this. It is also important to note that the new NPPF (2024) has introduced a requirement at paragraph 78 (c) that from 1 July 2026 in the case where a Local Plan has been adopted against the previous version of the NPPF (2023) Local Planning Authorities will in effect need to demonstrate a 6 year housing land supply by including a 20% buffer.

### **Employment land**

11.11 Paragraph 86 of the revised 2024 NPPF has included the requirement that planning policies should: *'set out a clear economic vision and strategy which positively and proactively encourages sustainable economic growth, having regard to the national industrial strategy and any relevant Local Industrial Strategies and other local policies for economic development and regeneration'*. This would involve identifying priority sectors for growth and support such as advanced manufacturing; clean energy industries; creative industries; defence industries; digital and technology businesses; financial services; life sciences; and professional and business services. A Local Plan review would need to identify these different priority sectors and how they can be addressed in the next Local Plan.

### **What are the implications of the new NPPF on the LDS?**

11.12 The council is fully committed to meeting the requirements in the revised 2024 NPPF once the new Local Plan 2040 has been adopted. Officers, using delegated authority that was granted to the Strategic Planning Manager in consultation with the Cabinet Member for Place and the Local Plan at the time of approving the Proposed Submission Local Plan (Regulation 19) for public consultation in August 2024, have already put forward a Proposed Modification to the Planning Inspectorate to the wording of [Policy SP2](#) in the new Local Plan submitted for examination. Proposed Modification (PM2) states: *'The Local Plan is adopted under the 'transitional arrangements' contained at time of drafting in the proposed changes to NPPF, which mean it has to accord with the requirements of the December 2023 NPPF. The subsequent proposed changes to the NPPF relate mainly to housing provision and the transitional arrangements require local plans to review these as soon as possible after adoption. Policy SP2 commits the Council to commence such a review within 6 months of adoption and this will focus primarily on meeting any new housing requirements'*. This Proposed Modification (which would still need to be agreed by the Inspector and consulted on) reaffirms the council's commitment to meeting the NPPF's new housing requirements and commits the city council to an early review of the Local Plan.

11.13 Even if the scope of the next Local Plan review was restricted to allocating land to meet the new housing land requirements (see points below) and identifying specific priority employment sectors, there would be a considerable amount of work that would be needed to be undertaken by Officers to identify and allocate land to meet the new housing requirement in the NPPF which would include updating Infrastructure Delivery Plan that assesses the need for water, sewerage, transport, internet, mobile phone coverage etc. Work would also need to be commissioned to establish how specific employment priority sectors could be met and the associated employment need that would arise from the increase in housing.

### **Neighbouring Local Planning Authorities**

11.14 Allied to this, all of our neighbouring Local Planning Authorities housing requirements have also changed as a result of the new NPPF (the majority of them have also experienced an increase in housing numbers). Due to the increase in housing requirements across Hampshire this will almost certainly result in the need for:

- Joined up discussions to take place between Local Planning Authorities regarding housing development that may for example, be either close to the District boundary or potentially have an impact on the District or unmet housing need;
- Discussions regarding unmet housing need under the Duty to Cooperate (this includes the South Downs National Park which is a separate planning authority that covers part of our district); and
- Responses will need to be agreed with the Cabinet Member for Place and the Local Plan on neighbouring Local Planning Authorities Local Plans and work would be required to update Statement of Common Grounds which are all likely to converge around the same time as work is progressing on a review of the next Local Plan.

11.15 This will have implications in terms of Officers time and involve externally commissioning consultants at a time when all of our neighbouring Local Planning Authorities will be working to a revised timetable that involves allocating additional land for housing development and they will also be using external consultants that the city council also relies on to assist us with our Local Plan review.

### **Local Plan Examination**

11.16 The Secretary of State has now arranged for an Inspector to be appointed by the Planning Inspectorate. The appointed Inspector will examine the Local Plan to establish whether it is 'sound', taking into account all of the representations received.

11.17 R Barrett MRTPI IHBC has been appointed to hold the independent examination of the Winchester District Local Plan. No formal details of the Local Plan examination timetable have been published. However, from the exchange of correspondence with the Inspector (which is available on the Local Plan examination website) subject to confirmation from the Inspector, potentially the examination could take place in April 2025.

**What could be the implications of the Local Plan examination on the LDS?**

11.18 As the above indicates, there is going to be a considerable amount of work for Officers in the Strategic Planning team and other departments from across the council in the coming months associated with the Local Plan examination and moving the current Local Plan towards adoption by the Autumn of this year (see paragraph 2.2 - Resources).

**Levelling Up and Regeneration Act (LURA) 2023**

11.19 Paragraph 236 of the revised NPPF states that *'where the housing requirement in the plan to be adopted meets less than 80% of local housing need, the local planning authority will be expected to begin work on a new plan, under the revised plan-making system provided for under the Levelling Up and Regeneration Act 2023 (as soon as the relevant provisions are brought into force in 2025), in order to address the shortfall in housing need'*. This paragraph in the NPPF would apply to Winchester City Council and it does give a strong indication that there will be changes to the plan-making system at some stage in 2025 by way of secondary legislation.

**What could be the implications of the LURA 2023 on the LDS?**

11.20 As indicated above, is not yet known when the government intends to publish the LURA secondary legislation (anticipated in Spring/early Summer 2025) which will include details about the revised plan-making system. In the absence of this information, it has been more difficult for Officers to produce an LDS as we do not know the details of any changes to how Local Plans will need to be produced and the timeframes that need to be worked towards. As there is considerable uncertainty around when the LURA secondary legislation will be published, the advice from [Planning Officers Society](#) in their 'Frequency Asked Questions' for Local Planning Authorities is that they can add that this is an 'interim' timetable and acknowledge that the LDS may need to be reset / subject of review when the details of the new system are published.



## What do we currently know about how a next Local Plan should be prepared?

11.21 The previous government administration indicated in [Levelling-up and Regeneration Bill: consultation on implementation of plan-making reforms - GOV.UK](#) that Local Plans would need to be prepared and adopted within 30 months. Paragraph 43 of the consultation document sets out the following stages:

- **A scoping and early participation stage** – including requirements to “notify” the public and stakeholders including statutory bodies and “invite” participation; prepare or update the local plan or minerals and waste timetable (see [Chapter 4](#)); and give a minimum of four months’ notice before they intend to formally commence the 30 month plan preparation timeframe (starting with the first gateway assessment). Participation and evidence gathering required to inform the Strategic Environmental Assessment (and its eventual replacement Environmental Outcomes Reports) also begins in this stage.
- **Plan visioning and strategy development** – including a requirement to undertake visioning about the future of the area (see [Chapter 1](#)) and the first formal public consultation on the plan.
- **Evidence gathering and drafting the plan** – including a requirement to undertake the second gateway assessment.
- **Engagement, proposing changes and submission of the plan** – including a requirement for the second public consultation on the plan and undertaking the third gateway assessment.

11.22 The previous government administration outlined the process for preparing a Local Plan within a 30 month timeframe:

23 months including:

- Gateway 1 (Advisory)
- Mandatory Public Consultation (8 weeks)
- Gateway 2 (Advisory)
- Mandatory Public Consultation (6 weeks)
- Gateway 3 (Stop/Go)
- Examination: 6 months
- Finalisation and adoption of digital plan: 1 month

11.23 As there has now been a change in government administration it is uncertain whether the above process will change and if the timeframe for preparing the next Local Plan will still be 30 months. However, there is a strong indication from the current government administration that they do want national coverage of up-to-date Local Plans. It is important to note that the new Local Plan process started in 2018 which indicates that it could be challenging in practice to produce a Local Plan within a condensed 30 month timeframe for the following reasons:

#### **Engagement in the Plan-making process:**

11.24 The Plan-making process for the new Local Plan 2040 that will be the subject of examination has involved 4 separate stages of public consultation. Whilst this process was very inclusive and it was RTPI award winning, it did take a considerable amount of Officer resources to draft the 4 versions of the documentation that were consulted on, administer the public consultation events, analyse and interpret the results of the public consultations.

#### **What be would the implications a 30 month Local Plan timetable be on the LDS?**

11.25 Whilst Officers are waiting for further details from the government on the revised Plan-making system which will be confirmed in the LURA secondary legislation, if we are required to produce a Local Plan within a 30 month timeframe one of the key consequences is that the number of times that we will be able to engage with the local community will need to alter. In accordance with the steps for producing a Local Plan that have been set out above, we will need to have a maximum of two separate stages of public consultation as otherwise it would not be practically possible to produce a Local Plan in 30 months.

#### **National Development Management Policies**

11.26 The previous government administration also indicated their intention to introduce National Development Management Policies. [Levelling-up and Regeneration Bill: reforms to national planning policy - GOV.UK](#)

11.27 National Development Management Policies would have the same weight in certain planning decisions as policies in local plans, neighbourhood plans and other statutory plans (and could, where relevant, also be a material consideration in some other planning decisions, such as those on Nationally Significant Infrastructure Projects).

11.28 The introduction of National Development Management Policies would potentially have the advantage of reducing unnecessary time at examination and it would bring consistency to development management policies across the country. There would need to be

public consultation by government on the content of the National Development Management Policies prior to them coming into force.

### **What could be the implications of National Development Management Policies on the LDS?**

- 11.29 Following the change in government administration, there is currently no formal timetable for the consultation or the introduction of National Development Management Policies. However, at a recent Planning Advisory Services webinar it was indicated that consultation on the National Development Management policies may take place in Spring 2025. In view of this uncertainty, it is difficult to understand what implications this could have on the LDS.
- 11.30 If National Development Management Policies came into force during the preparation of the next Local Plan Officers would need to assess each of the development management policies and determine whether or not they were covered by a National Development Management policy or assess whether there could be the justification for a local policy. Depending on the timing of the National Development Management policies, this could generate a significant amount of work/rewriting of the Local Plan which would result in the need for the LDS to be reset.

### **Devolution**

- 11.31 Another added uncertainty to preparing a LDS for the next Local Plan is that on the 16<sup>th</sup> December 2024 the government issued an English Devolution White Paper [English Devolution White Paper - GOV.UK](#). The English Devolution White Paper has introduced in a short space of time the opportunity to invite proposals from Local Government quarters which points towards both “Devolution” and “Local Government Reorganisation”. Hampshire County Council has published a paper to consider this opportunity ([Agenda for Extraordinary County Council on Thursday 9 January 2025, 10.00 am | About the Council | Hampshire County Council](#)).

### **What could be the implications of devolution on the LDS?**

- 11.32 It is too early to anticipate and to fully advise what effect the proposed devolution might have on the LDS or what model of Devolution Hampshire is pushing for. What is clear from reading the White Paper is that the proposed Spatial Development Strategies (SDS) will guide development for the Local Planning Authorities areas, and Local Plans will need to be in general conformity with the SDS. Allied to this it has been confirmed in the White Paper that Local Planning Authorities should not delay the development of Local Plans while they await the adoption of SDS. Relevant Local Plans should continue to be updated or developed alongside the SDS process. A Combined Authority Model appears, at this moment in time, to be the direction of travel and if this



does happen, this could have implications for the next Local Plan review but the timing of this is unknown.

### **Strategic Planning**

11.33 Paragraph 24 of the revised NPPF has included the return of strategic planning across local planning authority boundaries. According to the government, will play a vital and increasing role in how sustainable growth is delivered, by addressing key spatial issues including meeting housing needs, delivering strategic infrastructure and building economic and climate resilience. There is also a requirement for Strategic policy-making authorities to collaborate to identify the relevant strategic matters in their Local Plans. In Hampshire, as there are two National Parks (South Downs and the New Forest), undertaking strategic planning may be slightly more challenging.

#### **What could be the implications of strategic planning on the LDS?**

11.34 It is unclear at the time of writing this report what implications strategic planning could have on a timetable for preparing an LDS as discussions have not yet taken place with our neighbours about the role of strategic planning.

#### **11.35 Planning and Infrastructure Bill**

11.36 The government is proposing to introduce a Planning and Infrastructure Bill to *'unlock more housing and infrastructure across the country, supporting economic growth as well as the environment. The new legislation will help speed up and streamline the planning process, as well as increasing the speed of major development projects in alignment with government industrial, energy and transport strategies. This includes upgrading the national grid and boosting renewable energy'*.

#### **11.37 What could be the implications of the Planning and Infrastructure Bill on the LDS?**

11.38 There are limited details on when the Planning and Infrastructure Bill will be published and what it will contain so it is unclear at this time what the implications might be for the LDS or indeed whether it would have any implications.

### **Neighbourhood Planning**

11.39 There are currently 4 Neighbourhood Plans being prepared in the District (New Alresford, Hursley, Curdrige and Denmead).

### **What are the implications of Neighbourhoods on the LDS?**

11.40 Officers from the Strategic Planning team have a duty to support and provide technical advice to Parish and Town Councils on emerging Neighbourhood Plans and are responsible for making timely decisions. With the growing number of Neighbourhood Plans this is placing increasing pressure on Officers in the team.

#### **11.41 New Towns Task Force**

11.42 The government has established an independent New Towns Task Force. The role of the independent [New Towns Taskforce](#) is to advise ministers on appropriate locations for significant new communities, including large-scale urban extension and regeneration schemes, recommending locations to ministers by July 2025. The Taskforce is interested in proposals that are regionally significant for both housing numbers and economic growth. The unifying principle will be that each of the new settlements will contain 10,000 homes, at the very least, and that most, if not all, will be far larger in size. The government is aiming for a gold standard of 40% affordable housing. A core part of the Taskforce's work will be to consider how to fund and deliver new settlements.

### **What could be the implications of a New Towns Task Force on the LDS if a site for a new town was identified either in the District or close to the District boundary?**

11.43 As indicated above, the recommendations of the New Towns Task Force will not be known until later on in the year. It is important to note that it has been reported that the government in a [Minister of State's interview](#) on *Today* that any proposals for a new town are over and above the standard housing requirement (i.e. a New Town will not count against the standard method). It is too early to assess what implications the recommendations from the New Towns Task Force may or may not have on the LDS as this will be dependent on the locations of the New Towns but it will be extremely important to keep this under review.

#### **Local Plan timetables**

11.44 As the above paragraphs indicate:

- The Chief Planning Officer has requested us to agree a new LDS which is at moment in time when the Local Plan examination has not yet taken place;
- Details of a revised Plan-making system are not yet known but there is a clear direction of travel that the government wants Local Plans to be produced much quicker than they are now; and

- There are a number of other variables such as the potential introduction of National Development Management Policies, devolution and the role of strategic planning and a range of other matters that are all potentially on the horizon.

11.45 In view of the above, Officers are recommending the following broad interim timetable for the LDS which may need to be reset if, and when, there is more certainty on the matters that have been outlined above.

### **Key dates**

- Examination of the current Local Plan Q1 (April – June) 2025.
- TBC - Consultation on the Proposed Modifications to the Local Plan - end of Q1 (April – June) / Q2 (June – September) 2025
- Commence work on a review of the next Local Plan Q2 (July – September) 2025
- Adoption of the current Local Plan Q3 (October – December) 2025
- 1<sup>st</sup> public consultation on the review of the Local Plan Q2 (July – September) 2026
- 2<sup>nd</sup> public consultation on the review of the Local Plan Q3 (October – December) 2027
- Examination of the Local Plan Q4 (January – March) 2028
- Adoption of the Local Plan Q4 (January – March) 2028 – assuming that there is no delay in the secondary legislation being published in the Levelling Up and Regeneration Act.

## **12 OTHER OPTIONS CONSIDERED AND REJECTED**

- 12.1 It is a legal requirement for all Local Planning Authorities to have and maintain an up to date LDS and for the LDS to be accessible. The LDS is a project management tool and is able to be updated as required to ensure that it provides certainty to the local community and stakeholders about the preparation and subsequent adoption process of Development Plan Documents and it better avoids planning by appeal.
- 12.2 Whilst there a number of key variables which are unknown at this stage, as mentioned in paragraph 11.5, the Chief Planning Officer has requested that all Local Planning Authorities submit an LDS to the Ministry of Housing, Communities and Local Government by 6 March 2025.



- 12.3 Alternative timetables for the production of the LDS have been considered but in light of the uncertainties outlined above and need to meet the deadline of 6 March 2025, the LDS that is attached at Appendix 1 is considered to be the best option.
- 12.4 The delivery of the next Local Plan within this timeframe will also help to demonstrate to the Inspector at the Local Plan 2040 examination that we are committed to delivering the governments new housing targets and importantly, we will also be able to maintain a 6 year housing supply and as indicated in paragraph 12.1 we are not planning by appeal.

BACKGROUND DOCUMENTS:-

Previous Committee Reports:-

CAB 3419 (LP) – Revised Local Development Scheme, 10 August 2023.

Other Background Documents:-

[Local Development Scheme, August 2023](#)

[Levelling-up and Regeneration Bill: reforms to national planning policy - GOV.UK](#)

[National Planning Policy Framework, December 2024](#)

[Letter from the Chief Planning Officer dated 13<sup>th</sup> December 2024](#)

[New Towns Taskforce](#)

[English Devolution White Paper - GOV.UK](#)

APPENDICES:

Appendix 1 – Winchester District Local Development Scheme, February 2025.

Appendix 2- Equalities Impact Assessment.

# **YOUR PLACE YOUR PLAN.**

Winchester District Local Plan

## **Appendix 1 Local Development Scheme**

**February 2025**

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# 1. Introduction

## What is an LDS?

- 1.1. The LDS is effectively a project management plan tool that sets out the timetable for the production of new or revised Development Plan Documents which will form the Council's Local Plan. The LDS is required under Section 15 of the Planning and Compulsory Purchase Act 2004 (as amended). The LDS must specify (among other matters) the development plan documents which, when prepared, will comprise the Local Plan. It must be made publicly available on the Council's website and be kept up-to-date to enable local communities and interested parties to keep track of progress. It is reviewed annually through the Council's Authorities Monitoring Report.
- 1.2. The LDS is important in the context of communication and transparency. The local community, businesses and others with an interest in the future planning of the District must be properly informed of the planning documents that the Council intends to produce and the timescale for their preparation, consultation and adoption.
- 1.3. Although consultations on the Local Plan will continue to be advertised and interested parties notified in accordance with the Council's Adopted Statement of Community Involvement, the LDS provides information about when consultations are likely to happen.
- 1.4. The LDS is also a useful tool for establishing and reflecting the Council's priorities and enables work programmes to be set for the preparation of planning documents. It also provides a context for the review of planning documents once they have been prepared. It is important that the LDS is kept up-to-date as one of the key soundness tests at the Local Plan examination is whether the Local Plan has been prepared in accordance with the agreed LDS.

## Why do we need an LDS?

- 1.5. The Act (as amended by the Localism Act 2011) states that a Local Development Scheme must specify:
  - The Local Development Documents which are to be Development Plan Documents;
  - The subject matter and geographical area to which each development plan document relates;
  - Which Development Plan Documents, if any, are to be prepared jointly with one or more other local planning authorities;
  - Any matter or area in respect of which the authority has agreed (or proposes to agree) to the constitution of a joint committee [with other Local Planning Authorities]; and
  - The timetable for the preparation and revision of the Development Plan Documents.

## 2. Background

**Why are we updating the LDS now when there are considerable changes about to happen to the Plan-making system as a result of the change in administration?**

**2.1.** The Chief Planning Officer has written to all Local Planning Authorities [Chief Planner's newsletter December 2024](#) and advised them that the Deputy Prime Minister has requested that *'all local planning authorities produce an updated Local Development Scheme (LDS) within 12 weeks of the publication of the National Planning Policy Framework, i.e. by no later than 6 March 2025. The updated LDS should include clear, realistic, and specific dates for consultation and submission of the local plan. We ask that once updated, the LDS is made publicly available, and a copy is sent to the Ministry using the following email address: [LocalPlans@communities.gov.uk](mailto:LocalPlans@communities.gov.uk) AND the key information is recorded by filling out an online form'*.

## 3. Current Development Plan Documents for Winchester District

### **The Winchester District Local Plan Part 1 - Joint Core Strategy (LPP1).**

The LPP1 was prepared by Winchester City Council (WCC) and the South Downs National Park Authority (SDNPA). It was adopted by WCC in March 2013. This plan covers the entire geographical area of Winchester District including the SDNP (the SDNP section of the Local Plan has now been superseded by their National Parks adopted Local Plan) and provides the strategic policies for the area.

### **The Local Plan Part 2 - Development Management and Site Allocations (LPP2).**

This local plan covers the parts of the district that lie outside the SDNP and are administered by WCC as local planning authority. It provides site allocations and detailed policies relating to development management. LPP2 was adopted in April 2017.

### **The Denmead Neighbourhood Plan;**

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

### **The Gypsy and Traveller and Travelling Showpeople DPD (G&T DPD).**

Local Authorities are required by Central Government to assess the accommodation requirements of Gypsy and Travellers and to develop a strategy that addresses any unmet need. It was adopted as a Development Plan Document in February 2019.

### **The Hampshire Minerals and Waste Plan.**

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

## 4. Scope and content

**Table 1: Winchester City Council Local Plan Review – Scope and Preparation Document**

Document title	Winchester City Council Local Plan Review
Role & Content	The Council has a statutory duty under the Planning and Compulsory Purchase Act 2004 (as amended) to prepare and maintain an up-to-date Local Development Scheme (LDS). The new LDS would fulfil this requirement by outlining a clear and realistic timetable for the adoption of the new Local Plan that will shortly be the subject of an examination and the production of the next Local Plan following that.
Geographic Coverage	This LDS covers the administrative area of Winchester that falls outside the South Downs National Park (which produces its own Local Plan) and sets out which planning policy documents the council intends to produce, and the timetable for producing these documents.
Status	Local Plan as described by The Town and Country Planning (Local Planning) (England) Regulations 2012 (as amended). A Development Plan Document.
Stakeholder & Community Involvement	The <a href="#">Statement of Community Involvement</a> (SCI) sets out the standards which the city council will achieve with regard to involving individuals, communities and other stakeholders in the preparation of the Local Plan and for process for consultation on Development Management planning applications.
Monitoring & Review Mechanisms	The implementation of Local Plan is monitored on yearly basis through the <a href="#">Authorities Monitoring Report</a> (AMR). The AMR monitors the policies in the Local Plan.

## 5. Monitoring and Review

**5.1.** The council's Authorities' Monitoring Report (AMR) monitors the progress of the LDS on an annual basis, reporting in December each year. The latest version is available to view on the council's website: [Authorities' Monitoring Report \(AMR\) - Winchester City Council](#) The AMR will compare progress against the key milestones set out in the LDS and consider the need to revise and update the LDS



5.2. AMRs review the performance of planning policies on the area in which they apply. They also include an update on the milestones set out in the Council's Local Development Scheme (LDS).

## 6. Risk Assessment

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

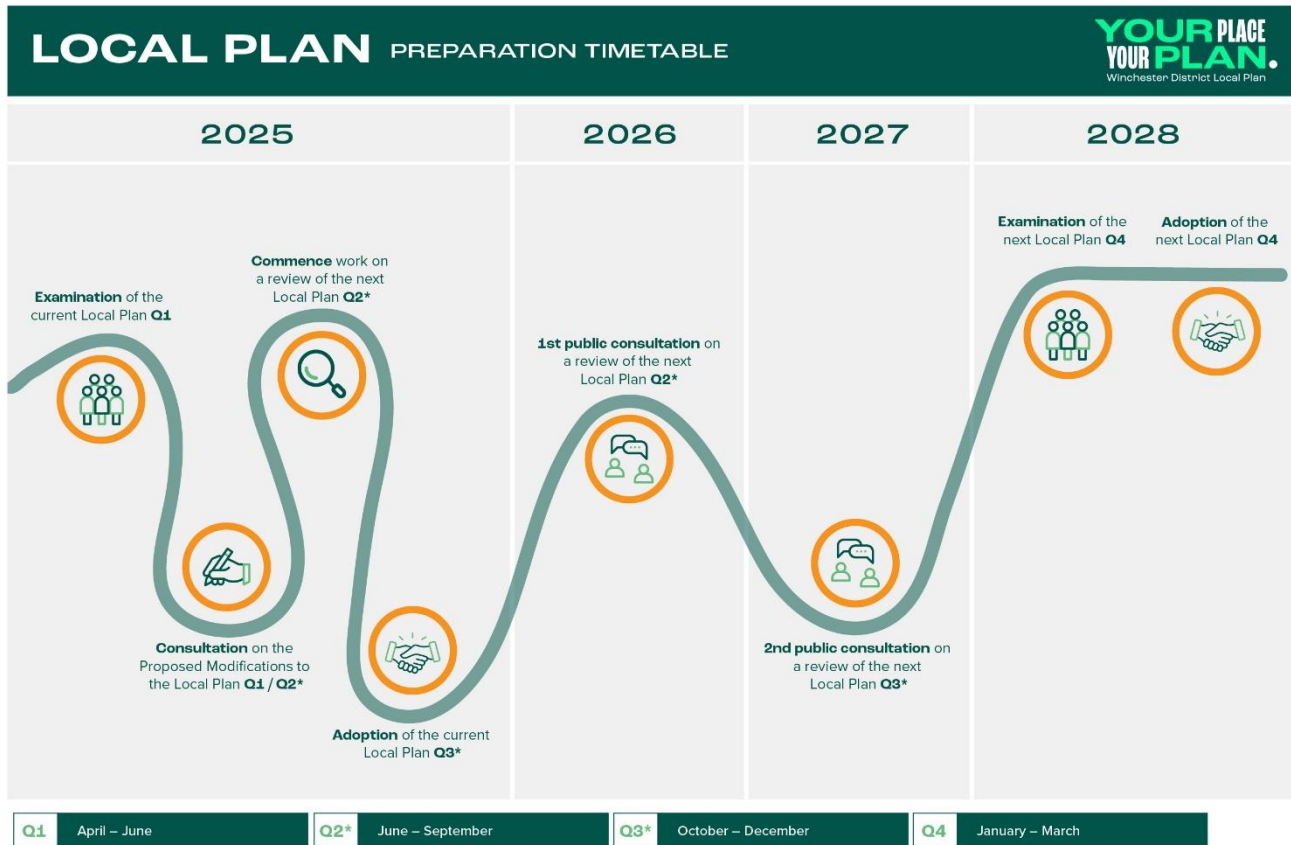
6.2. There are a number of risks which could have an impact on the LDS and require the LDS to be reset. This can include the following examples:

- Staffing changes which include the loss of any planning policy staff along with any built up local and technical knowledge and the time it could take to recruit suitably experienced replacement staff;
- Delays in the appointment of consultants and/or the work they undertake for the Local Plan Review evidence base due to unforeseen circumstances beyond the immediate control of the planning policy team. This can include evidence which covers more than one Council area (e.g. that commissioned by Partnership for South Hampshire (PfSH) or neighbouring authorities within PfSH); and
- Wider political (national and local), administrative or further legislative changes to the plan-led system and a number variables that are outlined in the illustration below.



There is a detailed risk assessment and likelihood of occurrence together with contingency and mitigation measures are in chapter 8.

## 7. Local Plan timetable



(\* the dates will be reviewed and reset depending on the timing of the publication of the Levelling Up and Regeneration Act).

## 8. Risk Assessment Table

What might go wrong?	What will happen?	Residual risk score	Current controls	Mitigation
A team member may leave	A vacancy would be created in the team and depending on the level of seniority this would have different risk implications	Likelihood = Likely Impact = Major	Spread knowledge of the Local Plan and its associated documents throughout the team in order to minimise impact.	Re-appoint as soon as possible. If this is not possible, seek to re-deploy staff resources within Built Environment team. If this was not possible appoint someone on a short term as a Consultant although this would have financial implications and possible reputational damage.
Vacant post might not be filled	Unable to deliver the LP due to lack of resources	Likelihood = Likely Impact = Major	Seek to recruit in a timely manner to allow for a new member of staff to become familiar with WCC processes, prior to key stages of plan making.	Seek to recruit a temporary member of staff/agency staff with the necessary experience. Consider use of consultants where appropriate.
New national legislation	The Government introduces changes that significantly alter the way that Local Plans needs to be prepared	Likelihood = Highly likely Impact = Major	The Government has, and continues to make a number of changes to the planning system, the National Planning Policy Framework and the planning legislation. In addition to this there has been a number of public	Include flexibility in the timescales for preparation of the Local Plan and associated documents to allow opportunity to respond to any changes.  Adapt plan making to future proof the process



			<p>consultations on a number of key issues including for example, changes to CIL in the form of a Infrastructure Levy and the Environmental Outcomes Report.</p> <p>It is highly likely that other changes and guidance will happen. The previous government has consulted on some radical changes to the form and content of Local Plans and the way they need to be prepared. There will be a series of changes to the plan-making system that are coming forward as part of the Levelling up and Regeneration Act and number of other changes that are on the horizon - see separate entry.</p>	<p>as far as possible and implement changes without delay that align with the direction of travel set at national level.</p> <p>Monitor closely and respond to the outcome of the various consultations promptly and any pending changes at Infrastructure Level, where possible, prior to commencement of regulatory stages of plan preparation process.</p> <p>Ensure documents are regularly updated to ensure compliance with legislation.</p> <p>National changes may be subject to transitional arrangements,</p>
Legal challenge	A legal challenge could be submitted	<p>Likelihood = Unlikely</p> <p>Impact = Major</p>	<p>Post adoption of a Local Plan, there is a six week legal challenge period. There is potential for newly- adopted plans to be challenged, placing a degree of uncertainty over</p>	<p>To reduce risk of challenge, ensure the Local Plan is legally compliant, is based on robust evidence and has been subject to extensive consultation. The</p>

			the status of the policies and proposals.	<p>involvement of Counsel at key stages of the Local Plan process will help to minimise the risk of legal challenge.</p> <p>There has been two PINS Advisory meetings in order to discuss a number of key issues and help to de-risk the Local Plan process.</p> <p>Robustly resist challenges made through the Courts unless there are clear and substantial legal reasons which mean the council is unlikely to be able to defend adoption of its Local Plan.</p>
Problems arising from joint working; compliance with the duty to co-operate	It is not possible for an examining Inspector to 'correct' a failure to meet the Duty to Cooperate at the Local Plan examination, so this	<p>Likelihood = unlikely</p> <p>Impact = major</p>	Close working is therefore needed with other authorities through Partnership for South Hampshire (PfSH) and other direct channels , council Members and Counsel to detect issues	Some flexibility is included in the Local Plan timescales and allows for continuing discussions with neighbouring authorities to reach agreed positions.

	could have a serious impact.		early on in the process. The city council is required to produce Statements of Common Grounds and, by agreement, meeting neighbours' unmet housing needs. PINS Advisory meetings were arranged in order to help de-risk the LP process and discuss some of the key issues arising from the public consultations.	Ensuring that there is a clear document audit trail of any discussions and outcomes from those DTC meetings.  The council is also represented on project boards / steering groups of major development sites and is a member of the PfSH.
Programme slippage	There could be delays to the Local Plan timetable due to Government reforms to the planning system or a large number of representations submitted that would delay the adoption of the LP. Any slippage in the Local Plan timetable could have financial implications in terms of the evidence base needing to be updated and this would need to be managed.	Likelihood = Likely  Impact = moderate	Contingency time is built into the LDS programmes, which includes sufficient time to deal with the large number of representations typically received at consultation stages.	Sufficient flexibility is included in the Local Plan timescales. Revise LDS where necessary. Ensure sufficient resources available to complete future stages (financial and staffing).



Local Plan found not to be 'sound'	If the LP is found to be unsound or there was serious shortcomings with the LP work would need to halt and the problems would need to be addressed. Inability to maintain a 5 year housing land supply	Likelihood = Unlikely  Impact = Major	Convening PINS Advisory meetings has helped to de-risk the Local Plan. Be prepared to make modifications to the plan at the Local Plan Examination. Develop and take account of sound evidence.	Develop sound and reliable technical evidence base. If necessary, go back to an earlier stage, revise the plan and re-submit.
Failure to secure timely provision of Infrastructure	Infrastructure issues are not clearly considered as part of the LP.	Likelihood = Highly unlikely  Impact = moderate	Retain up to date evidence on infrastructure and liaise with infrastructure providers.	Continuing engagement with infrastructure providers to develop a Infrastructure Delivery Plan in order to ensure the timely provision of infrastructure.
Failure to secure agreement at Full Council to Local Plan	The LP needs to be agreed by Full Council at the Reg 19 stage and at the time that the LP is adopted.	Likelihood = Unlikely  Impact = Major	It is important to work closely with all elected Members through Councilor briefings, and to maintain awareness of the plan, and associated documents at each key stage of the process.	Build sufficient flexibility into the strategy and timescales.
Inspector's report includes recommendations that the council finds difficult to accept	Although the Inspector's recommendations are no longer binding (except for any modifications proposed by the	Likelihood = Unlikely  Impact = major	The council will need to consider all recommendations made by the inspector and may decide to accept them unless it considers there are sound and substantial	Keep council Members up to date on issues arising and likely recommendations and ensure each stage of the plan making process is evidence based, taking

	council), the Plan may not be 'sound' unless it is modified.		reasons not to whilst acknowledging this could lead to a position where an up-to date-plan is no longer in place.	legal advice as required, to minimise the potential for the inspector to need to recommend significant changes to the draft plan.
<p>Changes to the Plan-making system as a result of the change in administration that could affect and require the LDS to be reset:</p> <p>Changes to the National Planning Policy Framework (NPPF) – housing and employment.</p> <p>Outcome of the Local Plan examination.</p> <p>Levelling Up and Regeneration Act (LURA) 2023.</p> <p>National Development Management Policies.</p> <p>Devolution,</p> <p>Strategic Planning.</p>	This is explained in more detail for each variable in the Cabinet paper: CAB3499	Each variable differs in it's likelihood and impact and this is explained in more detail in the Cabinet paper: CAB3499	<p>The Government has, and continues to make a number of changes to the planning system, the National Planning Policy Framework and the Building Regulations.</p> <p>It is highly likely that other changes and guidance will happen as the Government has consulted on some radical changes to the form and content of Local Plans and the way they need to be prepared. There will be a series of changes to the planning system that will come forward in the Levelling up Bill and changes on the horizon – see variables in the diagram.</p>	<p><i>There are many mitigation strategies we can have in place, each variable will have a different mitigation response. These will include:</i></p> <p>Include flexibility in the timescales for preparation of the Local Plan and associated documents to allow opportunity to respond to any changes.</p> <p>Adapt plan making to future proof the process as far as possible and implement changes without delay that align with the direction of travel set at national level.</p> <p>Monitor closely and respond accordingly to the outcome of the various consultations.</p>

Planning and Infrastructure Bill. Number of Neighbourhood Plans in the district. Outcome of the New Towns Task Force.				
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**Winchester City Council**

**Equality Impact Assessment Template (EqIA)**

**Section 1 - Data Checklist**

When undertaking an EqIA for your policy or project, it is important that you take into consideration everything which is associated with the policy or project that is being assessed.

The checklist below is to help you sense check your policy or project before you move to Section 2.

		Yes/No	Please provide details
1	Have there been any complaints data related to the policy or project you are looking to implement?	No	
2	Have all officers who will be responsible for implementing the policy or project been consulted, and given the opportunity to raise concerns about the way the policy or function has or will be implemented?	Yes	The Local Development Scheme (LDS) has been prepared by the Strategic Planning Manager in consultation with the Cabinet Member for Place and Local Plan.
3	Have previous consultations highlighted any concerns about the policy or project from an equality impact perspective?	No	Consultation on the Local Plan has been as inclusive as possible in accordance with the city council's agreed <a href="#">Statement of Community Involvement</a> to ensure that any public consultation reaches out to the widest possible audience which include those with a protected interest.
4	Do you have any concerns regarding the implementation of this policy or project?	No	

		Yes/No	Please provide details
	<i>(i.e. Have you completed a self-assessment and action plan for the implementation of your policy or project?)</i>		
5	Does any accessible data regarding the area which your work will address identify any areas of concern or potential problems which may impact on your policy or project?	No	
6	Do you have any past experience delivering similar policies or projects which may inform the implementation of your scheme from an equality impact point of view?	Yes	The LDS sets out when the Council will consult on the Local Plan. The Local Plan will be accompanied by an Equality Impact Assessment.
7	Are there any other issues that you think will be relevant?	No	

## Section 2 - Your EqIA form

<b>Directorate:</b> Dawn Adey	<b>Your Service Area:</b> Built Environment	<b>Team:</b> Strategic Planning	<b>Officer responsible for this assessment:</b> Adrian Fox	<b>Date of assessment:</b> 10 <sup>th</sup> January 2025
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	<b>Question</b>	<b>Please provide details</b>
1	What is the name of the policy or project that is being assessed?	Local Development Scheme
2	Is this a new or existing policy?	The LDS was last updated in August 2023. It has been prepared to meet the request from the Chief Planning Officer that all Local Planning Authorities produce an updated LDS by the 6 <sup>th</sup> March 2025.
3	Briefly describe the aim and purpose of this work.	The Council is legally required to produce and keep up to date LDS that provides the timetable for the production and adoption of the Winchester District Local Plan.
4	What are the associated objectives of this work?	To provide a timetable for the preparation and adoption of the Local Plan.
5	Who is intended to benefit from this work and in what way?	The residents of Winchester district
6	What are the outcomes sought from this work?	To provide a timetable for the preparation and adoption of the Local Plan. Once agreed, the revised LDS would be placed on the WCC website. Anyone who has registered an interest in being updated on Local Plan issues would be notified via an email alert.
7	What factors/forces could contribute or detract from the outcomes?	N/A
8	Who are the key individuals and organisations responsible for the implementation of this work?	Strategic Planning Manager, Winchester City Council, Parish Councils, Hampshire County Council, landowners and developers.



9	Who implements the policy or project and who or what is responsible for it?	Strategic Planning Manager and Cabinet Member for Place and Local Plan
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		Please select your answer in <b>bold</b> . Please provide detail here.		
10a	Could the policy or project have the potential to affect individuals or communities on the basis of race differently in a negative way?	Y	<b>N</b>	
10b	What existing evidence (either presumed or otherwise) do you have for this?	The LDS is a document that sets out the timetable for the preparation and adoption of the Local Plan.		
11a	Could the policy or project have the potential to affect individuals or communities on the basis of sex differently in a negative way?	Y	<b>N</b>	
11b	What existing evidence (either presumed or otherwise) do you have for this?	The LDS is a document that sets out the timetable for the preparation and adoption of the Local Plan.		
12a	<p>Could the policy or project have the potential to affect individuals or communities on the basis of disability differently in a negative way?</p> <p><i>you may wish to consider:</i></p> <ul style="list-style-type: none"> <li>• <i>Physical access</i></li> <li>• <i>Format of information</i></li> <li>• <i>Time of interview or consultation event</i></li> <li>• <i>Personal assistance</i></li> <li>• <i>Interpreter</i></li> <li>• <i>Induction loop system</i></li> <li>• <i>Independent living equipment</i></li> <li>• <i>Content of interview)</i></li> </ul>	Y	<b>N</b>	

12b	What existing evidence (either presumed or otherwise) do you have for this?	The LDS is a document that sets out the timetable for the preparation and adoption of the Local Plan.		
13a	Could the policy or project have the potential to affect individuals or communities on the basis of sexual orientation differently in a negative way?	Y	N	
13b	What existing evidence (either presumed or otherwise) do you have for this?	The LDS is a document that sets out the timetable for the preparation and adoption of the Local Plan.		
14a	Could the policy or project have the potential to affect individuals on the basis of age differently in a negative way?	Y	N	
14b	What existing evidence (either presumed or otherwise) do you have for this?	The LDS is a document that sets out the timetable for the preparation and adoption of the Local Plan.		
15a	Could the policy or project have the potential to affect individuals or communities on the basis of religious belief differently in a negative way?	Y	N	
15b	What existing evidence (either presumed or otherwise) do you have for this?	The LDS is a document that sets out the timetable for the preparation and adoption of the Local Plan.		
16a	Could this policy or project have the potential to affect individuals on the basis of gender reassignment differently in a negative way?	Y	N	
16b	What existing evidence (either presumed or otherwise) do you have for this?	The LDS is a document that sets out the timetable for the preparation and adoption of the Local Plan.		
17a	Could this policy or project have the potential to affect individuals on the basis of marriage and civil partnership differently in a negative way?	Y	N	
17b	What existing evidence (either presumed or otherwise) do you have for this?	The LDS is a document that sets out the timetable for the preparation and adoption of the Local Plan.		
18a	Could this policy or project have the potential to affect individuals on the basis of pregnancy and maternity differently in a negative way?	Y	N	
18b	What existing evidence (either presumed or otherwise) do you have for this?	The LDS is a document that sets out the timetable for the preparation and adoption of the Local Plan.		

19	Could any negative impacts that you identified in questions 10a to 15b create the potential for the policy 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	Race: Sex: Disability: Sexual orientation: Age: Gender reassignment: Pregnancy and maternity: Marriage and civil partnership: Religious belief:
21	How will you mitigate any potential discrimination that may be brought about by your policy or project that you have identified above?	The LDS is a document that sets out the timetable for the preparation and adoption of the Local Plan.		
22	Do any negative impacts that you have identified above impact on your service plan?	Y	N	

Signed by completing officer	Adrian Fox, Strategic Planning Manager
Signed by Service Lead or Corporate Head of Service	



CAB3494  
CABINET

REPORT TITLE: GENERAL FUND BUDGET 2025/26

12 FEBRUARY 2025

REPORT OF CABINET MEMBER: Cllr Neil Cutler, Cabinet Member for Finance and Performance

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

WARD(S): ALL

## PURPOSE

The purpose of this paper is to consider and recommend to Council the 2025/26 General Fund Revenue Budget. The report details the proposals for additional savings, spending and investment for the year ahead in order to support core council services and enhance delivery of the priorities in the newly adopted Council Plan 2025-2030.

The Medium-Term Financial Strategy (report CAB3483 in November 2024) set out the forecast position for the medium term. Projections have now been updated and the new Medium Term Financial Plan (MTFP) is shown at Appendix A. This shows that, although the council's immediate financial position to 2027 is stable, there are increasing forecast deficits in the longer term.

To address these future pressures, the Council has a well-established, organisation wide transformation programme to close the £3m gap in funding within 3 years. Transformation Challenge 2025 (TC25) has identified ongoing savings of £1.29m per annum which have been removed from the baseline budget. Transformational changes over the next few years are underway, focusing on digital redesign to enhance service delivery while producing savings; income generation; and contracts review.

## RECOMMENDATIONS:

That Cabinet recommend to Council:

1. Agree the level of General Fund Budget for 2025/26 and recommend the summary as shown in Appendix A.

2. Approve the Greener Faster and carbon investment proposals, used as the basis of this budget and as set out in the CAB3483 including:
  - a. £135,000 additional budget per annum for the ongoing costs of providing the food waste collection service.
  - b. £460,000 one-off budget to fund the phased roll out of the food waste service from October 2025, without government funding.
3. In relation to the Healthy Communities priority of the new Council Plan:
  - a. Approve the revised income bands for the Council Tax Reduction scheme for working age applicants (set out in appendix E) that ensure claimants continue to receive the appropriate level of support after the DWPs increase in Universal Credit rates with effect from 1 April 2025.
  - b. Approve the amendment of the Council Tax Reduction scheme for working age applicants to include all additional support and new disregards with effect from 1 April 2025, as set out in this report.
  - c. That £15,000 from the Cost of Living Reserve be used to extend the Council Tax Exceptional Hardship Fund into 2025/26.
4. In relation to the Good Homes for All priority, approve additional investment of £300,000 per annum to fund increased demand for temporary accommodation to prevent homelessness.
5. That an additional £50,000 per annum be included to fund additional pressures on council contracts.
6. Approve service income annual budgets be amended as follows, in response to revised estimates:
  - a. Garden Waste income increased by £30,000 (to reflect increases subscriptions, although partly off-set by increased contract costs of delivering the service to more households).
  - b. Planning fee income reduction of £200,000 (to reflect the current reduced levels of applications received).
7. Following a review of earmarked reserves that they be amended as follows:
  - a. £200,000 of the Transitional Reserve be re-allocated to the Thriving Places Reserve to invest one-off resources into planning enforcement.
  - b. £2m of the Transitional Reserve be re-allocated to the Property Reserve to fund maintenance requirements of corporate properties.
  - c. £902,000 of the Exceptional Inflation Reserve be re-allocated to the Car Parks Property Reserve to fund maintenance of and investment in parking.
  - d. £425,000 from the Major Investment Reserve be re-allocated to the Local Development Framework Reserve to fund Local Plan requirements.
  - e. An additional £250,000 per annum be set aside into the Property Reserve, for the maintenance of and investment in operational assets.

- f. An additional £100,000 per annum be set aside into the Car Parks Reserve to fund maintenance of and investment in parking.
8. That the sum of £1,364,045 be treated as Special Expenses under Section 35 of the Local Government Finance Act 1992 in respect of the Winchester Town area as set out in section 16 and Appendix D.
9. That the Council Tax for the Special Expenses in the Winchester Town area at Band D for 2025/26 be increased by the maximum allowed under the referendum limit of 2.99% combined between the town and district.
10. That the deficit balance on the Council Tax Collection Fund for distribution to this Council, calculated in January 2025 of £142,787, be approved.
11. Recommend the level of Council Tax at Band D for City Council services for 2025/26 be increased to £163.66, an increase of £4.30 reflecting an average Council tax increase of 2.7%.
12. The approval of a Second Home premium for Council Tax which will take effect from 1 April 2026 (12 months' notice is required to implement this premium), and the adoption of exceptions (listed at Appendix F) in respect of properties included in the Council Tax Premium schemes.

That Cabinet approve:

13. Delegation of authority to the Corporate Head of Economy and Community, in consultation with the Cabinet Member for Business and Culture, to devise and agree:
- a. The Community and Voluntary Sector grant programme funding criteria, detailed outcomes, application processes and assessments and the allocation of grants.
  - b. The UK Shared Prosperity Fund programme, implement and administer the scheme and the allocation of grants, in line with government guidance.



IMPLICATIONS:1 COUNCIL PLAN OUTCOME

1.1 This budget underpins delivery of all the priorities in the Council Plan and all core services provided across the district of Winchester. Specific proposals to invest in services to support the Council Plan outcomes and areas of enhanced focus are set out in the report.

1.2 The new Council Plan 2025-30 was adopted by Full Council at its meeting on 15 January 2025 with effect from April 2025. The new Council Plan sets out the council's key ambitions and outcomes across six priorities.

- a) **Greener Faster** - working with and enabling businesses, organisations and residents to reduce carbon emissions and achieve the council's net zero carbon commitment for the district by 2030.
- b) **Thriving Places** – making our district a place where residents want to live, visitors come and visit and attractive for sustainable business investment and growth that provides opportunities for young people to live and work in the district.
- c) **Healthy Communities** – providing safe and attractive public facilities and open spaces to enable our residents to improve their health and wellbeing. Working collaboratively with voluntary and community sector partners to tackle social isolation, build community cohesion and support those most in need including targeted support for residents affected by the increased cost of living
- d) **Good Homes for All** - Focussing on increasing the number of affordable homes across the district while taking action to ensure our tenants live in council homes that are decent, safe and energy efficient and resilient to the effects of climate change.
- e) **Effective and Efficient** - improving online customer experience by adopting a customer-centred approach to deliver digital solutions for our most used services around the needs of our customer and residents
- f) **Listening and Learning** - being more effective at hearing the voice of our residents, including under-represented groups, enabling them to influence decision making.

1.3 The budget as set out in this paper has been prepared on this basis and aligned to the six new Council Plan priorities.

2 FINANCIAL IMPLICATIONS

2.1 The proposals set out in this report represent a balanced budget for 2025/26 and for 2026/27. A significant deficit of £1.20m is forecast for 2027/28, increasing to £4.46m by 2029/30. However, it should be noted that the

forecasts are subject to a high degree of uncertainty, with the Government funding review only due to take place over the next year to commence from 2026/27.

### 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 financial 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. 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 report sets out 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 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. It is recognised that successful transformation of services will involve significant staff resource to implement and may result in changes to team structures. The union have been actively involved in the staff engagement exercises that have been undertaken in the early stages of the TC25 project.

### 5 PROPERTY AND ASSET IMPLICATIONS

- 5.1 The council's General Fund has a property portfolio valued at £179m as at 31 March 2024 of which £72m is classified as investment properties (held solely for rental income and/or capital appreciation). A key strand of the Council's

financial strategies is to maximise income from its assets, where possible, and seek to manage risk by achieving a balanced portfolio of assets.

- 5.2 A key area of focus within TC25 is the use of the property portfolio to drive additional income sources. Opportunities to make the best use of vacant properties and maximising rents are being actively explored. The progress of this work is being reported to the Property Board quarterly.

## 6 CONSULTATION AND COMMUNICATION

### Budget consultation 2025/26

- 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 helped inform the 2025/26 budget presented in this report.
- 6.4 The 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.

### Other budget consultation

- 6.5 Discussions have been had with local business representatives through the Chamber of Commerce and the BID at their Winchester District Strategy Group business briefing in December 2024. No comments were made.
- 6.6 The Scrutiny Committee discussed the Budget Options and Medium-Term Financial Strategy report (CAB3483) and commented on the proposals at its meeting in November 2024. There were no comments on the specific budget proposals set out within the report but the committee's resolutions regarding member involvement in TC25 and the capital programme were responded to by the Deputy Leader and Cabinet Member for Finance and Performance at the decision day on 20 November.
- 6.7 Scrutiny Committee is due to consider this report at its meeting on 4 February 2025 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.

## 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 projects set out in this report and the Capital Programme will be subject to individual data protection impact assessments.
- 9.2 The council has continuing ambitions to improve the experience of our customers and make services more accessible and efficient using digital transformation. A key strand of the transformation under TC25 is digitalising services for the majority of customers, so telephone and face-to-face services can be prioritised for those vulnerable customers who really need them. Technological innovation and digitalisation change the risks the council faces in keeping data secure. Data security considerations and data protection impact assessments will be undertaken for individual projects as they are scoped and developed.
- 9.3 In accordance with our existing Data Protection Policy, The Council will continue to regard the lawful and correct treatment of personal information as very important, in order to maintain confidence between us and the people we deal with. We ensure that the Council treats personal information lawfully and correctly, with due regard to the rights and freedoms of individuals.

## 10 RISK MANAGEMENT

<b>Risk</b>	<b>Mitigation</b>	<b>Opportunities</b>
<i>Property</i> Commercial tenants unable to pay rents or subject to business failure  Slowdown in commercial property investment, meaning that the council's development	Close monitoring of rent position by property team with support to tenants through effective working relationships.  The council's advisors are reviewing the property investment market and will provide	Potential to increase commercial property income when rent reviews are carried out.

<b>Risk</b>	<b>Mitigation</b>	<b>Opportunities</b>
schemes achieve less interest or less income than expected.	advice as to timing of any marketing.	
<i>Legal</i> The council is unable to balance the revenue budget resulting in the issuing of a S114 notice.	Proposals set out in this report, including the strategy for management of reserves mitigate against this.	Present a balanced budget in difficult circumstances
<i>Timescales</i> Slower than projected economic recovery affecting income received by the council  TC25 does not deliver the required level of savings.	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.  The programme is governed by a Programme Board and progress (financially and 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.  The next phase of transformation is being scoped.	
<i>Financial</i> The council is unable to balance the revenue budget  Risk of lower than projected demand for	Proposals set out in this report, including the strategy for management of reserves mitigate against this.  The council has uncommitted revenue reserves available	Streamlining of services and digitalisation provides opportunities to improve the customer experience as well as making savings.

Risk	Mitigation	Opportunities
income generating services	which can be utilised as a last resort as above	

## 11 SUPPORTING INFORMATION:

- 11.1 As set out in the November Medium Term Financial Strategy (MTFS) report (CAB3488), the financial pressures faced by local authorities remain very challenging. Projections have now been updated and the new Medium-Term Financial Plan (MTFP) is set out in appendix B and summarised below.

### English Devolution White Paper announced in December 2024

- 11.2 The Government published its English Devolution White Paper on 16 December 2024 setting out a programme of devolution and Local Government reorganisation across England. The vision outlined by Government is that all parts of England are to be part of regional Strategic Authorities that have a regional Mayor.
- 11.3 These Strategic Authorities, working in a similar way to existing Mayoral Combined Authorities, will have responsibility for driving growth and shaping public services across wider regional geographies. The combined authorities will cover strategic leadership of key place shaping responsibilities such as economic regeneration and growth, strategic planning, skills and employment, and strategic transport.
- 11.4 The government's programme for devolution and reorganisation of local government will have significant implications for the budgets of all existing local authorities in the county of Hampshire. At this stage, it is not known how the finances of constituent councils which form a new unitary council will be considered.
- 11.5 This budget has been prepared on the basis that the council's Medium Term Financial Strategy is required as-is for the delivery of services to Winchester residents for the foreseeable future.
- 11.6 The development and implementation of proposals for both Devolution and Local Government Reorganisation are expected to have one off resourcing implications for the council and will be considered in future budget reports, once there is some clarity on plans.

### Local Government Finance Settlement and the economic outlook

- 11.7 The 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.

- 11.8 This change in funding distribution has commenced from 2025/26 where Winchester has seen a number of immediate changes:
- a) A significant reduction in 'Funding Floor' grant which was £1.193m in 2024/25 and had been forecast at £0.866m in 2025/26. The settlement has reduced this to £0.575m based on a redistributive mechanism.
  - b) Rural services delivery grant, previously £0.063m and expected to continue, has been abolished.
  - c) Services grant, which was previously £0.016m, is now NIL.
  - d) Compensation funding for increases in Employers NI contributions have not yet been confirmed by the government but the current basis of calculation leads us to forecast a significant shortfall of funding compared to the actual cost increase (based on increased costs of approx. £500k across the General Fund and Housing Revenue Account; but only £200k of potential funding). This is a shortfall based on direct employee costs and does not take into account the additional future shortfalls caused by increased contractor costs.
  - e) Extended Producer Responsibility funding has now been confirmed as a minimum of £0.834m in 2025/26, if the final calculation is higher then the higher amount will be received. Future funding could either increase or reduce and so forecasts show a flat £0.834m per annum over the MTFP period.
  - f) New Homes Bonus will end in 2025/26, the final funding of £1.811m is £0.062m above forecast.
  - g) Revenue Support Grant of £0.212m is £0.079m above forecast.
- 11.9 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.
- 11.10 Based on the expected review and redistribution of funding the MTFP (appendix 1) is showing a projected annual budget shortfall of £1.20m per annum in 2027/28, rising to a shortfall of £4.46m by 2029/30.



- 11.11 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.

	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	2029/30 £m
Budget surplus / (shortfall)	0.000	0.000	(1.197)	(3.034)	(4.459)

*Table 2 Medium Term Financial Forecast*

- 11.12 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.

## 12 Forecast outturn position for 2024/25.

- 12.1 The latest forecast for the 2024/25 general fund budget is a surplus of £1.460m and is due to be reported in the Quarter 3 Performance Report. 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
- d) Employees - £200k (relating to lower than budgeted pay inflation in 2024/25)

- 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 and provide a buffer against the impact of future deficits in the transitional period before all transformational savings are realised.

## 13 Transformation Challenge (TC25) progress update

- 13.1 As set out in the updated MTFP, the medium-term financial challenge for the council continues to be of a completely different magnitude to previous rounds of savings since the mid-2000s. In response, Transformation Challenge (TC25) is an organisation-wide, tier-one strategic project. Progress is

monitored by the Programme and Capital Strategy Board and reported through the quarterly performance reports to The Scrutiny Committee.

- 13.2 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.
- 13.3 A Digital Vision to underpin our customer-centred approach has been agreed by the Transformation Programme Board and the Digital Strategy adopted in December 2024. An experienced Digital Programme Manager is leading three core workstreams around the digitalisation of the planning service; improving our customers' experience; and enhancing efficiency, effectiveness and collaboration using the Microsoft 365 platform.
- 13.4 A summary of the TC25 budget reductions achieved, over-and-above those previously reported (£607,000 in CAB3444 and £250,000 in CAB3483) is set out below:

<b>Review</b>	<b>Budget Reduction</b>
Additional planning income	£76,000
Bar End disposal (annualised capital)	£320,000
Regulatory fee increases to recover costs of services	£11,000
Building Control – various budget reductions	£25,000
<b>Total.</b>	<b>£432,000</b>

- 13.5 The total TC25 savings achieved to date and removed from the baseline budget across 2024/25 and 2025/26 is £1.29m (43% of the £3m-in-3-years target). In addition to these budget reductions that have been achieved, there have also been cost reductions / cost avoidance (that would otherwise have resulted in an overspend) as a direct result of TC25, totalling a further £212,000 as below:

<b>Cost reductions</b>	<b>All years</b>
Energy Management	£108,000
Goods Shed letting - income in perpetuity	£60,000
Postage	£10,000
Cost avoidance as a result of a review of the pest control delivery model	£34,000
<b>Total</b>	<b>£212,000</b>

- 13.6 Reviews expected to result in further savings through the 2025/26 financial year but not yet recognised in the budget shown in appendix A include:

- Emergency Planning management arrangements
- Cleaning of City Offices contract review
- Further printing and postage reductions
- Improved commercial strategy for contract negotiations
- Land Charges future delivery model
- Further energy management measures

13.7 In the absence of clarity at this stage on the impact of devolution and reorganisation of local government for the council is committed to delivery of the current TC25 programme and budget reductions. Alongside this, we are actively working on the next phase of our transformation journey. Activities within the programme and new activity will continue to be appraised in terms of viability and potential benefits as we get more clarity on devolution and reorganisation.

#### 14 Changes since the draft budget proposals in the MTFS

14.1 Taking in mind the feedback from Scrutiny Committee's review of the MTFS paper in November (where comments were predominately focused on the medium term forecast deficits and the measures being taken to address those) the draft budget options and assumptions were approved by Cabinet on 20 November and the budget has been prepared in accordance with those as set out in the MTFS report.

14.2 As a result of the public's overall positive support for the budget proposals consulted on in the budget consultation exercise, all of the options put forward at budget preparation have remained in the final budget that is set out below and detailed in appendix A. They are:

##### Council Tax increase:

- a) An inflation-linked increase to council tax of 2.7% equating to an increase of £4.30 for the Winchester City Council share of a band D property. This lower increase will allow a slightly higher increase in the "Town" precept, required to meet additional funding pressures on the Town account.

##### Service income adjustments:

- b) Estates property income – an income budget reduction of £150,000 per annum to align the property portfolio target income to current market conditions.

##### Service expenditure:

- c) An additional budget of £215,000 per annum to support the ongoing maintenance and running requirements of the Guildhall.
- d) A river maintenance budget of £50,000 per annum to support the ongoing maintenance of river banks.

- e) A fly tipping budget of £30,000 per annum to support the current level of cost of dealing with fly tipping incidents, particularly relating to asbestos.

Increased contributions to reserves:

- f) Car Parks Property Reserve – increase the annual contribution from £150,000 to £250,000 per annum to support the Car Parks Strategy.

- 14.3 In addition, there are adjustments included in the budget in appendix A for the savings achieved to date under TC25 and revised operational budget.

## 15 Transfers to / from 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 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.

- 15.4 It should be noted that major projects and regeneration work is usually funded from the Major Investment Reserve. With existing commitments, there is only just over £4.3m 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.

- 15.5 The following baseline changes in contributions to earmarked reserves are included within this paper:

- a) An increase in contribution to the car parks property reserve from £150,000 to £250,000 per annum. This takes into account the latest maintenance plans which show increased expenditure requirements.
- b) An increase in contribution to the property reserve (assets) from £250,000 to £500,000 per annum. This takes into account the increased



maintenance requirements recently identified, such as works to the Guildhall.

- 15.6 The following one-off transfers within earmarked reserves are included within this paper:
- a) A transfer of £200,000 from the Transitional Reserve to the Thriving Places Reserve to invest additional resources into the planning enforcement service.
  - b) A transfer of £425,000 from the major investment reserve to the LDF reserve. This takes into account latest local plan estimates for both the current and subsequent local plans.
  - c) A transfer of £902,000 from the exceptional inflation reserve to the car parks property reserve in order to replenish the reserve which had been forecast to be fully depleted by current spending plans.
  - d) A transfer of £2,000,000 from the transitional reserve to the property reserve (assets) to reflect the current estimated maintenance requirements of corporate properties such as the Guildhall.

## 16 Collection Fund




- 16.1 Council Tax - Regulations require the Council to approve the collection fund balance at 31 March, calculated at 15 January preceding. For council tax a deficit of £1,154,099 is forecast for 2024/25, to be collected in 2025/26. This is shared between the County Council £825,859, the Police & Crime Commission £140,832, the Fire & Rescue Authority £44,621 and this Council £142,787.
- 16.2 The council tax referendum limits on precept increases have been confirmed at 2.99% or £5, whichever is higher. Central Government spending power projections assume that all authorities will increase their precepts by the maximum amount.
- 16.3 The council could consider not increasing council tax in 2025 or setting a lower increase than the 2.5% baseline assumption in CAB3488 Budget Options report in November. Given the increasing deficits forecast from 2026/27 it is recommended that consideration be given to an increase in line with inflation of 2.7%. This increase would also allow a slightly higher increase in the "Town" precept, required to meet additional funding pressures on the Town account.
- 16.4 Therefore, to assist in addressing medium term projected shortfalls, the proposed budget set out in Appendix A assumes a 2.7% increase in council tax for the district along with a town forum recommended increase of 5.5% for the Winchester town area, in 2025/26.




- 16.5 The current level of tax for the district is £159.36 (Band D equivalent). The proposed tax for 2025/26 is £163.66, an increase of £4.30.
- 16.6 In considering the level of district tax, regard must be had to the tax for the town area in order to ensure that the overall increase does not exceed the referendum limits.
- 16.7 The current level of tax for the town is £85.38 (Band D equiv.). An increase of 5.5% would increase this to £90.08.
- 16.8 The council is required to present a council tax resolution document to the Council meeting for final approval of all precepts and council budgets for 2025/26. The current precept table is awaiting confirmation from a number of parishes who have their budget meetings in late January so a precept table will be dispatched for the Council meeting.
- 17 Winchester Town Charge – Section 35
- 17.1 In accordance with Section 35 of the Local Government Finance Act 1992 the council has taken the decision in previous years to treat all expenses of the council as general expenses other than those identified as special expenses. The council endorsed this policy in February 2024.
- 17.2 Special expenses are costs incurred for the provision of an amenity or service that is primarily for the benefit of one locality. In the Winchester district these expenses are levied by the council to cover the costs of local services in the Winchester “Town” area which elsewhere would be dealt with by parish councils.
- 17.3 The services currently covered by special expenses are listed in Appendix D.
- 17.4 It is recommended that the policy as previously agreed by the council on 14 July 1999 (minute 186) and confirmed in the budget and council tax report for 2024/25 is endorsed again. This is to treat all expenses of the council as general expenses other than those specifically identified and itemised in the Winchester Town Account. In consequence of which the sum of £1,364,045 will be treated as Special Expenses under Section 35 of the Local Government Finance Act, 1992 in respect of the Winchester “Town” area, summarised in Appendix D.
- 17.5 The Winchester Town Forum met on 23 January 2025 and recommended the budget which is set out in Appendix D, including a proposal that Council Tax increase by the maximum allowable under the referendum limits (+2.99% combined with the District). This equates to +5.5% based on the assumed District increase of +2.7%.




- 18 Council Tax Reduction (CTR) Scheme – the inclusion of new income disregards for 2025/26
- 18.1 Consistent with changes to the wider benefits system, the government amended regulations with effect from February 2024 to the national CTR scheme, in respect of pension age applicants only, which currently runs alongside the council's local CTR scheme (for working age claimants). These regulations to the pension age CTR scheme required that a number of new or revised payments must be disregarded when assessing a person's income.
- 18.2 Each year the council considers whether any amendments are required to the local CTR scheme for working age applicants in its area, but due to the lateness of the regulations referred to above these changes could not be considered in time for the 2024/25 CTR working age scheme.
- 18.3 There are no changes for Pension Age applicants as they are part of the national scheme which is legislated for by central government. This year the council considered those changes referred to above for the working age CTR scheme in relation to a number of new income disregards.
- 18.4 Due to the impact of these changes, not only on certain CTR applicants, but on the wider Council Tax payer in Winchester (i.e. due to a potential increase in Council Tax due to more or larger awards of CTR), a consultation was undertaken in December and early January to determine if changes should take effect from 1 April 2025. The consultation was open to all Winchester residents and was widely publicised on social media, the council's website and outgoing emails and correspondence issued to CTR applicants through December and early January.
- 18.5 The following changes were proposed in order to provide additional support to these groups of CTR applicants:
- a) provide additional support to persons who are in receipt of Bereavement Support Payments and Widowed Parents Allowance;
  - b) disregard the childcare element of Universal Credit; and
  - c) include disregards for the:
    - (i) Post Office compensation payments;
    - (ii) Infected Blood compensation scheme;
    - (iii) Vaccine Damage Payments scheme;
    - (iv) Grenfell Tower compensation payments
    - (v) Carer Support Payments (paid by the Scottish Government).
- 18.6 Whilst the effect of these changes on the existing CTR budget is likely to increase the spend for the council, that increase is expected to be minimal. A large influx of claims from the above groups is not expected. The largest increase in CTR is likely to come from b) above, the disregard for childcare element of Universal Credit, which is estimated to be in the region of £20,000.

However, the overall spend on CTR continues to fall following the hike in spend during the Covid pandemic, and therefore any increased cost is expected to be maintained within or close to the existing budget, not accounting for any increases in council tax from preceptors in 2025/26.

18.7 The results of the consultation are as follows:

<b>Part 1 - Provide additional support to persons who are in receipt of Bereavement Support Payments and Widowed Parents Allowance</b>				
<b>Do you agree with this proposal?</b>				
<b>Answer Choices</b>			<b>Response Percent</b>	<b>Response Total</b>
1	Yes		61.20%	153
2	No		24.80%	62
3	Don't Know		14.00%	35
			answered	250

<b>Part 2 - Disregard the childcare element of Universal Credit</b>				
<b>Do you agree with this proposal?</b>				
<b>Answer Choices</b>			<b>Response Percent</b>	<b>Response Total</b>
1	Yes		51.53%	118
2	No		35.81%	82
3	Don't Know		12.66%	29
			answered	229

<b>Part 3 - Include a disregard for Post Office Compensation Scheme payments, Infected Blood Scheme payments, Vaccine Damage Scheme payments, Grenfell Tower payments and Carer Support Payments (paid by the Scottish Government)</b>				
<b>Do you agree with this proposal?</b>				
<b>Answer Choices</b>			<b>Response Percent</b>	<b>Response Total</b>
1	Yes		59.45%	129
2	No		31.80%	69
3	Don't know		8.76%	19
			answered	217



- 18.8 The overall response to the proposed changes is positive and the consultees largely support the amended CTR scheme for working age applicants. The first proposal on Bereavement Support payments received 250 responses which demonstrates a significant interest in these proposals.
- 18.9 It is recommended that the council's CTR scheme for working age applicants is amended with effect from 1st April 2025 to take account of the proposed changes in para 18.5 above, taking into account the positive impact the changes will have on those groups of applicants, the overall positive support received through the consultation and the minimal impact that any additional spend will have on this budget.
- 19 Council Tax Reduction (CTR) Scheme – revised income bands for 2025/26
- 19.1 To reflect the inflationary increases of the economy, the government will increase working age benefits (Universal Credit, Job Seekers Allowance, Housing Benefit (applicable amounts), Tax Credits etc.) and pension rates by CPI at 1.7% with effect from 1 April 2025. Considering this change, and following similar analysis last year, it is necessary to review the income bands within the council's local CTR scheme for working age applicants.
- 19.2 The income bands are set to ensure that people on the standard rates of Universal Credit receive sufficient assistance with their Council Tax liability. This rate is set at 100%. Those who receive an enhanced rate of Universal Credit due to disability receive CTR of 75% of their Council Tax liability.
- 19.3 The proposed income bands set out in Appendix E have been revised to ensure that CTR for working age applicants continue to receive a similar level of support through 2025/26. It is recommended that the council's CTR scheme for working age applicants is amended with effect from 1st April 2025 to take account of these proposed changes, as described above.
- 20 Exceptional Hardship Fund for 2025/26
- 20.1 Any CTR claimant suffering with financial difficulties can apply for assistance through the council's Exceptional Hardship Fund which will be extended into 2025/26 using the existing allocation of funding (£35k), together with a proposed top up of funding of £15,000 from the Cost of Living Reserve.
- 20.2 Eligible applicants will receive a further reduction to their council tax liability. This fund exists for the benefit of all Council Tax payers, regardless of whether they are in receipt of CTR, or not. This ensures that anyone who has dropped out of, or is ineligible for CTR, has support available to them when their income sits on the boundaries of the CTR scheme income bands.
- 21 Second Homes Premium
- 21.1 Within the 2023 Levelling-up and Regeneration Act, the government made provision for a new Council Tax premium to be introduced against Second Home properties. This premium will attract the same 100% charge, on top of

the initial Council Tax, for that property and it is proposed that the council agree to implement this with effect from 1 April 2026. The government requirements on this provision are that 12 months' notice to any implementation is provided to Council Tax payers. At the time of writing the council has 324 second homes recorded, although a review of these records will be undertaken in 2025/26 to establish the accuracy of this data. There is potential for this number to be smaller due to the charge on second homes being no different at present to full-paying council tax properties.

- 21.2 Within the same Act the government also made a commitment to regulate for a number of exceptions to both the empty and second home premiums. These exceptions have been regulated for by government and will take effect from 1 April 2025. The government class these exceptions as a mandatory condition of the Council Tax Premium schemes and so are noted as a change to any premiums, effective from 1 April 2025 A list of the exceptions is available at Appendix F.

## 22 Earmarked Reserves

- 22.1 The strategy for managing reserves was set out in CAB3483 in November 2024 and forms part of the overall Medium Term Financial Strategy that was approved as part of that report.
- 22.2 Total General Fund earmarked reserves, including proposals in this paper, are forecast to reduce from £41.3m at 1 April 2024 to £34.2m at 31 March 2028 (detailed in appendix C). The forecast closing balances (as at 31 March 2028) of key earmarked reserves are summarised below;
- (i) Operational reserves (£7.3m), significantly the major investment reserve, are revenue reserves which can be used to support revenue or capital expenditure, for example major projects.
  - (ii) Risk reserves (£13.3m), such as business rates retention, are available to mitigate risks faced by the council. The overall levels are reviewed each year in line with the Medium Term Financial Strategy.
  - (iii) Asset reserves (£5.4m), such as the asset management reserve, are used to maintain existing council assets and are supported by spending plans such as the asset management plan.
  - (iv) Restricted reserves (£8.2m), such as the Community Infrastructure Levy, can only be used for restricted purposes and therefore must be considered separately to other reserves which can be used for wider purposes.
- 22.3 Within the risk reserves subheading is the Transitional Reserve which was established by council as part of the 2021/22 budget to mitigate the risk of future budget shortfalls. The balance in this reserve is forecast to increase through 2025/26 as TC25 savings and forecast surplus year end balance are set aside to re-invest in the delivery of the transformation programme. Whilst

it is certain these invest-to-save measures will be necessary to achieve the budget savings required to address projected shortfalls in the medium term, the business cases for specific changes are still in development (e.g. for the digitalisation of the planning service). During budget setting for 2026/27 the spending plans for the Transitional Reserve will be included and therefore the balance is likely to fall again in the medium term.

## 23 Balances / risk reserves

- 23.1 The Council also maintains a general balance which is held to mitigate against any potential financial risks. These could be known risks or completely unforeseeable risks. The current balance of £2.789m gives additional cushioning particularly against the uncertainty of government funding over the medium-term projections.
- 23.2 A minimum balance of £1m is held within the business rates retention reserve in order to provide mitigation against the short term risks of a reduction in income, for example an unexpected increase in successful appeals.

## 24 Adequacy of reserves and robustness of estimates

- 24.1 There are specific requirements under Section 25 of the Local Government Act, 2003, for the Chief Financial 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.
- 24.2 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.
- 24.3 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.
- 24.4 The S151 officer can 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.

## 25 Authority to deliver grants programmes

- 25.1 During 2022-2025 the council delivered two major grant programmes. Its own Community and Voluntary Sector grants and the government's UK Shared Prosperity and Rural England Funds. Cabinet approved delegated authority to manage these programmes to the Corporate Head of Economy & Community which are valid until March 2025 (CAB3323, CAB3356, and CAB3372 refer respectively).

25.2 The council's Community and Voluntary Sector grants programme is part of a TC25 review that is yet to conclude. To enable funding to be awarded in 2025/26, under the current programme arrangements, delegated authority to manage the programme and award grants requires approval.

25.3 The government announced in December 2024 an additional year of funding under the Shared Prosperity programme and so to enable the management and awarding of grants, delegated authority is also required for 2025/26.

## 26 OTHER OPTIONS CONSIDERED AND REJECTED

26.1 Consideration has been given to not increasing Council tax in 2025/26. However, it should be noted that the Government settlement and additional resources allocated to the Council is a one-year announcement and forecasts still indicate increasing deficits in future years and therefore this cannot be recommended.

### BACKGROUND DOCUMENTS:-

#### Previous Committee Reports:-

CAB3483 General Fund Budget Options & Medium-term Financial Strategy dated 20 November 2024

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:

Appendix A: General Fund Medium Term Financial Projections

Appendix B: Summary of Budget Proposals

Appendix C: Reserves

Appendix D: Winchester Town Account

Appendix E: Revised 2025/26 CTR Income Bands

Appendix F: Empty and Second Home Council Tax Premium Exceptions



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Council Tax Base	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%	2.7%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Contractual Inflation	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%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
<b>General Fund Revenue (£m)</b>	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
<b>Funding</b>										
Council Tax (excluding Parish Precepts)	9.830	10.347	10.694	11.053	11.425	11.809	12.206	12.616	13.041	13.479
Retained Business Rates	7.459	7.931	4.385	4.696	5.024	5.364	4.884	4.982	5.081	5.183
Hampshire Pooling Forecast		1.250								
Revenue Support Grant	0.166	0.212	-0.758	-0.790	-0.826	-0.861	-0.896	-0.914	-0.932	-0.951
New Homes Bonus	1.645	1.811								
Services Grant	0.016									
Ers NI Funding???		0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200
3% Guarantee	1.193	0.575								
Damping Forecast			5.173	3.709	2.234	0.815				
Rural Services Delivery Grant	0.063									
Extended Producer Responsibility Allowance		0.834	0.834	0.834	0.834	0.834	0.834	0.834	0.834	0.834
New Burdens Funding	1.242	0.958	0.335	0.335	0.335	0.335	0.335	0.335	0.335	0.335
	<b>21.614</b>	<b>24.118</b>	<b>20.863</b>	<b>20.037</b>	<b>19.226</b>	<b>18.496</b>	<b>17.563</b>	<b>18.053</b>	<b>18.559</b>	<b>19.081</b>
<b>Investment Activity</b>	2.326	2.110	2.373	2.101	1.770	1.741	1.708	1.675	1.642	1.609
<b>Resources available</b>	<b>23.940</b>	<b>26.229</b>	<b>23.236</b>	<b>22.138</b>	<b>20.996</b>	<b>20.236</b>	<b>19.271</b>	<b>19.728</b>	<b>20.201</b>	<b>20.690</b>
<b>Baseline Net Expenditure</b>										
<b>Gross Income</b>	<b>17.358</b>	<b>17.674</b>	<b>17.634</b>	<b>17.684</b>	<b>17.734</b>	<b>17.784</b>	<b>17.834</b>	<b>17.890</b>	<b>17.924</b>	<b>17.958</b>
<b>Gross Expenditure</b>	<b>-35.933</b>	<b>-38.055</b>	<b>-39.020</b>	<b>-39.875</b>	<b>-40.732</b>	<b>-41.596</b>	<b>-42.460</b>	<b>-43.345</b>	<b>-44.255</b>	<b>-45.189</b>
<b>Baseline resource requirements</b>	<b>-18.525</b>	<b>-20.381</b>	<b>-21.186</b>	<b>-22.191</b>	<b>-22.998</b>	<b>-23.812</b>	<b>-24.626</b>	<b>-25.455</b>	<b>-26.331</b>	<b>-27.231</b>
<b>One-off budgets &amp; Reserve Related Movements</b>	<b>-5.416</b>	<b>-5.848</b>	<b>-2.050</b>	<b>-1.145</b>	<b>-1.032</b>	<b>-0.883</b>	<b>-0.780</b>	<b>-0.778</b>	<b>-0.975</b>	<b>-0.975</b>
<b>Total net resource requirements</b>	<b>-23.940</b>	<b>-26.229</b>	<b>-23.236</b>	<b>-23.335</b>	<b>-24.030</b>	<b>-24.695</b>	<b>-25.406</b>	<b>-26.233</b>	<b>-27.306</b>	<b>-28.206</b>
<b>Budget Surplus / (Shortfall)</b>	<b>0.000</b>	<b>-0.000</b>	<b>0.000</b>	<b>-1.197</b>	<b>-3.034</b>	<b>-4.459</b>	<b>-6.135</b>	<b>-6.505</b>	<b>-7.105</b>	<b>-7.516</b>

2023/24

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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>				
Guildhall	-0.215	-0.215	-0.215	-0.215
River Maintenance	-0.050	-0.050	-0.050	-0.050
Green Gas (RGGOs)	-0.028	-0.039	-0.039	-0.039
Fly Tipping - asbestos	-0.030	-0.030	-0.030	-0.030
Estates Property Income - vacant properties / rent reviews	-0.150	-0.150	-0.150	-0.150
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>-1.613</b>	<b>-1.669</b>	<b>-1.919</b>	<b>-2.189</b>
<b>Budget Options</b>				
*Total TC25 Savings (in addition to those identified for 2024/25)	0.362	0.362	0.362	0.362
	<b>0.362</b>	<b>0.362</b>	<b>0.362</b>	<b>0.362</b>
<b>Baseline Budget Proposals</b>	<b>-1.251</b>	<b>-1.307</b>	<b>-1.557</b>	<b>-1.827</b>

\* Budget savings of £0.250m from CAB3483 plus £0.112m identified in this paper. Bar End savings of £0.320m are incorporated into the Appendix 1 MTFP's and so are not shown separately here.



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**WINCHESTER TOWN ACCOUNT - Medium Term Financial Projections**

	2023/2024 Outturn	2024/2025 Forecast	2025/2026 Forecast	2026/2027 Forecast	2027/28 Forecast	2028/29 Forecast
<b>Assumptions:</b>						
Contract inflation		6%	4%	3%	3%	3%
Utilities		5%	5%	5%	5%	5%
Percentage increase in tax		5.5%	3%	3%	3%	3%
Tax Base		14,919	15,143	15,324	15,508	15,694
<b>Cost of Services</b>						
<b>Recurring Budgets:</b>						
Allotments	(3,879)	(4,000)	(4,000)	(4,000)	(4,000)	(4,000)
Bus Shelter Cleaning / Maintenance / New Provision	11,930	20,000	20,000	20,000	20,000	20,000
Cemeteries	97,360	87,039	91,199	95,886	100,719	105,704
Christmas Lights	7,500	7,500	7,500	7,500	7,500	7,500
Neighbourhood Service Officers (Contribution)	45,000	45,000	45,000	45,000	45,000	45,000
Footway Lighting	20,465	33,873	32,607	33,536	34,513	35,538
Grants and Vision Delivery	64,812	70,000	60,000	50,000	50,000	50,000
Support Costs for Grant Scheme	2,000	2,000	2,000	2,000	2,000	2,000
Maintenance Work to Council Owned Bridges		5,500	5,500	5,500	5,500	5,500
Night Bus Contribution	9,049	12,751	13,261	13,659	14,069	14,491
Public Conveniences (Contribution)	50,000	50,000	50,000	50,000	50,000	50,000
Recreation Grounds & Open Spaces	764,789	866,607	920,651	956,624	983,086	1,010,052
Tennis Court Improvements		9,000	9,000	9,000	9,000	9,000
Town Forum Support	5,000	17,500	17,500	17,500	17,500	17,500
<b>Total Recurring Budgets</b>	<b>1,074,026</b>	<b>1,222,770</b>	<b>1,270,218</b>	<b>1,302,205</b>	<b>1,334,886</b>	<b>1,368,285</b>
<b>Total Cost of Services</b>	<b>1,074,026</b>	<b>1,222,770</b>	<b>1,270,218</b>	<b>1,302,205</b>	<b>1,334,886</b>	<b>1,368,285</b>
<b>Taxation and Non-specific grant income</b>						
Council Tax Income	(1,186,879)	(1,273,758)	(1,331,489)	(1,387,770)	(1,446,450)	(1,507,595)
Interest on Balances	(11,017)	(5,560)	(6,444)	(5,175)	(4,297)	(6,273)
<b>Total Taxation and Non-specific grant income</b>	<b>(1,197,896)</b>	<b>(1,279,317)</b>	<b>(1,337,932)</b>	<b>(1,392,945)</b>	<b>(1,450,747)</b>	<b>(1,513,868)</b>
<b>Transfers to/(from) Earmarked reserves</b>						
Reserves	(123,870)	(56,547)	(67,715)	(90,740)	(115,861)	(145,583)
Capital Expenditure funded by Town Reserve	153,850	220,000	110,000	120,000	50,000	90,000
Reserve						
<b>Opening Reserve Balance (at 1st April)</b>	<b>(408,220)</b>	<b>(378,239)</b>	<b>(214,785)</b>	<b>(172,500)</b>	<b>(143,240)</b>	<b>(209,100)</b>
<b>Closing Reserve Balance (carried forward)</b>	<b>(378,239)</b>	<b>(214,785)</b>	<b>(172,500)</b>	<b>(143,240)</b>	<b>(209,100)</b>	<b>(264,683)</b>
Closing Reserves forecast as % of net expenditure	35%	18%	14%	11%	16%	19%
<b>TAX</b>						
Tax at Band D	£80.93	£85.38	£87.93	£90.56	£93.27	£96.06
Increase over previous year (£)	£4.22	£4.45	£2.55	£2.63	£2.71	£2.79



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## 2025/26 Council Tax Reduction Income Bands

This table shows the Universal Credit (UC) rates for the current financial year (2024/25) and the new financial year (2025/26), as determined by the Department for Work & Pensions (DWP)

UC Standard Allowance	2024/2025		2025/2026		% Inflationary Increase
	Monthly	Weekly	Monthly	Weekly	
Single	£ 393.45	£ 90.80	£ 400.14	£ 92.34	1.7%
Couple	£ 617.60	£ 142.52	£ 628.10	£ 144.95	1.7%
First child	£ 333.33	£ 76.92	£ 339.00	£ 78.23	1.7%
Second Child	£ 287.92	£ 66.44	£ 292.81	£ 67.57	1.7%
Disabled child	£ 487.58	£ 112.52	£ 495.87	£ 114.43	1.7%
LCFW*	£ 416.19	£ 96.04	£ 423.27	£ 97.68	1.7%

\*Limited capability for work

This table compares the current income bands (for 2024/25), and proposed new income bands (for 2025/26), with the Universal Credit (UC) rates for those periods, as determined by the Department for Work & Pensions (DWP). It highlights where the "New UC rate" will exceed the current income band due to the government's uprating of benefits (to reflect inflation), and the proposal by Winchester City Council to address that imbalance in the adjustments to the "Proposed Income Band" for 2025/2026.

CTR Award	Income Bands	Comparison of current Income Band to new UC rate			Comparison of proposed Income Band to new UC rate			Comparison of proposed Income Band to 2024/25 UC Rate	
		Current (2024/25) Income Band	NEW UC rate	Difference	Proposed Income Band	NEW UC rate	Difference	£ change	% change
100%	Single	£ 100.00	£ 92.34	£ 7.66	£ 100.00	£ 92.34	£ 7.66	£ 9.20	10.1%
	Single +1	£ 168.00	£ 170.57	-£ 2.57	£ 171.00	£ 170.57	£ 0.43	£ 3.28	2.0%
	Single +2	£ 235.00	£ 238.14	-£ 3.14	£ 238.50	£ 238.14	£ 0.36	£ 4.34	1.9%
	Couple	£ 143.00	£ 144.95	-£ 1.95	£ 145.00	£ 144.95	£ 0.05	£ 2.48	1.7%
	Couple +1	£ 220.00	£ 223.18	-£ 3.18	£ 223.50	£ 223.18	£ 0.32	£ 4.05	1.8%
	Couple +2	£ 286.00	£ 290.75	-£ 4.75	£ 291.00	£ 290.75	£ 0.25	£ 5.11	1.8%
75%	Single	£ 187.00	£ 190.02	-£ 3.02	£ 190.50	£ 190.02	£ 0.48	£ 3.66	2.0%
	Single +1	£ 264.00	£ 268.25	-£ 4.25	£ 268.50	£ 268.25	£ 0.25	£ 4.74	1.8%
	Single +2	£ 331.00	£ 335.82	-£ 4.82	£ 336.00	£ 335.82	£ 0.18	£ 5.79	1.8%
	Couple	£ 239.00	£ 242.62	-£ 3.62	£ 243.00	£ 242.62	£ 0.38	£ 4.43	1.9%
	Couple +1	£ 316.00	£ 320.85	-£ 4.85	£ 321.00	£ 320.85	£ 0.15	£ 5.51	1.7%
	Couple +2	£ 382.00	£ 388.43	-£ 6.43	£ 388.50	£ 388.43	£ 0.07	£ 6.57	1.7%
			Add £66 to 75% award to calculate Band			Add £66 to 75% award to calculate Band			
45%	Single	£ 252.00	£ 256.02	-£ 4.02	£ 256.50	£ 256.02	£ 0.48	£ 4.66	1.9%
	Single +1	£ 329.00	£ 334.25	-£ 5.25	£ 334.50	£ 334.25	£ 0.25	£ 5.74	1.7%
	Single +2	£ 396.00	£ 401.82	-£ 5.82	£ 402.00	£ 401.82	£ 0.18	£ 6.79	1.7%
	Couple	£ 304.00	£ 308.62	-£ 4.62	£ 309.00	£ 308.62	£ 0.38	£ 5.43	1.8%
	Couple +1	£ 381.00	£ 386.85	-£ 5.85	£ 387.00	£ 386.85	£ 0.15	£ 6.51	1.7%
	Couple +2	£ 447.00	£ 454.43	-£ 7.43	£ 454.50	£ 454.43	£ 0.07	£ 7.57	1.7%
			Add £66 to 45% award to calculate Band			Add £66 to 45% award to calculate Band			
25%	Single	£ 317.00	£ 322.02	-£ 5.02	£ 322.50	£ 322.02	£ 0.48	£ 5.66	1.8%
	Single +1	£ 394.00	£ 400.25	-£ 6.25	£ 400.50	£ 400.25	£ 0.25	£ 6.74	1.7%
	Single +2	£ 461.00	£ 467.82	-£ 6.82	£ 468.00	£ 467.82	£ 0.18	£ 7.79	1.7%
	Couple	£ 369.00	£ 374.62	-£ 5.62	£ 375.00	£ 374.62	£ 0.38	£ 6.43	1.7%
	Couple +1	£ 446.00	£ 452.85	-£ 6.85	£ 453.00	£ 452.85	£ 0.15	£ 7.51	1.7%
	Couple +2	£ 512.00	£ 520.43	-£ 8.43	£ 520.50	£ 520.43	£ 0.07	£ 8.57	1.7%

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## Council Tax Empty & Second Homes Premium Exceptions

The government has made regulations to provide exceptions to both long-term empty and second home premiums which take effect from 1 April 2025. These exceptions are mandatory, and councils must apply them.

The regulations prescribe 9 classes of dwellings which are excluded from the council tax premiums. Classes E, F, G, H and I apply to both long-term empty homes and second homes. Class M only applies to long-term empty homes. Classes J, K and L only apply to second homes.

The classes of dwelling are outlined in the table below and are detailed further in the MHCLG [guidance](#). These exceptions only exclude these dwellings from premiums, these do not affect the standard rate of council tax they may be liable for. Exceptions may apply in succession where the dwelling meets the necessary criteria.

<b>Classes of Dwellings</b>	<b>Application</b>	<b>Definition</b>
Class E	Long-term empty homes and second homes	Dwelling which is or would be someone's sole or main residence if they were not residing in job-related armed forces accommodation
Class F	Long-term empty homes and second homes	Annexes forming part of, or being treated as part of, the main dwelling
Class G	Long-term empty homes and second homes	Dwellings being actively marketed for sale (12 months limit)
Class H	Long-term empty homes and second homes	Dwellings being actively marketed for let (12 months limit)
Class I	Long-term empty homes and second homes	Unoccupied dwellings which fell within exempt Class F and where probate has recently been granted (12 months from grant of probate/letters of administration)



<b>Classes of Dwellings</b>	<b>Application</b>	<b>Definition</b>
Class J	Second homes only	Job-related dwellings
Class K	Second homes only	Occupied caravan pitches and boat moorings.
Class L	Second homes only	Seasonal homes where year-round, permanent occupation is prohibited, specified for use as holiday accommodation or planning condition preventing occupancy for more than 28 days continuously
Class M	Long-term empty home only	Empty dwellings requiring or undergoing major repairs or structural alterations (12 months limit)

CAB3490  
CABINET

REPORT TITLE: HRA BUDGET 2025/26

12 FEBRUARY 2025

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

## PURPOSE

This report requests approval for the proposed HRA revenue and capital budgets for 2025/26, and the 10 year indicative capital programme to 2034/35, as detailed in Appendices 1 to 4 and taking account of the funding shown in Appendix 5.

Despite the continuing budget challenges outlined in the Budget Options report in November 2024, and further pressures arising since the November report, this report proposes a budget for 2025/26 and business plan to achieve the Council's policy objectives to go greener faster, to support healthy communities and maintain the commitment to deliver 1000 new homes. Funding to go greener faster has been maintained and the changed new homes strategy to move towards buying as well as building is already seeing increased numbers of new homes for the council. The balanced budget has been achieved by identifying approximately £2m of savings in 2025/26 with minimal impact on service delivery.

Energy costs remain significantly higher than historic levels and continue to impact on many of the most vulnerable residents in our homes. To mitigate the additional energy costs for residents; to improve energy efficiency ratings; and to promote de-carbonisation of our council homes, the business plan retains the significant investment in retrofitting the stock, and, subject to award of grant funding, proposes introducing technology-based measures for properties that cannot achieve EPC-C ratings by economic fabric measures.

The report proposes a 2.7% increase in rents, based on September CPI of 1.7% plus 1%, and the application of CPI+1% for the 5 years between 2026/27 and 2030/31, in line with government policy. This aims to ensure that the HRA Budget remains sustainable and viable over the 30-year period whilst the Council adds to the housing stock through new build or acquisition, and continues to invest in the existing stock.

RECOMMENDATIONS:That Cabinet recommend that Council:-

1. Note the HRA Financial Plan operating account, including annual working balances, as detailed in Appendix 6.
2. Approve the 2025/26 Housing Revenue Account budget as detailed in Appendices 1 and 2 to this report.
3. Approve the proposed capital programme for maintenance, improvements and renewals totalling £167.868m.
4. Approve capital expenditure and delegate to the Strategic Director with responsibility for housing authority to enter into necessary contracts for the 2025/26 capital programme of £21.134m, as detailed in Appendix 3 of the report in accordance with Financial Procedure Rule 7.4.
5. To approve the award of a contract, by direct award, for technology-based retrofit works of £4.3m per year in 2025/26, 2026/27 and 2027/28 (totalling £12.8m), contingent on funding secured from the Department of Energy Security and NetZero Social Housing Fund Wave 3 Grant, equivalent to 190 properties over 3 years. (See Para 11.62 to 11.65).
6. Approve the proposed 10 year capital programme for new homes totalling £237.7m, and expenditure of £5.255m in 2025/26, as detailed in appendix 4 of the report in accordance with Financial Procedure Rule 7.4,
7. Approve the financing of the HRA Capital Programme as detailed in Appendix 5, (noting the planned repayment of borrowing following the 1000 homes programme).
8. Approve the revenue savings target of £2m outlined to Cabinet in the November options paper and subsequently consulted upon and summarised at appendix 7.
9. Authorise the Section 151 Officer, in consultation with the Strategic Director with responsibility for Housing to approve the buy-back, during 2025/26, of individual former HRA properties sold under the Right to Buy, following positive financial appraisal, utilising the unallocated New Homes budget (see para 11.26).
10. Subject to the acceptance of the expression of interest to the Local Authority Housing Fund (LAHF) round 3:
  - a. Authorise the Strategic Director with responsibility for Housing to enter into a revised Memorandum of Understanding with Ministry of Housing, Communities & Local Government to secure additional LAHF funding estimated at £2.841m

- b. Delegate authority to the Section 151 Officer to approve capital expenditure (subject to financial appraisal, in accordance with Financial Procedure Rule 7.4) of up to £6.0m to purchase up to 12 properties using the approved HRA unallocated new build budget, to be part-financed by LAHF grant with any balance via prudential borrowing.
  - c. Authorise the Corporate Head – Asset Management and the Strategic Director with responsibility for Housing to purchase up to 12 properties. (Para 11.70-11.72)
11. Approve the average rent increase for 2025/26 for all affordable, Shared Ownership and social housing of 2.7% based on the September 2024 CPI figure of 1.7% +1% (see para 11.6-11.7).
12. Approve amendments to HRA tenant service charges in 2025/26 to reflect cost recovery based on 2023/24 actual costs, subject to capping at 5% or £5, whichever is greater, and noting that capped charges will be subject to gradual increases in future years (see para 11.41 to 11.45).
13. Note that the previously approved consultation on the move to full cost recovery for both private and tenant connections of the council's sewage treatment works will now take place in 2025/26 (see para 11.46-11.51).
14. Note that the draft HRA Business 30-year Plan is viable and sustainable and has the capacity to support the delivery of 1,000 new affordable homes.



## IMPLICATIONS:

### 1 COUNCIL PLAN OUTCOMES

- 1.1 Greener Faster - The proposed budget will contribute to the council's ambition to reduce carbon emissions through continuing provision for significant investment in Carbon reduction measures across the existing housing stock, and by incorporating energy efficiency measures within the design and construction of new properties constructed or purchased. This includes the council's 10 year retrofit programme for existing properties.
- 1.2 Good Homes for all - Providing good quality housing and new affordable homes in the district is a strategic priority for the council. Effective management of the resources available ensures this priority is met and means that opportunities to improve the existing housing stock, increase tenant satisfaction, and add to the existing stock through a range of tenure types are identified and achieved.
- 1.3 Thriving Places - Delivery of affordable accommodation allows people to live and work in the district, contributing to the local economy.
- 1.4 Efficient and Effective - One of the key objectives of the Housing Strategy is to modernise the customer service offer through the development of a digital first customer journey, improving communication and self-service options for tenants/residents, and efficiency of services.
- 1.5 Healthy Communities - 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. Maintaining the existing stock to a high standard contributes to the well-being of residents. The Housing stock also includes provision for supported living and tenant welfare.
- 1.6 Listening & Learning - Housing tenants are directly involved in decisions regarding service provision, both through the work of the Tenants and Council Together (TACT) Board (the council's formal district-wide group who represent tenants' and leaseholders' interest in the provision and development of Housing Services) 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 These are fully detailed in section 11 of the report and 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 (HRA). 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 from rents and other charges, expenditure in respect of repair, 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 demonstrate that the housing revenue account is sustainable. The report sets out information relevant to these considerations.
- 3.3 Section 76 of the 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 As part of the savings proposals agreed in November 2024, a small number of vacant posts will be deleted. Interim additional resource may also be required to support existing housing services while regulatory compliance action plan is progressed in 2025/26. Other than this, there are no proposed changes to the staffing establishment proposed within this report.

### 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 To date, two meetings have taken place with TACT members to explain the challenges the HRA is facing, and a further meeting planned for 27<sup>th</sup> January to discuss the budget report in more detail. TACT members were consulted on options to address these pressures which assisted with the formulation of the savings plan. The TACT Board meeting in December also covered the proposed rent increase of 2.7%.
- 6.2 In addition, a consultation paper was circulated to over 4,000 tenants to seek views on how the HRA should prioritise expenditure, and the proposed measures to address cost pressures. A reminder was sent prior to the

deadline, and a total of 13 responses were received. Consideration will be given to how the response rate can be improved, particularly as this is the first time a survey of this type has been undertaken.

- 6.3 The results of the survey demonstrated that, of those who responded, tenants ranked maintenance and improving repairs as the number 1 priority for the HRA, followed by regulatory compliance, retrofitting and major works and finally new build. Respondents to the survey were generally supportive of the priorities within the business plan and the proposed savings.

## 7 ENVIRONMENTAL CONSIDERATIONS

- 7.1 This year's 30-year business plan maintains significant resources to fund the retrofit programme of works. Delivery of the planned investment could lead to a reduction of 1666.22 tCO<sub>2</sub> from customers' homes by 2030.
- 7.2 The Business Plan also funds the provision of retrofit officers responsible for the delivery of the retrofit programme to drive this increased 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 EQUALITY IMPACT ASSESSEMENT

- 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. Whilst there is no evidence to suggest the budget proposals and services within it would adversely affect those with protected characteristics, it is recognised that some tenant households will be impacted differently by the same budget objectives and associated services.
- 8.2 The 2025/26 budget's operational decisions being presented in this paper include investment in maintaining decent homes and increasing the supply of affordable housing designed to have a positive impact on customers. Other options designed to have a positive impact on customers include investment in energy efficiency that will benefit those tenants with high energy costs, and fire safety improvements which will improve the safety of residents in blocks in the event of a fire.

## 9 DATA PROTECTION IMPACT ASSESSMENT

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

10 RISK MANAGEMENT

<b>Risk</b>	<b>Mitigation</b>	<b>Opportunities</b>
<p><i>Property</i></p> <p>That Council owned dwellings fail to meet decent home standards</p>	<p>An effective programme of future works and sound financial planning ensures that these standards are met and then maintained.</p>	<p>Self-Financing provides certainty around future resource allocations and facilitates better supply chain management</p>
<p><i>Community Support</i></p> <p>Lack of consultation will affect tenant satisfaction and cause objections to planning applications for new build developments.</p>	<p>Regular communication and consultation is maintained with tenants and leaseholders on a variety of housing issues.</p> <p>The Council consults with local residents and stakeholders on proposed new build schemes.</p>	<p>Positive consultation brings forward alternative options that may otherwise not have been considered.</p>
<p><i>Timescales</i></p> <p>Delays to new build contracts may result in increased costs and lost revenue.</p>	<p>New build contracts contain clauses to allow the Council to recover damages if the project is delayed due to contractor actions.</p>	
<p><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>	<p>Regular monitoring of budgets and business plans, together with the use of financial assessment tools enables the Council to manage resources effectively.</p>	<p>The Council inputs and monitors government consultation on the use of RTB receipts and potential capital grant funding.</p>
<p><i>Financial / VFM</i></p> <p>Risks, mitigation, and opportunities are managed through regular project monitoring meetings.</p>	<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 new build developments that take account of potential residual development and sales risk.</p>	<p>In addition, the HRA holds annual minimum levels of reserves based upon 5% of operating turnover and 10% new build costs.</p>

<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 a compounded interest penalty based on current rates.</p>	<p>RTB 1-4-1 are closely monitored so in-year targets for new builds are known.</p>	<p>Government has introduced measures to improve flexibility in the use of RTB receipts, and proposed changes to the scheme which will likely reduce this risk.</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>	<p>The new homes programme is monitored on a regular basis and if appropriate could be delayed or re-profiled in light of the availability of these resources</p>	<p>Acquisition strategy allows the Council to continue to add to its stock where building cannot be made viable.  Changes to the RTB scheme may improve viability of some projects.</p>
<p><i>Staffing resources (not always in Housing) reduce the ability to deliver key objectives within the Capital and New Build programmes, as well as the wider HRA.</i></p>	<p>Staffing resources have been reviewed to support the delivery of the new build programme. Interim resources to support compliance works where appropriate.</p>	<p>Given the challenging nature of the HRA, it may be necessary to review the resourcing requirements needed.</p>
<p><i>Interest rate volatility</i></p> <p>There is a risk of volatility or continuing higher borrowing costs, impacting on the viability of existing and forthcoming capital schemes.</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. At the point internal borrowing is no longer feasible, a cautious assumption has been made for future borrowing costs in the business plan.</p>
<p><i>Legal</i></p> <p>The provision of social housing is a statutory requirement. Changing Government priorities place a greater emphasis on social housing which must be monitored and considered within planning of future new build projects.</p>	<p>Government statutory requirements and policy changes are being monitored to identify any new risks or opportunities that they may bring.</p>	<p>To create new housing developments within new guidelines and drawing on innovative thinking.</p>
<p><i>Reputation</i></p>		



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> – 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:

- 11.1 The HRA Business Plan and budget options report 2025/26 provides the background to the 2025/26 HRA budget. This report was reviewed by Scrutiny on 12 November 2024, and subsequently approved by the Cabinet at its meeting on 20 November 2024. TACT representatives were briefed and invited to comment at both committees. The paragraphs below summarise the content of that report, progress and other issues to raise since that date.

### **Economic Outlook and cost pressures:**

- 11.2 The Budget for 2024/25 was set against a background of increasing interest rates, designed to tackle significant inflationary pressures. CPI inflation has since fallen, dropping to 1.7% in September 2024, but bouncing back to 2.3% in October, 2.6% in November and then reducing slightly back to 2.5% in December. This does not mean that costs have fallen, it means that the pace of increase has slowed down and demonstrates that the risk of inflation is still present. Key cost drivers to the HRA such as energy and building materials will remain significantly higher than in previous years.
- 11.3 Bank of England base rate rises continued into the early part of 2024/25 and stabilised through the spring, prior to reductions in base rate in August and December to 4.75%. Although further base rate reductions are likely, it is unlikely that interest rates will be as low as they were prior to 2021. Borrowing costs are not determined by the base rate, but by the yield on gilts, which are influenced by government policy decisions and other economic factors. Despite the base rate reductions, the cost of PWLB borrowing has remained well above 5% since the Summer.
- 11.4 The investment required for new homes continued to increase in 2024/25. Construction cost inflation during 2024 has been in line with RPI 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 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.

- 11.5 These continuing cost pressures, alongside increasing regulatory requirements arising from (Insert legislation), means that the annual HRA Business planning process remains challenging.

### **Rent Increases**

- 11.6 The council sets its rents in line with the Rent Standard and the Regulator of Social Housing's rent setting guidelines. The basis of rent setting is September CPI+1% for 2025/26, a 2.7% rent increase for all tenants. Rent setting policy for future years was consulted by government during November 2024, proposing a continuation of CPI+1 from 2026/27 to 2030/31. The outcome of the consultation had not been published at the time of writing this report. Cabinet agreed to apply this principle as part of the budget options paper in November 2024.

**Table 1- indicative weekly rents in 2025/26 compared to 2024/25 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%

- 11.7 The average HRA social rent for new tenancies from April 2025 will be different, and this reflects the fact that new rents will converge to the current formula rent, which is calculated without any cap applied for 2023/24 as was the case for existing tenants. The current policy for new affordable rent tenants will be let provisionally at 80% of market rent only if the property meets the required minimum energy efficiency requirements.

**Table 2 – Average Weekly rents for new social lets**

#### **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%

### **Repairs and maintenance**

- 11.8 The capital programme makes provision for major repairs and refurbishment of the existing housing stock to decent homes standard. Investment is based on an asset management plan and the information recorded in the council's property management database. The database records the expected lifecycle replacement costs of key components and expected works to meet energy efficiency standards. This informs the detailed Capital Programme for 2025/26; the likely investment requirements for the following 5 years; and ultimately over the thirty-year plan.
- 11.9 To bring the housing stock up to the required energy efficiency standard of EPC C identified by 2030-31, investment of £45m was previously built into the business plan, of which £38.36m is expected to remain as of 1<sup>st</sup> April 2025. Further information on the capital programme at paras 11.60 to 11.67

### **Interest on borrowing**

- 11.10 Interest rates are a key cost driver in the HRA business plan and, as at 31 March 2024, the HRA's Capital Financing Requirement (unfinanced prior spend) was £215.3m, of which £159.5m is external debt, fixed at PWLB interest rates averaging 3.27%, 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 remain higher than the period of historically low rates following the 2008 financial crisis. The current cost of financing external debt is £5.23m per annum.
- 11.11 This debt came about through self-financing arrangements for the HRA introduced in 2012. A proportion of this existing debt, £133m, will need to be refinanced over the next 15 years, £82m within the next five years. The HRA, unlike the General Fund, has no requirement to set aside funding for debt repayment. However, the HRA contributes to the Capital programme each year through the Major Repairs Allowance, and the HRA business plan assumes contribution to the repayment of debt following the completion of the 1000 homes programme in 2032.
- 11.12 In addition, the proposed plan includes provision to meet the Council's objective of delivering 1000 homes by 2031/32, to be funded through a combination Right to Buy (RTB) 1-4-1 capital receipts; shared ownership sales; other discretionary asset disposals; grants; and borrowing. This will require additional prudential borrowing to finance this delivery.
- 11.13 At present the cost of long-term government borrowing remains elevated and stands at circa 5.8% for 50 year borrowing at the time of writing. Since the Options paper was presented, the outcome of the government's October budget and US elections have created an expectation that base rates will fall more slowly than previously expected. However, the October Budget extended the current discount of 0.2% on HRA borrowing until 31<sup>st</sup> March

2026. The current assumption for the average cost of borrowing over the life of the business plan at 5% is therefore still considered prudent.

### **Modernisation of the HRA**

- 11.14 One of the key objectives of the Housing Strategy is to modernise the customer service offer through the development of a digital first customer journey, improving communication and self-service options for tenants/residents and efficiency of services.
- 11.15 The Housing management team have carried out a review of our repairs module in our core housing management system. Recommendations from this review will be considered in early 2025, including exploring potential additional modules for community safety and customer cases within the existing system. Work will take place alongside the corporate digitalisation team in the new year to begin some customer experience discovery work for longer term modernisation, beginning with repairs, and are exploring options to move colleagues onto digital ways of working to replace paper based inspections.
- 11.16 The HRA business plan for 2024/25 included £2m to support investment in the R&M procurement and IT systems. To date, spend of £0.3m in 2024/25 is anticipated on the repairs procurement, of which £0.06m relates to IT, and if unspent will be carried forward. The options report reduced the investment budget by £0.4m; leaving a remaining balance of £1.3m.
- 11.17 Of the remaining balance, it is anticipated that a further £0.3m will be required in 2025/26 to support the R&M procurement and £0.2m for investment in the modules outlined in paragraph 11.15. An ongoing £50k has been allowed for to cover future licensing costs associated with additional modules. The remaining balance of investment budget is then profiled to future years pending decision on utilisation.

### **October Budget measures**

- 11.18 The Government's October budget included a number of measures that will impact on the HRA business plan. It was not possible to assess the impacts of these fully for the Options paper in November, however, these have been explored more fully for budget setting.
- 11.19 The most significant changes made by the government have been to the Right to Buy scheme. The proposals have been to:
- 1) Reduce the discounts on sales of right to buy from November 21<sup>st</sup> 2024
  - 2) Extend the cost floor of new build
  - 3) Allow local authorities to retain the share previously paid to government

The initial impact of this measure has been to significantly increase the number of applications received in November 2024 before the new discounts applied. Applications received during November 2024 were equivalent to two

years of demand in one month. Some of these are likely to be speculative applications, and for the business plan, the existing conversion rate of applications to sales of has been applied.

Following the initial spike in applications, the expected impact of these measures will be to significantly reduce the number of applications received. It is not yet clear how demand will settle, however the level of applications prior to 2011 was used to inform the business plan. The possible scenarios are that demand will fall substantially and remain low, or that there will be an initial fall in recovery and a return to more usual rates seen prior to 2011 over time.

The financial impacts of this will be as follows:

- An initial increase in sales capital receipt for each sale, and that the share retained by the Council will be 100%, increasing the share restricted to provision of new homes.
- The number of sales after 2024/25 is expected to fall significantly and this will mean fewer capital receipts will be received. However, longer term net rental income to the HRA will be higher as a result of fewer sales, increasing capacity to borrow.
- This does not address the actual cost of building or acquiring homes, and so will still require wider tenants rent to subsidise construction costs. The capacity to do so within the business plan will increase.

Although the loss of capital receipt will likely mean an increased borrowing requirement in the short term, the additional capacity from property retention is sufficient to cover this borrowing requirement.

Increasing the cost floor for RTB sales of new properties will also reduce sales of new build properties, and therefore reduce the pressure associated with repaying borrowing costs for assets no longer owned by the HRA.

Further consultation on the Right to Buy scheme was undertaken by the government during December 2024 and January 2025. The consultation closed on 15<sup>th</sup> January and the response to the consultation has not yet been published.

### **Rising Costs of New Build Housing**

- 11.20 The cost of building new homes has increased significantly over recent years and, while the pace of inflation has now slowed, this doesn't mean that costs have gone down; merely that the pace of increases has slowed. At the same time, the cost of borrowing remains high.
- 11.21 Under the self-financing regime, the HRA is a purpose made vehicle for delivering new affordable homes and when 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 (LHA), whichever was the lower, or up to the maximum of 80% market rents for new properties that meet energy efficiency criteria.

- 11.22 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 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 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.
- 11.23 Given the expected long term reduction in Right to Buy sales, it is likely that the level of borrowing will need to increase in the medium term. The changes to RTB and retention of more stock, combined with the extension of CPI+1% rent policy will give more capacity within the business plan to borrow.
- 11.24 However, this change will not be reflected in the existing viability modelling for new build and acquisitions. The following principles will therefore need to be considered for future viability modelling, and further work to explore this will take place alongside the existing modelling in 2025/26 while more experience of the new regime is gained and understood:
- 1) Application of RTB or other subsidy to the point where viability is achieved, and prioritisation of the use of potentially fewer RTB receipts,
  - 2) That the output of the appraisals are modelled within an updated business plan prior to approval, and that where borrowing is required, the project can contribute to the future repayment of debt as well as the interest cost
  - 3) Confirmation that the HRA can support the level of subsidy from the HRA required by specific projects after all other available sources of finance are applied, and where the repayment of debt cannot be financed from additional rent alone.
- 11.25 To mitigate the high costs of development for the council outlined above, the Council agreed in the 2024/25 business plan to change the focus of the councils' development strategy to a greater emphasis upon acquiring s106 affordable housing. This has proved successful, with a number of acquisitions agreed in 2024/25. The indicative capital programme includes developments for which business cases are currently being developed, and in addition, assumed costs for potential acquisitions and new build properties for which business cases have not yet commenced.
- 11.26 As part of the acquisition strategy, the Council has the option to buy back former Council Houses previously disposed of through Right to Buy. An internal process has been developed to assess the relative housing need,

strategic fit and financial viability of potential buybacks. During 2024, two identified buybacks were agreed with a further two as yet unidentified purchases in principle delegated to the Strategic Director with responsibility for Housing. The process for acquiring buybacks is time constrained, with decisions required within a set timescale. The process for seeking approval for individual buybacks is not conducive to meeting this timescale, and therefore it is proposed to delegate authority to agree to the purchase of properties in 2025/26 to the Section 151 Officer, in consultation with the Strategic Director with responsibility for Housing, subject to meeting criteria for strategic fit, housing need and financial viability, and funded from the unallocated New Homes budget.

- 11.27 There will still be a need to successfully apply the retained RTB 1-4-1 receipts that will be generated in the future. There are restrictions on how RTB 1-4-1 receipts can be applied; for example, they cannot be applied in conjunction with Homes England grants. There is also a requirement to repay any unapplied RTB capital receipts not used within a five-year period with compound interest of 4% above the Bank of England Base rate over the period the receipt has been held; currently 8.75%. The caps that applied prior to 2024/25 have been lifted temporarily, allowing the Council to more proactively manage this risk; but if it is apparent that receipts cannot be applied, MHCLG will need to be notified and repaid in advance to minimise the interest payable.
- 11.28 At present the council's delivery funded by RTB 1-4-1 receipts is ahead of the need to spend. With no restriction on the level of RTB applied to eligible expenditure, the HRA business plan model demonstrates that, with the application of RTB maximised against existing and potential schemes, the risk of repayment to government is minimised. However, in practise, RTB will be applied carefully to maximise the return on investment.
- 11.29 The HRA business plan has capacity to fund delivery of 1,000 homes by 2032/33 including the 156 homes that are programmed to be delivered in the approved capital programme. The HRA business plan is refreshed each year and subject to the prevailing economic circumstances, assumptions and performance, the capacity to deliver could increase.
- 11.30 The model currently demonstrates that all new borrowing associated with the 1000 homes programme is affordable, and that debt repayment associated with new build and the proposed capital programme can be made over the life of the plan.

#### **HRA Savings requirement - cost pressures and savings targets**

- 11.31 The budget options report presented to Cabinet in November 2024 (CAB 3478) detailed significant cost pressures within the HRA, particularly for repairs and maintenance.

- 11.32 In addition to the cost pressures identified in the Options report, additional investment requirements in fire safety and asbestos have been identified as part of the recent regulatory self-assessment. Additional funding has been built into the Capital Programme and HRA revenue budgets to reflect this requirement.
- 11.33 The report to Cabinet Committee: Housing, CAB3479 (H), outlines an action plan to deliver changes and improvements required to deliver changes and improvements to meet requirements of regulatory consumer standards. The Revenue budget includes provision for key programmes of work including annual fire risk assessment and asbestos surveys, stock condition survey work and allows for additional revenue and capital repairs budgets for likely reactive repairs following the completion of surveys.
- 11.34 The Capital budget makes provision of £6m over 3 years to support potential compartmentation works to low and medium rise blocks. This was not included in the November options report as, at the time, self-assessment work was still ongoing, and the likely cost had not been identified or quantified at that point in time. The Capital programme also makes explicit budget for planned fire door replacement programme, fire safety works at Winnall and a provision for reactive capital works for asbestos and fire safety that may arise from future survey work.
- 11.35 Although the extension of the rent setting principle of CPI+1 for 5 years, and government changes to the Right to Buy scheme increases the capacity to borrow in the HRA, these measures are primarily designed to encourage housebuilding, and do not negate the need to address cost pressures. However, in the short term it has allowed the additional investment requirement to be addressed in the business plan without the need for further savings over and above the £2m already identified, and without impacting on the capacity to build new homes.
- 11.36 Previous savings targets set in the 2023/24 business plan have been fully achieved. However, Cabinet agreed savings proposals of £2m in the Budget Options report CAB3478 to mitigate cost pressures and maintain capacity to invest in the HRA. Of these savings, £1.05m have currently been achieved, and actions are ongoing to ensure the remaining savings can be delivered by the end of the year. Of the achieved savings, £0.4m is one-off and further work will be undertaken in 2025/26 to identify ongoing savings. The proposed savings are summarised in the table below and detailed in appendix 7:

	2024/25	2025/26
General cost reduction measures	370	370
Improved cost control on repairs and maintenance	250	300
Increases in rent, service charge, sewage and other income	380	425
Efficiency improvements	270	420
One-off savings (work ongoing to identify ongoing savings in 25/26)	400	400
	1,670	1,915

- 11.37 The identified savings were consulted on more widely, through a tenant survey and TACT board, and are now in the process of being implemented for 2025/26. It is critical that these savings are achieved, as failure to do so will reduce borrowing headroom and would result in significant cuts to the capital programme. Progress against achieving savings will be monitored through the course of 2025/26, and further proposals explored if the current proposals are not delivered.

### **Asset disposals**

- 11.38 The business plan includes proceeds of disposals to date in 2024/25. These disposals relate to strips of development land. These sites, that are considered uneconomic to develop within the HRA, have already been identified and one strip sold as at December 2024. As well as providing valuable capital receipts to support the HRA this will enable small development to come forward.
- 11.39 The business plan assumes that the HRA will identify and dispose of £3.95m of surplus social housing assets over the next 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.
- 11.40 The previous business plan assumed the disposal of Barnes House. This site is currently being reviewed for use as temporary accommodation, which reduces longer term anticipated pressure on the General Fund. This potential use is subject to submission of an expression of interest being submitted for Wave 3 LAHF to support the refurbishment of Barnes house, which otherwise would not be viable. Subject to financial appraisal, a decision on the future use of Barnes House for temporary accommodation in the general fund or disposal by the HRA will be finalised during 2025/26.

### **Service charges**

- 11.41 The 2024/25 budget setting process proposed a move towards cost recovery, and that work would be undertaken in 2024/25 to establish current costs and determine the impact on charges of moving to cost recovery. This review was undertaken in the summer of 2024, using 2023/24 actual costs data as the latest, reliable cost base.

11.42 It is proposed that cost recovery take place on an arrears basis, where the charges in the current year will be based on the prior year cost, unless there are exceptional circumstances. The table below summarises the current costs of providing services, compared with the current income recovery through service charges.

Cost category	Number of properties	Current average charges PW	Proposed average charge PW	Average Inc/red'n	actual cost incurred 23/24	Forecast recovery 2024/25	Income estimate 2025/26
Alarm charge	808	1.02	1.01	-0.01	42,395	42,864	42,460
Grounds Maintenance	1589	0.82	0.81	-0.01	68,325	67,730	67,310
Water charges	308	2.58	3.18	0.59	51,132	41,356	50,884
Cleaning	1545	1.68	1.85	0.17	171,098	135,115	149,023
Utilities	1630	2.81	3.34	0.54	284,694	237,807	283,336
Estate Visits	1539	1.65	1.96	0.31	158,480	131,769	156,570
Sheltered Charge	458	9.90	9.95	0.06	271,463	235,733	237,069
Furniture, fixings etc.	536	0.90	0.89	-0.01	27,084	25,051	24,745
Contracts	1061	2.46	2.44	-0.03	159,495	135,987	134,547
Heating	115	8.50	5.29	-3.21	38,130	50,844	31,628
Fire Safety	408	1.02	1.64	0.62	106,714	21,623	34,806
TA Charges	66	23.42	22.27	-1.15	79,661	80,377	76,434
Walpole Road service charges	2	8.94	8.67	-0.27	901	930	901
WHT charges for pump	4	15.59	14.85	-0.74	3,088	3,243	3,088
Affordable service charges	81	3.79	5.98	2.19	24,219	15,982	25,198
Affordable pump charges	14	4.09	12.04	7.95	8,765	2,981	8,765
Council Tax	27	3.81	3.52	-0.29	2,944	5,348	4,939
Average Insurance	101	2.95	2.95	0.00	8,758	15,498	15,506
Management Fee	55	2.24	2.08	-0.16	6,321	6,394	5,945
Pump	69	1.22	1.23	0.01	4,248	4,371	4,402
Catering Costs	8	31.67	35.28	3.61	14,676	13,174	14,676
Kitchen Equipment	8	3.71	2.31	-1.40	960	1,543	960
Evinox	8	1.83	1.83	-0.00	767	761	760

11.43 The table demonstrates that, for many areas, the service charge was broadly at cost recovery; that there were some areas where overall over recovery was occurring, and some areas where increases are required to move to cost recovery. Some areas, particularly utilities, showed a mix of over and under recovery between properties, which will be adjusted in final charges, however the table above gives an overall average across all properties.

11.44 It is recognised that a move to full cost recovery may result in an excessive increase in charge if applied straight away; it is therefore proposed to cap increases at 5% or £5, whichever is the greater, and to phase towards full recovery over a period of years, and the income projections above reflect this.

11.45 The average existing and proposed average charges for each cost category tabulated at 11.41 above will overall result in a reduction in expected income for certain charges, however, this is more than offset by reductions in associated rechargeable cost budgets, particularly for cleaning and energy, which haven't increased as significantly as was assumed in previous business plans.



### Sewage Treatment Works

- 11.46 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.
- 11.47 There is currently an under-recovery by the HRA of the annual cost of operating these treatment plants forecast at £256k in 2024/25.
- 11.48 The Council agreed to the principle of moving to cost recovery of the total cost of providing sewage treatment services to all residents in February 2024, so that these services are not subsidised by other council tenants. In the meantime, it is proposed to increase sewage service charges in line with Ofwat proposals to be announced in February 2025.
- 11.49 To facilitate this and mitigate some of the larger increases that would otherwise be required, new investment was included in the capital programme in 2024/25 to reduce the specific costs of the four most expensive sites. Progress is being made against these sites, with completions expected in 2025/26. Further provision has been made in the capital programme, subject to business cases, for further investment.
- 11.50 In addition, the capital programme also includes investment in sewage sites funded via Partnership for Urban South Hampshire, and further investment in sites intended to generate nutrient credits. The sale of nutrient credits will generate receipts which can be reinvested in additional sites, for which provision is made subject to approval of business case.
- 11.51 Costs will be reassessed following investment in sites and a consultation plan agreed in 2025/26, after which it is proposed that WCC move to full cost recovery for these services to all residents over a transitional period.

### Housing Revenue Account Budget 2025/26

- 11.52 Details of the proposed budgets are shown in Appendices 1 and 2 and the larger item adjustments highlighted in the subjective summary in Appendix 2 are shown below:
- 11.53 Employees – The 2025/26 budget is £6.047m, a slight decrease of £0.027m on the 2024/25 revised budget. The employee budget includes the full year effect of the 2024/25 pay award, a provision of 4% for the 25-26 pay award, and allowance for a 1% increase in employers NI contribution. It also takes into account an anticipated reduction in staff capitalisation within the New Homes team, which arises as a result of a move towards acquisitions rather

than new build in the short term. Savings of £0.11m have been achieved through the deletion of vacant posts as agreed in the HRA options paper, and other adjustments relate to the transfer of finance staff from direct staff costs to a recharged cost. The one-off budget in 2024/25 relates to repairs contract reprocurement which has been reversed and revised in 2025/26 within Supplies and Services.

- 11.54 Premises – The 2025/26 budget is £10.217m, an increase of £1.264m on the 2024/25 original budget. The main changes relate to repairs and voids of £1.585m, which includes the impact of historic cumulative inflation and anticipated RPI inflation in 2025/26; continuing growth in workloads; and regulatory pressures outlined in paragraph 11.33. An anticipated increase in insurance costs of £0.118m, and increase in business rates, and council tax on void properties of £0.070m is also factored in. This is partially offset by proposed cost reduction savings on maintenance costs of £0.3m. The remainder of the saving relates to readjustment of energy and cleaning budgets consistent with 2023/24 outturn and 2024/25 forecasts.
- 11.55 Supplies & Services and Third Party Payments – The Supplies and Services line includes growth items that were outlined in the November options report of £0.34m. The majority of the saving relates to a one-off saving agreed within the options paper of £0.4m to reduce the overall £2m investment included in the HRA in 2024/25. Further work will be undertaken in 2025/26 to identify further savings to ensure the £0.4m is ongoing. Further savings of £0.18m relate to reductions in consultancy budget, white goods, and Voicescape contract agreed within the November Options report.
- 11.56 Support Services – The Options report anticipated a £0.15m growth in support services over and above anticipated inflation. However, during the budget setting process it was clear that, particularly for IT costs, budget had not kept pace with actual costs. Increases in costs over the last few years has related to the rollout of laptops to facilitate flexible working post Covid, and the associated replacement cycle; and inflation on software costs in excess of headline CPI inflation. This has been resolved as part of the budget setting. The Budget options paper included a saving of £0.15m following a review of support staff chargeable to the HRA, and this has been accounted for in the wider staffing recharge calculation.
- 11.57 Net Interest – The 2025/26 budget reflects the external interest cost of anticipated HRA borrowing. It assumes gross interest costs of £7.152m, a decrease of £0.564m on the 2024/25 original budget. The basis of borrowing assumption is that the increase in borrowing requirement stemming from the current approved new build projects, and projects for which business cases are still being developed, will mean that borrowing currently being financed internally will need to be externalised during 2025/26, and further external borrowing undertaken from 2026/27. However, this is dependent on projects being agreed and, depending on the timing of spend and approval, internal borrowing will be applied for as long as the Council's overall cashflow will allow. Anticipated Interest rates on HRA balances are currently assumed at

5%. The reduction in borrowing costs between 2024/25 and 2025/26 is largely attributable to the reprofiling of the capital programme in 2024/25 and 2025/26.

- 11.58 Depreciation – Is an estimate based on the prior year and anticipated increase in the current year. The budget for 2025/26 is £10.562m, an increase of £0.589m on the £9.973m original budget for 2024/25. The actual cost of depreciation will reflect the value of the HRA operational assets, the anticipated capital spend and the changes in the number and value of HRA dwellings and non-HRA dwellings at year end.
- 11.59 External Income – The 2025/26 budget is £38.004m, an increase of £1.123m on the original budget for 2024/25. This largely reflects the proposed rent increase of 2.7% from April 2025, together with associated changes in service charges and other income. For comparison the HRA will be spending £1.327m more on services than in 2024/25. Right to Buy admin fees are anticipated to reduce significantly following the changes to the scheme in November 2024 and the budget has been adjusted accordingly.

### **HOUSING SERVICES CAPITAL PROGRAMME**

- 11.60 The 10-year forward financial projection for major repairs is based on data held on the replacement cycle of key components, held within the Council's asset management database. It also includes provision for works to meet energy efficiency standards.
- 11.61 HRA properties are maintained to decent homes standards, with the property services team managing the upkeep of properties taking into consideration current stock condition information. In order to manage the maintenance, improvement and renewal programme effectively, the property services team need to have the flexibility to substitute projects and re-balance expenditure between repair budgets. The 10-year housing services capital programme allocates £90.9m towards major repairs to HRA dwellings based on the investment requirements of the asset management plan.
- 11.62 A key element of the council's Climate Neutrality Action Plan includes additional investment in the council's housing stock to improve energy efficiency and help tenants reduce their carbon emissions. The updated housing services capital programme includes funding towards climate change of £42.373m, including provision for inflation.
- 11.63 The delivery of fabric improvements in year 2023/24, to over 200 homes with an EPC rating of D proved that renewable energy technologies are required in addition to the essential fabric upgrades to achieve the desired energy performance ratings. It is therefore proposed to combine the fabric upgrades with renewable energy technologies such as Solar PV and battery storage. The fabric and renewable technology measures proposed are compatible with the Standard Assessment Procedure Calculations for Domestic Energy Consumption. The combination of these measures will lower bills for

residents, decrease the reliance on fossil fuel and uplift EPC ratings to C, providing our residents with warmer more comfortable homes. It is proposed that £8m of the proposed budget is utilised on alternative technologies to ensure compliance for those properties. This is supported by, and subject to, an application for funding from the Department of Energy Security and NetZero under the current SHF Wave 3 Grant, the outcome of which is expected in February 2025.

- 11.64 Procurement of a suitable contractor to undertake the above will require the Council to procure in an expedient manner to, a) meet the conditions of the grant and b) minimise risk of failing to meet regulatory deadline. Procurement via the Communities and Housing investment Consortium Framework has begun and has included consultation with the relevant legal and procurement officers to confirm this is competitive and meets relevant procurement.
- 11.65 The nature and range of the projects requires a specialist contractor(s) with Retrofit Certification, to ensure value for money and quality assurance. Due to the high demand for these specialist contractors utilising a suitable Framework, where contractors have already undertaken a robust selection process to be appointed, was identified to be the most suitable procurement route. The Framework utilised is CHIC- Communities and Housing Investment Consortium. Utilising a suitable Framework agreement is in accordance with the Public Contract Regulations 2015 and the council's Contract Procedure Rules. The identified contractor holds the relevant certification to carry out specialist retrofit work. The PAS 2030 and 2035 certification is governed by Trustmark an accreditation scheme that is a Central Government pre-requisite for all Central Government funded retrofit work. The identified contractor submitted a fee breakdown together with rates provided by the Framework which was benchmarked with other contractors and proved to be competitively priced. The Contractor conducting the work will be appointed using a suitable JCT Contract. The contractual payments being linked to successful performance of the works, whether in whole or in stages. The contract will offer the flexibility and procedures required to deliver 5 programmes that are vary in nature and time scales. The JCT contract will be managed in accordance with the council's contract management framework.
- 11.66 The latest financial projection also includes an annual provision for Estate Improvements sufficient to cover known commitments and a similar level of capital expenditure beyond 2025/26.
- 11.67 Investment in the first wave of sewage treatment plants designed to reduce the high running costs of specific plants was included in the 2024/25 budget and are currently being progressed. Further provision for improvement works, funded through both the generation of nutrient credits and funding from Push South Hampshire (PSH), was agreed in September 2024. The proposed budget includes additional investment of £0.6 for a second wave of proposed sites, in addition to the ongoing investment requirements of the HRA sewage treatment works, to reduce the running costs of more of the high-cost sewage

treatment works sites prior to moving towards cost recovery. Business cases for these projects are currently being developed.

### **New Build Capital Programme**

- 11.68 The new “Good Homes for All” council plan priority continues the council’s commitment to new homes and the HRA New Build Programme is key to delivering this objective. The HRA Capital programme includes provision for existing and emerging opportunities, sufficient to finance the achievement of the council’s target to deliver 1000 new council homes by 2032. The 10-year forward financial projection has identified a capital expenditure requirement of £237.7m. The projection includes approved schemes totalling £42m and an unapproved provision of £195m to cover schemes for which business cases are currently being developed, or schemes as yet unidentified. A breakdown of the schemes is shown at Appendix 4. Application for additional housing grant will be considered for all future developments where appropriate.
- 11.69 Delivery of new homes is dependent on the identification and acquisition of suitable s106 sites, as well as land and appropriate sites to develop. The new build programme assumes steady delivery of unallocated schemes and small sites to optimise available funding and cashflow within the HRA. There is an unallocated budget of £6m for 2025/26, but if required additional funding may be brought forward from future years subject to robust business case.
- 11.70 In December 2024, the Council was offered the opportunity to submit an expression of interest to secure funding from the Local Authority Housing Fund (LAHF) for additional homes for Afghan resettlement and temporary accommodation.
- 11.71 An expression was submitted on 17<sup>th</sup> January, but as at the time of writing this report, was still awaiting the outcome. The expression of interest would support the acquisition of up to 12 properties, of which 9 intended for temporary accommodation and 3 for resettlement. The Expression of interest would also support the refurbishment of Barnes House, a long term void property, for temporary accommodation.
- 11.72 At the time of writing, the exact award is not yet known and will be confirmed in the finalised Memorandum of Understanding. Proposed spend is based on estimates of property purchases.
- 11.73 The council are encouraged to deliver 50% of these properties as new homes (new build). There is a 10% uplift to the base grant for any new homes purchased. The base grant is calculated on 40% of median purchase prices in Winchester, which according to O&S Statistics is £494,475. A further £21,000 is also awarded and is intended for conveyancing, refurbishment but may also be contributed to purchase cost.
- 11.74 Expenditure would be subject to meeting criteria, including financial viability, and suitability of the property in terms of location, level of refurbishment



required and suitability for conversion to Temporary Accommodation. The conditions of the grant requires the council to be, on best endeavours, to be in contract by 31<sup>st</sup> March 2026

- 11.75 The Business plan supports the delivery of the existing 1,000 Homes programme, but beyond the completion of the programme reverts to the repayment of borrowing, in order to demonstrate that the existing programme is affordable and sustainable. This assumption will be reviewed annually as part of the business planning process.

### **HRA Capital Programme Funding**

- 11.76 Appendix 5 gives full details of how it is proposed to fund the Housing Services & New Build Budgets from 2024/25 to 2034/35. This shows a prudential net borrowing requirement of £160m (or 39% of total programme funding), the planned reinvestment of RTB receipts £21m (5%), and the application of Major Repairs Allowance £155m (recycled depreciation funding of 38%), the investment of shared ownership receipts and other asset sales £42m (10%) and the application of S106 funding £17m (4%).

## **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 is challenging, and further savings are likely to lead to a reduction in the quality of service delivered. Investment in improving the digital access to services may 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:-**

### **Previous Committee Reports:-**

#### **Previous Committee Reports: -**

**CAB3479H – Social Housing regulation – February 2025**

**CAB3478 – HRA Business Plan and Budget options – November 2024**

**CAB3465 – HRA outturn 2023/24 – September 2024**

CAB3445 – HRA Budget 2024/25 – February 2024

CAB3432 HRA Business Plan and Budget Options – November 2023

CAB3387 HRA Budget – February 2023

CAB3365 HRA Business Plan and Budget Options – November 2022

Other Background Documents:-

None.

APPENDICES:

Appendix 1: HRA 2025/26 Budget – Service Summary

Appendix 2: HRA 2025/26 Budget – Subjective Summary

Appendix 3: Housing Services Capital Programme 2024/25 to 2034/35

Appendix 4: New Build Housing Capital Programme 2024/25 to 2034/35

Appendix 5: HRA Capital Programme Funding 2024/25 to 2034/35

Appendix 6: HRA Financial Plan 2024/25 to 2053/54 Extract – Operating Account

Appendix 7: Proposed Savings 2025/26

**APPENDIX 1: HRA 2025-26 BUDGET – SERVICE SUMMARY**

<b>Housing Revenue Account</b>	<b>24/25 Original Budget per CAB3445</b>	<b>24/25 Revised Budget</b>	<b>25/26 Original Budget</b>
<b>Service Summary</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Housing Management General</b>			
Estate Management	(1,708,006)	(1,625,861)	(1,583,373)
HRA General	(4,329,250)	(3,989,025)	(4,076,304)
New Build Programme Support	(1,027,406)	(1,027,406)	(810,918)
Downsizing	(69,600)	(69,600)	0
Rent Accounting	(78,864)	(78,864)	(96,388)
Tenants Information	(109,779)	(79,167)	(90,003)
Tenancy Sustainment	(474,796)	(454,796)	(465,418)
Vacant Dwellings	(120,100)	(120,100)	(174,400)
	(7,917,801)	(7,444,819)	(7,296,804)
<b>Housing Management Special</b>			
Communal Services	(11,002)	(11,002)	147,379
Disabled Adaptations	(158,522)	(188,023)	(193,009)
Estate Maintenance	(660,994)	(660,994)	(620,887)
Homelessness	(228,821)	(163,189)	(109,213)
Home Ownership	349,099	349,099	502,040
Sewage Works	(430,495)	(430,495)	(433,371)
Sheltered Housing	(1,203,815)	(1,203,815)	(1,158,834)
	(2,344,550)	(2,308,419)	(1,865,895)
<b>Repairs</b>			
Responsive Maintenance	(3,540,927)	(3,540,927)	(4,322,319)
Voids	(1,767,900)	(1,767,900)	(1,764,950)
Cyclic	(1,135,300)	(1,135,300)	(1,763,867)
Sub - total Repairs Works	(6,444,127)	(6,444,127)	(7,851,136)
Repairs Administration	(2,060,980)	(2,318,890)	(2,642,488)
	(8,505,107)	(8,763,017)	(10,493,624)
<b>Debt Management Expenses</b>			
Debt Management Expenses	(9,243)	(9,243)	(12,576)
Interest Payable	(8,102,000)	(8,102,000)	(8,322,000)
Depreciation of Fixed Assets	(9,973,000)	(9,973,000)	(10,562,055)
	(18,084,243)	(18,084,243)	(18,896,631)
<b>Rents and Other Income</b>			
Dwelling Rents	33,649,400	33,649,400	33,965,769
Foxglove House	220,000	220,000	406,340
Garage Rents	64,400	64,400	56,092
Investment Properties Income	188,079	188,079	199,656
Rents and Other Income	50,912	50,912	74,047
Sheltered Charges	558,620	558,620	641,538
Interest Receivable	385,480	385,480	1,170,000
	35,116,891	35,116,891	36,513,442

<b><u>APPENDIX 1: HRA 2024-25 BUDGET – SERVICE SUMMARY</u></b>			
<b><u>Housing Revenue Account</u></b>	<b>24/25 Original Budget per CAB3445</b>	<b>24/25 Revised Budget</b>	<b>25/26 Original Budget</b>
<b>Service Summary</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Surplus for year on HRA Services</b>	<b>(1,734,810)</b>	<b>(1,483,607)</b>	<b>(2,039,512)</b>
Right to Buy Admin Fees	30,500	30,500	0
<b>(Increase)/ decrease in HRA Balance</b>	<b>(1,704,310)</b>	<b>(1,453,107)</b>	<b>(2,039,512)</b>
<b><u>HRA Working Balance</u></b>			
Opening Balance	14,447,125	14,095,611	14,701,504
Add Projected Deficit/(Surplus)	(1,704,310)	(1,453,107)	(2,039,512)
Forecast underpsend against budget Q3 2024/5		2,059,000	
<b>Projected Balance at Year End</b>	<b>12,742,815</b>	<b>14,701,504</b>	<b>12,661,992</b>

**APPENDIX 2: HRA 2025-26 BUDGET – SUBJECTIVE SUMMARY**

<u>Housing Revenue Account</u>	24/25 Original Budget per CAB3445	24/25 Revised Budget	One-off 24/25 Budgets	Inflation	Growth	Savings	Other Adjustments	25/26 Original Budget
<b>Subjective Summary</b>	£	£	£	£	£	£	£	£
Employees	(6,123,688)	(6,074,065)	110,000	(287,680)	0	110,000	94,269	(6,047,476)
Premises	(8,953,269)	(8,953,269)	0	(317,400)	(1,593,018)	637,800	0	(10,225,887)
Transport	(148,617)	(148,617)	0	(2,200)	0	0	0	(150,817)
Supplies & services	(2,584,757)	(2,454,757)	(84,900)	(41,354)	(340,000)	585,000	0	(2,336,011)
Third party payments	(225,900)	(225,900)	0	(2,500)	0	69,600	0	(158,800)
Support Services	(2,890,657)	(2,819,077)	0	(145,306)	(352,122)	0	(94,269)	(3,410,774)
Net Interest	(7,716,520)	(7,716,520)	0	0	0	0	564,520	(7,152,000)
Depreciation on Fixed Assets	(9,973,000)	(9,973,000)	0	(250,000)	(339,055)	0	0	(10,562,055)
External income	36,881,598	36,881,598	0	940,000	0	50,000	132,709	38,004,307
<b>Surplus for year on HRA Services</b>	<b>(1,734,810)</b>	<b>(1,483,607)</b>	<b>25,100</b>	<b>(106,440)</b>	<b>(2,624,194)</b>	<b>1,452,400</b>	<b>697,229</b>	<b>(2,039,512)</b>
Right to Buy Admin Fees	30,500	30,500	0	0	0	0	(30,500)	0
<b>(Increase)/ decrease in HRA Balance</b>	<b>(1,704,310)</b>	<b>(1,453,107)</b>	<b>25,100</b>	<b>(106,440)</b>	<b>(2,624,194)</b>	<b>1,452,400</b>	<b>666,729</b>	<b>(2,039,512)</b>
<b>HRA Working Balance</b>								
Opening Balance	14,447,125	14,095,611						14,701,504
Add Budgeted Deficit/(Surplus)	(1,704,310)	(1,453,107)						(2,039,512)
Forecast underpsend against budget Q3 2024/25	0	2,059,000						
<b>Projected Balance at Year End</b>	<b>12,742,815</b>	<b>14,701,504</b>						<b>12,661,992</b>



**Housing Services Capital Programme 2024/25 to 2034/35****Appendix 3**

Housing Services Programme	2024/25	2024/25	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	Total
	Original Budget.	Sept revised Budget.	Forecast	Budget.	Budget.	Budget.	Budget.	Budget.	Budget.	Budget.	Budget.	Budget.	Budget.	Budget.
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>Scheme Name/Description</b>														
Major Repairs	(10,405)	(7,183)	(7,182)	(8,570)	(9,203)	(8,555)	(9,605)	(9,708)	(9,864)	(5,736)	(7,547)	(7,084)	(8,367)	(91,421)
Ashburton & Chesil windows														
<b>Major Repairs</b>	<b>(10,405)</b>	<b>(7,183)</b>	<b>(7,182)</b>	<b>(8,570)</b>	<b>(9,203)</b>	<b>(8,555)</b>	<b>(9,605)</b>	<b>(9,708)</b>	<b>(9,864)</b>	<b>(5,736)</b>	<b>(7,547)</b>	<b>(7,084)</b>	<b>(8,367)</b>	<b>(91,421)</b>
														0
Estate Improvements	(534)	(350)	(350)	(432)	(445)	(459)	(472)	(487)	(501)	(516)	(532)	(272)	(280)	(4,746)
Sheltered Housing	(154)	(174)	(174)	(74)	(76)	(78)	(81)	(83)	(86)					(652)
<b>Improvements &amp; Upgrades</b>	<b>(688)</b>	<b>(524)</b>	<b>(524)</b>	<b>(506)</b>	<b>(521)</b>	<b>(537)</b>	<b>(553)</b>	<b>(570)</b>	<b>(587)</b>	<b>(516)</b>	<b>(532)</b>	<b>(272)</b>	<b>(280)</b>	<b>(5,398)</b>
														0
Disabled Adaptations	(815)	(1,015)	(700)	(719)	(740)	(763)	(786)	(809)	(833)	(858)	(884)	(911)	(938)	(8,941)
Asbestos and Fire rectification (reactive)				(300)	(150)	(161)	(164)	(175)	(189)	(195)	(205)	(215)	(221)	(1,975)
Fire remedial works (Planned)	(1,176)	(1,000)	(750)	(1,051)	(547)	(560)	(565)	(576)	(585)	(602)	(616)	(631)	(650)	(7,133)
Fire Safety Compartmentation				(1,950)	(2,000)	(2,057)								(6,007)
Climate Change Emergency	(4,906)	(6,402)	(4,636)	(5,936)	(7,744)	(5,900)	(6,077)	(6,259)	(6,447)	0	0			(42,999)
Victoria House Sewerage Connection			(15)	(516)										(531)
Sewage Treatment Works (STW)	(659)	(866)	(450)	(479)	(162)	(120)	(123)	(127)	(131)	(135)	(139)	(143)	(147)	(2,156)
STW - Nutrient Mitigation	(600)	(400)		(407)										(407)
STW - Nutrient Mitigation (PUSH)	0	0	(200)	(700)										(900)
<b>Other Capital Spending</b>	<b>(8,156)</b>	<b>(9,683)</b>	<b>(6,751)</b>	<b>(12,058)</b>	<b>(11,343)</b>	<b>(9,561)</b>	<b>(7,715)</b>	<b>(7,946)</b>	<b>(8,185)</b>	<b>(1,790)</b>	<b>(1,844)</b>	<b>(1,900)</b>	<b>(1,956)</b>	<b>(71,049)</b>
<b>Unapproved Schemes</b>														
Sewage Treatment works additional schemes					(600)									
<b>Total HS Capital Programme</b>	<b>(19,249)</b>	<b>(17,390)</b>	<b>(14,457)</b>	<b>(21,134)</b>	<b>(21,667)</b>	<b>(18,653)</b>	<b>(17,873)</b>	<b>(18,224)</b>	<b>(18,636)</b>	<b>(8,042)</b>	<b>(9,923)</b>	<b>(9,256)</b>	<b>(10,603)</b>	<b>(167,868)</b>

Housing New Build Capital Programme 2024/25 to 2034/35Appendix 4

<b>New Build Programme &amp; Other Capital</b>	<b>2024/25 Original Budget.</b>	<b>2024/25 Sep Revised.</b>	<b>2024/25 Latest Forecast</b>	<b>2025/26 Budget.</b>	<b>2026/27 Budget.</b>	<b>2027/28 Budget.</b>	<b>2028/29 Budget.</b>	<b>2029/30 Budget.</b>	<b>2030/31 Budget.</b>	<b>2031/32 Budget.</b>	<b>2032/33 Budget.</b>	<b>2033/34 Budget.</b>	<b>2034/35 Budget.</b>	<b>Total Budget.</b>
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>Scheme Name/Description</b>														
<b>Approved Schemes</b>														
Winnall		(2,958)	(2,958)											(2,958)
Barton Farm	(189)													
LAHF Property Acquisition		(1,839)	(1,100)											(1,100)
Southbrook Cottages		(439)	(600)											(600)
Woodman		(41)												
Property Buybacks		(1,360)	(380)	(980)										(1,360)
Hazeley Rd Twyford			(300)	(915)	(915)									(2,130)
Kings Barton all Phases			(3,200)	(3,360)	(7,732)	(19,635)								(33,927)
New Build Major Repairs	(46)													
<b>Total Approved Schemes</b>	<b>(235)</b>	<b>(6,637)</b>	<b>(8,538)</b>	<b>(5,255)</b>	<b>(8,647)</b>	<b>(19,635)</b>								<b>(42,075)</b>
<b>Unapproved Schemes</b>														
CornerHouse	(986)			(900)	(900)									(1,800)
Woodman Close				(978)	(978)									(1,956)
Minden Rd					(1,505)	(1,505)								(3,010)
Morgans Yard					(115)	(1,164)								(1,279)
Unallocated 1000 homes	(13,703)	(12,343)		(6,065)	(6,815)	(24,319)	(26,193)	(30,785)	(37,005)	(28,672)	(27,771)			(187,625)
<b>Total Unapproved Schemes</b>	<b>(14,689)</b>	<b>(12,343)</b>		<b>(7,943)</b>	<b>(10,313)</b>	<b>(26,988)</b>	<b>(26,193)</b>	<b>(30,785)</b>	<b>(37,005)</b>	<b>(28,672)</b>	<b>(27,771)</b>			<b>(195,670)</b>
<b>Total All Schemes</b>	<b>(14,924)</b>	<b>(18,980)</b>	<b>(8,538)</b>	<b>(13,198)</b>	<b>(18,960)</b>	<b>(46,623)</b>	<b>(26,193)</b>	<b>(30,785)</b>	<b>(37,005)</b>	<b>(28,672)</b>	<b>(27,771)</b>			<b>(237,745)</b>

HRA Capital Programme Funding 2024-25 to 2034-35Appendix 5

	2024/25	2024/25	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/25	Total
HRA Capital Programme Funding	Original Budget	Sept Revised Budget	Latest Forecast	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Borrowing	0		0	0	0	45,042	21,775	27,427	32,937	15,993	16,973	0	0	160,147
RTB 141 Receipts	4,475		6,994	3,673	1,015	1,050	1,085	1,122	1,160	1,198	1,239	1,281	1,323	21,141
Other RTB Receipts	3,360		610	549	36	43	50	57	29	36	43	51	59	1,563
Capital Receipts - Shared Owner	4,114	3,000	3,000	4,000	6,043	2,631	4,851	6,581	5,380	4,204	5,957	0	0	42,647
Capital Receipts Other	1,042	1,042	50	623	1,200	1,105	600	600	600	600	0	0	0	5,378
Grant	0		882	700	0	0	0	0	0	0	0	0	0	1,582
CIL	0	755	755	0	0	0	0	0	0	0	0	0	0	755
S106			0	0	4,000	3,878	4,000	1,035	2,805	1,600	0			17,318
Major Repairs Reserves	13,304		10,704	24,787	28,333	11,527	11,706	12,188	12,729	13,083	13,481	7,924	9,221	155,684
<b>Funding Total</b>	<b>26,295</b>	<b>28,402</b>	<b>22,995</b>	<b>34,332</b>	<b>40,627</b>	<b>65,276</b>	<b>44,067</b>	<b>49,010</b>	<b>55,641</b>	<b>36,714</b>	<b>37,694</b>	<b>9,256</b>	<b>10,603</b>	<b>406,215</b>
Housing Services			14,457	21,134	21,667	18,653	17,873	18,224	18,636	8,042	9,923	9,256	10,603	168,468
New Build			8,538	13,198	18,960	46,623	26,193	30,785	37,005	28,672	27,771	0	0	237,745
<b>Capital Programme Total</b>	<b>26,295</b>	<b>24,027</b>	<b>22,995</b>	<b>34,332</b>	<b>40,627</b>	<b>65,276</b>	<b>44,066</b>	<b>49,009</b>	<b>55,641</b>	<b>36,714</b>	<b>37,694</b>	<b>9,256</b>	<b>10,603</b>	<b>406,213</b>

APPENDIX 6 – HRA BP INDICATIVE OPERATING ACCOUNT OVER 30 YEARS

Winchester CC HRA Business Plan Operating Account (expressed in money terms)																		
		Income				Expenditure												
Year	Year	Net rent Income £,000	Other income £,000	Misc Income £,000	Total Income £,000	Managt. £,000	Depreciation £,000	Responsive & Cyclical £,000	Other Revenue spend £,000	Misc expenses £,000	Total expenses £,000	Capital Charges £,000	Net Operating (Expenditure) £,000	Repayment of loans £,000	Surplus (Deficit) for the Year £,000	Surplus (Deficit) b/fwd £,000	Interest £,000	Surplus (Deficit) c/fwd £,000
1	2024.25	35,369	234	1,584	37,177	(12,558)	(10,317)	(8,288)	(445)	(315)	(31,903)	(7,201)	(1,927)	(231)	(2,157)	14,925	1,934	14,701
2	2025.26	35,732	292	2,011	38,035	(12,867)	(10,566)	(8,101)	(788)	(578)	(32,900)	(8,319)	(3,184)	0	(3,184)	14,701	1,144	12,661
3	2026.27	37,444	298	2,066	39,807	(12,718)	(10,881)	(8,246)	(465)	(595)	(32,905)	(8,323)	(1,421)	0	(1,421)	12,661	634	11,874
4	2027.28	40,365	304	2,121	42,790	(12,775)	(11,265)	(8,519)	(368)	(613)	(33,540)	(9,463)	(213)	0	(213)	11,874	362	12,023
5	2028.29	42,834	310	2,178	45,322	(13,011)	(11,708)	(8,775)	(52)	(631)	(34,175)	(11,313)	(166)	0	(166)	12,023	364	12,220
6	2029.30	45,209	316	2,237	47,762	(13,355)	(12,188)	(9,035)	(53)	(650)	(35,281)	(12,571)	(90)	(231)	(321)	12,220	367	12,267
7	2030.31	48,581	323	2,298	51,201	(13,720)	(12,729)	(9,316)	(54)	(670)	(36,490)	(14,072)	639	0	639	12,267	383	13,290
8	2031.32	49,783	329	2,360	52,472	(14,082)	(13,083)	(9,596)	(55)	(690)	(37,506)	(15,473)	(507)	0	(507)	13,290	397	13,179
9	2032.33	51,445	336	2,424	54,204	(14,454)	(13,481)	(9,881)	(56)	(710)	(38,582)	(16,550)	(928)	(231)	(1,159)	13,179	383	12,403
10	2033.34	52,520	342	2,490	55,352	(14,794)	(13,898)	(10,166)	(57)	(732)	(39,448)	(16,962)	(1,057)	(343)	(1,401)	12,403	444	11,446
11	2034.35	53,612	349	2,557	56,519	(15,150)	(13,919)	(10,467)	(59)	(754)	(40,349)	(16,961)	(781)	(231)	(1,012)	11,446	578	11,012
12	2035.36	55,774	356	2,627	58,757	(15,516)	(14,143)	(10,777)	(60)	(776)	(41,272)	(17,177)	309	(318)	(10)	11,012	736	11,738
13	2036.37	55,796	363	2,698	58,858	(15,890)	(14,370)	(11,096)	(61)	(800)	(42,217)	(17,166)	(526)	(229)	(754)	11,738	859	11,843
14	2037.38	56,892	371	2,772	60,034	(16,274)	(14,601)	(11,424)	(62)	(824)	(43,186)	(17,304)	(455)	(378)	(833)	11,843	926	11,936
15	2038.39	58,010	378	2,847	61,235	(16,658)	(14,838)	(11,762)	(63)	(848)	(44,178)	(17,277)	(221)	(696)	(918)	11,936	995	12,012
16	2039.40	59,150	386	2,925	62,460	(17,071)	(15,075)	(12,110)	(65)	(874)	(45,195)	(17,234)	30	(1,017)	(987)	12,012	1,120	12,145
17	2040.41	60,312	393	3,004	63,710	(17,485)	(15,318)	(12,469)	(66)	(900)	(46,237)	(17,174)	299	(1,409)	(1,110)	12,145	1,202	12,237
18	2041.42	62,680	401	3,086	66,168	(17,909)	(15,564)	(12,838)	(67)	(927)	(47,305)	(17,066)	1,797	(2,960)	(1,163)	12,237	1,284	12,358
19	2042.43	62,707	409	3,171	66,287	(18,344)	(15,814)	(13,218)	(69)	(955)	(48,399)	(17,088)	800	(2,105)	(1,306)	12,358	1,455	12,507
20	2043.44	63,940	417	3,257	67,615	(18,789)	(16,069)	(13,609)	(70)	(983)	(49,520)	(16,971)	1,123	(2,586)	(1,443)	12,507	1,511	12,575
21	2044.45	65,198	426	3,346	68,970	(19,246)	(16,327)	(14,011)	(71)	(1,013)	(50,669)	(16,833)	1,468	(2,969)	(1,501)	12,575	1,534	12,608
22	2045.46	66,480	434	3,438	70,352	(19,715)	(16,590)	(14,426)	(73)	(1,043)	(51,847)	(16,674)	1,831	(3,356)	(1,525)	12,608	1,639	12,723
23	2046.47	67,788	443	3,532	71,763	(20,195)	(16,857)	(14,853)	(74)	(1,075)	(53,054)	(16,496)	2,214	(3,841)	(1,627)	12,723	1,782	12,878
24	2047.48	70,452	452	3,629	74,533	(20,888)	(17,128)	(15,292)	(76)	(1,107)	(54,290)	(16,407)	3,835	(5,574)	(1,738)	12,878	1,944	13,083
25	2048.49	70,484	461	3,728	74,673	(21,193)	(17,403)	(15,745)	(77)	(1,140)	(55,558)	(16,145)	2,970	(4,930)	(1,960)	13,083	2,015	13,138
26	2049.50	71,872	470	3,831	76,172	(21,711)	(17,683)	(16,211)	(79)	(1,174)	(56,857)	(15,886)	3,429	(5,431)	(2,002)	13,138	2,071	13,206
27	2050.51	73,287	479	3,938	77,702	(22,242)	(17,968)	(16,690)	(80)	(1,209)	(58,189)	(15,601)	3,913	(5,970)	(2,057)	13,206	2,096	13,245
28	2051.52	74,731	489	4,044	79,264	(22,788)	(18,256)	(17,184)	(82)	(1,246)	(59,554)	(15,413)	4,297	(6,504)	(2,207)	13,245	2,061	13,098
29	2052.53	77,669	499	4,155	82,323	(23,345)	(18,550)	(17,693)	(84)	(1,283)	(60,954)	(15,069)	6,300	(8,193)	(1,893)	13,098	2,078	13,283
30	2053.54	77,678	509	4,270	82,456	(23,908)	(18,848)	(18,202)	(85)	(1,322)	(62,363)	(14,677)	5,417	(7,512)	(2,095)	13,283	2,116	13,303

## Appendix 7

## Proposed Savings 2025/26

Proposal	2025/26 Saving	Potential future year savings	One/off or ongoing	Risk rating
Review of General Fund staffing recharges to the HRA	150		Ongoing	Green
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 has been achieved by aligning budgets to existing spend and has no impact on current activity.	40		Ongoing	Green
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
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
Rent convergence updated budget assumption. This reflects the modelling of the turnover of properties next year that will be let at formula rent levels.	100		Ongoing	Green
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	Green



New Homes deletion of vacant posts. This is the deletion of funded vacant posts.	120		Ongoing	Green
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 Detailed review of voids costs suggests that in some cases costs can be reduced by procurement outside basket rates	200	150	Ongoing	Amber
Implementation of Repairs recharge policy. This is subject to implementation of repairs recharge policy which supports the repair and maintenance contract procurement. Policy is expected to be agreed at Cabinet in July 2025 following consultation.	50		Ongoing	Amber
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
Voicescape 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	Amber
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
Reduction in postage. As the service moves towards digital communications with customers this budget can be reduced commensurately	20		Ongoing	Amber
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

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	Amber
<b>Total</b>	<b>1,670</b>	<b>245</b>		

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CAB3495  
CABINET

REPORT TITLE: CAPITAL INVESTMENT STRATEGY 2025-2035

12 FEBRUARY 2025

REPORT OF CABINET MEMBER: Cllr 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

The Capital Investment Strategy sets out the council's capital spending programme and the principles which underpin this in order to deliver the desired priorities as set out in the Council Plan.

It details the overall programme for the next 10 years, how this will be financed, and the impact of the programme on the council's Medium Term Financial Strategy. At a time when financial resources are under pressure, careful decisions must be made when considering capital investments in order for the council to deliver the objectives of the council plan, and to achieve the best outcomes possible for the district's residents.

It includes several prudential indicators that are required to be published by the CIPFA Prudential Code for Capital Finance and the Ministry of Housing, Communities and Local Government (MHCLG) Statutory Investment Guidance and, in addition to outlining how the council ensures it has access to the right knowledge and skills (internal and external), it details how it ensures elected Members have sufficient knowledge and skills to undertake their governance role.

## RECOMMENDATIONS:

That Cabinet recommends to Council:

1. The Capital Investment Strategy be approved including:
  - the Capital Programme and Capital Programme Financing (Appendices A and B to the report);

- the Minimum Revenue Provision (MRP) Policy Statement (Appendix E);
- the Flexible Use of Capital Receipts Strategy (Appendix G); and
- the prudential indicators detailed in the report and Appendix F.

That Cabinet:

2. Subject to Council approval of the capital programme, approves the following capital expenditure in 2025/26:
  - IMT equipment and software (£95,000) as detailed in paragraph 11.8.6;
3. Notes the requirement to ensure Members have the right knowledge and skills to undertake their governance role and that the ongoing support and training offered to members is continued and enhanced as required.



IMPLICATIONS:1. COUNCIL PLAN OUTCOME

- 1.1. The investment of capital resources will contribute to the achievement of the council's main objectives and priorities in the Council Plan. The Capital Strategy is an integral part of the Medium Term Financial Strategy and impacts directly on the Treasury Management Strategy.
- 1.2. More detail on specific projects supporting the priorities in the Council Plan is set out in section 11.2.

2. FINANCIAL IMPLICATIONS

- 2.1. The forecast capital programme over the next 10 years to 2034/35 totals £421.1 million of which £37.9 million is General Fund and £383.2 million is Housing Revenue Account.
- 2.2. The proposed financing is made up of £167.3 million of prudential borrowing, £153.1 million from revenue including earmarked reserves, £62.2 million of capital receipts, and £38.5 million of capital grants and contributions.
- 2.3. Further details are provided in the supporting information section below and in the appendices to the strategy.
- 2.4. The council will need to increase its external borrowing but the amount and timing of this is dependent on the delivery of the capital programme and on the council's overall reserve position. Further information, including borrowing limits, is set out in the Treasury Management Strategy (CAB3496).
- 2.5. Included in the Prudential Code is the requirement that "the chief finance officer should report explicitly on the affordability and risks associated with the capital strategy and, where appropriate, have access to specialised advice to enable them to reach their conclusions". The statement below is the Winchester City Council Chief Finance Officer's response:
- 2.6. Affordability and risk are primary considerations within the capital strategy and are of particular importance given the funding constraints on local authorities and the current economic conditions. The strategy aims to support the regeneration and place shaping priorities in the Council Plan as well as helping the council achieve its ambitious carbon neutral goals and, in the HRA, delivering new homes across the district alongside investing in existing homes to improve energy efficiency and reduce costs for tenants.
- 2.7. The council's Risk Policy (extracts of which are below) sets out the corporate risk appetite as well as and how the council ensures that the opportunities it is willing to take to achieve its strategic priorities and objectives are measured, consistent and compatible with the council's capacity to accept and manage risk. Business cases for new schemes are required to ensure that risks are adequately considered. One of the most significant risks specific to capital

investment is capacity to deliver the individual projects contained within the strategy. This is largely mitigated by adequately identifying resources required at the planning stage of projects – a core part of the business case process.

- 2.8. The HRA capital programme is a key element of the Housing Revenue Account (HRA) Business Plan which is refreshed annually. Individual schemes are assessed for affordability within the overall context of this plan, which now reflects the investment required to deliver 1000 new homes in line with the Council Plan.
- 2.9. Whilst this is an ambitious programme of works, the council has a long history of successfully managing its capital assets to support its objectives while minimising the associated risks. The proposed programme is considered affordable, sustainable, and prudent. The council utilises its treasury management advisors, Arlingclose, to ensure the latest economic context is considered when assessing capital investment proposals against the requirements of the Prudential Code.

### 3. LEGAL AND PROCUREMENT IMPLICATIONS

- 3.1. The council's Capital Investment Strategy Statement follows the latest codes of practice, and the Ministry of Housing, Communities and Local Government (MHCLG) and the Chartered Institute of Public Finance & Accountancy (CIPFA) guidance.
- 3.2. Individual projects included within the programme will be carefully considered in relation to legal and procurement issues and separate approvals sought as appropriate. The Programme and Capital Board (PAC) plays a key role in ensuring that this process takes place when considering business case and gateway decisions.

### 4. WORKFORCE IMPLICATIONS

- 4.1. Project resources for individual projects are identified as part of the business case development.

### 5. PROPERTY AND ASSET IMPLICATIONS

- 5.1. Many of the projects and schemes within the Capital Programme are related to the council's properties and assets and therefore aligning the programme with the Council's Asset Management Strategy is an important consideration. The Programme and Capital Strategy Board (PAC) plays a key role in ensuring that this process takes place and that funds are identified to improve the council's assets in line with its Strategies and Plans.

## 6. CONSULTATION AND COMMUNICATION

### Budget consultation 2025/26

- 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 helped inform the 2025/26 budget presented in this report.
- 6.4. The results show:
- Strong support for the TC25 programme and transforming services.
  - Strong support for the use of technology to improve efficiency and online access (79% agreed in total).
  - Strong support for using reserves to balance deficits over 1 or 2 years (65% agreed in total).
  - Slight disagreement on reducing or stopping some non-essential services (46% disagreed).
  - Strong support for central government providing full funding for all additional costs of food waste collection (69% agreed in total).
  - Strong disagreement on higher council tax band properties paying additional, voluntary, council tax (78% disagreed).
  - Mixed feedback on increasing council tax but general disagreement on using this to fund new or enhanced services.

### Other budget consultation

- 6.5. Discussions have been had with local business representatives through the Chamber of Commerce and the BID at their Winchester District Strategy Group business briefing in December 2024. No comments were made.
- 6.6. As capital investment schemes come forward for appraisal, appropriate engagement and consultation is undertaken as part of the business case development for all individual projects and schemes.
- 6.7. Scrutiny Committee is due to consider this report at its meeting on 4 February 2025 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.

## 7. ENVIRONMENTAL CONSIDERATIONS

- 7.1. Tackling the climate emergency and creating a greener district is a key priority for the council. A number of the schemes in the programme deal specifically with the climate emergency and environmental considerations are part of the business case supporting all capital projects.

## 8. PUBLIC SECTOR EQUALITY DUTY

- 8.1. The council is committed to ensuring its services are accessible to all its residents and that full consideration is given to obligations under the Public Sector Equality Duty in addition to any consultation comments.
- 8.2. Under the Council's Financial Procedure Rule 7.4, the inclusion of a scheme in the capital programme shall not constitute authority to incur expenditure until a full project report has been submitted by the appropriate Service Lead in consultation with their Corporate Head of Service and the S151 officer and approved in line with the limits set out in the constitution. As part of the approval to spend for each scheme, an Equality Impact Assessment must be completed before the project can proceed.

## 9. DATA PROTECTION IMPACT ASSESSMENT

- 9.1. Data Protection Impact assessments are considered as part of the business case/approvals for specific capital projects.

## 10. RISK MANAGEMENT

- 10.1. In setting out this strategy, and when considering the programme and the projects within in it, reference is made to the council's risk appetite as set in section 11.11.

<b>Risk</b>	<b>Mitigation</b>	<b>Opportunities</b>
<i>Property</i> Council assets not fully utilised	An effective capital strategy and its delivery helps to ensure council assets are used to achieve the council's priorities	Investment in the council's assets can increase income generation.  Identification of assets suitable for sale can generate capital receipts which can be reinvested

		in assets or used to reduce the council's overall borrowing need, reducing the ongoing revenue cost.
<i>Community Support</i> Projects are unsupported by the community or the community's needs are not met	Engagement is undertaken for key projects to ascertain community and stakeholder views	Engagement with the community ensures the council's capital programme meets the needs of the district's citizens and businesses
<i>Timescales</i> Projects not delivered on time resulting in a delay in benefits to the council	The 10-year strategy and its associated governance structures including regular review by the Programme and Capital Strategy (PAC) Board and quarterly by Scrutiny/Cabinet	
<i>Project capacity</i> Failure to deliver major capital schemes due to insufficient staff resources	Ensure robust business cases are taken forward and sufficient resources are available to deliver the projects.	Consideration of a wide base of potential capital / investment schemes to enable a balanced risk portfolio and other schemes to be chosen should any schemes not progress
<i>Financial / VfM</i>	Detailed elsewhere within the report	In some cases, projects may generate savings or new income in addition to achieving the council's objectives
<i>Legal</i>	Considered as part of the approval process for individual capital schemes	None
<i>Innovation</i>	Considered as part of the approval process for individual capital schemes	Strategy includes new schemes to innovate
<i>Reputation</i>	Considered as part of the approval process for individual capital schemes	Delivering council objectives via the capital programme can enhance the council's reputation

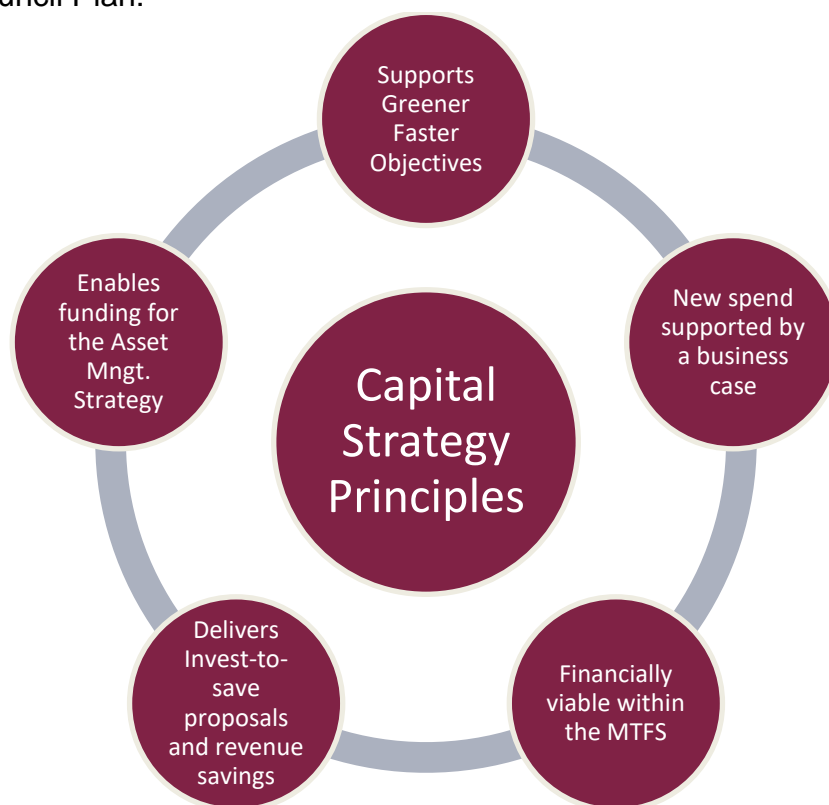


## 11. SUPPORTING INFORMATION:

### 11.1. Purpose

11.1.1. The council is in a privileged position to be able to invest in local projects that directly improve the quality of life for local people, support the economy, or protect the environment. Therefore, the primary purpose of this strategy is to identify and progress schemes to help deliver the Council Plan and to help make the council self-sufficient, in order to be able to deliver the required level of services. It outlines how the council ensures that individual schemes and the programme as a whole are deliverable and financially affordable.

11.1.2. However, financial pressures across the sector mean that the principles which underpin the strategy are carefully considered when prioritising schemes in the Capital Strategy. The Strategy sets out the council's capital spending programme and the principles which underpin this to deliver the Council Plan:

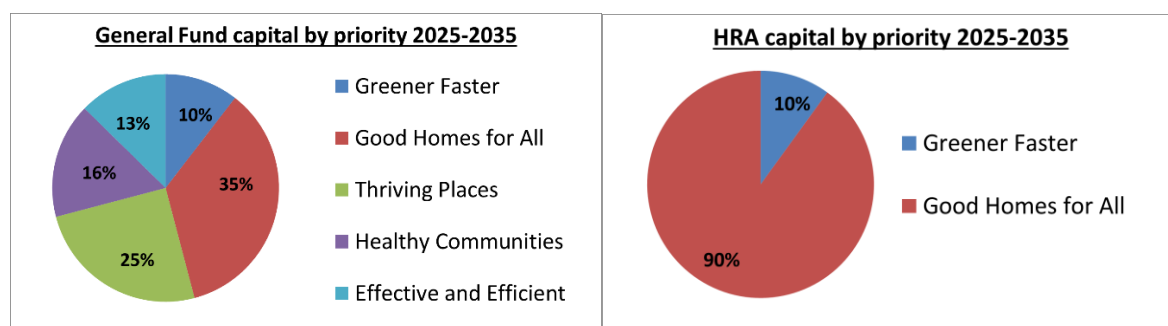


11.1.3. The council's capital programme incorporates both the General Fund (GF) and the Housing Revenue Account (HRA) capital requirements to support service provision and links with the Council Plan, Housing Business Plan, the Asset Management Strategy, IMT strategy and Medium Term Financial Strategy. This capital investment strategy provides a framework for the development and implementation of the capital programme.

11.1.4. As detailed in the council's Medium Term Financial Strategy (MTFS), the council is forecasting a significant reduction in its anticipated financial

resources over the medium term. This is being addressed through the Transformation Challenge 2025 programme ('TC25'), where one of the key themes is maximising the use of our assets. It is vital therefore that the council maximises the use of its capital investment in the district over the next decade. As available resources reduce, the council needs to utilise its capital programme to drive the most effective and efficient use of those resources for the benefit of the district's residents.

- 11.1.5. The Council Plan details how the council will deliver its strategic priorities: Greener Faster, Good Homes for All, Thriving Places, Healthy Communities, Listening Better, and Effective and Efficient. Several of these priorities will be delivered through capital spend and associated projects including for example: additional investment in the council's housing stock to improve energy efficiency and help tenants reduce their carbon emissions and energy costs; the provision of new housing and maintenance of existing housing stock; major regeneration schemes; the refurbishment of the council's existing assets; and provision of leisure facilities.
- 11.1.6. The following charts illustrate the percentage of total capital expenditure forecast for each of the council's priorities (NB the charts are based on the main priority for each project or scheme; however, many meet more than one priority. For example, while a project may have a primary purpose of improving the local economy it may contain elements such as the installation of solar panels in order to tackle the climate emergency):



## 11.2. The Capital Programme

- 11.2.1. The council has made further progress in 2024/25 in delivering its capital programme. In the General Fund, projects completed or substantially complete this year include:
- King George V (KGV) pavilion. As well as offering a modern facility for its users, it will help the council achieve its carbon neutral goals by incorporating several features including EV charging points, solar panels, an air source heat pump, and a green roof.
  - The creation of Friarsgate Park as an interim open space in the Central Winchester Regeneration area following the demolition of Friarsgate Medical Centre.

- The establishment of a wholly owned Housing Company, based on a leasing model, which will support the delivery of alternative tenures.
- The refurbishment of 59 Colebrook Street for shared accommodation – to be used initially to house those from the Ukrainian Resettlement Scheme.
- The award of capital grants totalling £0.8m as part of the UK shared prosperity fund and Rural prosperity fund programmes. Grants to community groups and small businesses include the installation of solar PV and EV charging points, a fleet of e-bikes for lease to local businesses, and a replacement community bus.

11.2.2. In addition to the required investment in major works to the existing stock including an ambitious retrofit programme to increase energy efficiency and help tenants reduce energy costs and to maintain the current decent homes standard, significant additional funding towards a challenging new build and acquisitions programme is included to facilitate the delivery of the council's objective of 1000 new homes for local people. Major approved projects included are:

- Winnall Flats with 76 units (35 shared ownership, and 41 market rent) – completed early 2024/25
- Southbrook Cottages (6 units of affordable) delivered to Passive House standard – completed Nov/Dec 2024
- Acquisition of 10 units (6 affordable, 4 shared ownership) at Hazeley Road Twyford, construction between 2024/25 and 2026/27
- Acquisition of 146 units (95 affordable, 51 shared ownership) at Kings Barton (three phases to be constructed between 2024/25 and 2027/28)

11.2.3. Over the period 2025 to 2035, the council's total estimated capital expenditure is £421.1m of which £37.9m is General Fund and £383.2m is Housing Revenue Account. The following table summarises the capital programme by year for the period. Further detail by project is included in Appendix A:

*Table 1: Summary of capital expenditure*

Capital Expenditure 2025 - 2035	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	TOTAL Est.
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
General Fund	15.6	4.8	3.9	2.6	1.7	2.0	2.0	1.7	1.9	1.8	37.9
HRA	34.3	40.6	65.3	44.1	49.0	55.6	36.7	37.7	9.3	10.6	383.2
<b>Total Expenditure</b>	<b>49.9</b>	<b>45.4</b>	<b>69.2</b>	<b>46.7</b>	<b>50.7</b>	<b>57.6</b>	<b>38.7</b>	<b>39.4</b>	<b>11.2</b>	<b>12.4</b>	<b>421.1</b>

11.2.4. The programme includes the following key projects (quoted budget figures are for the period 2025-2035 and do not include prior years):

**Priority: Greener Faster (£42.3m)**

Making the district Greener Faster is a theme that is integral to *all* that the council does.

- £38.4 m has been allocated to invest in the **council's housing stock to improve energy efficiency and reduce emissions**.
- £2m budget has been allocated for **energy management projects** over 4 years from 2025/26 provisionally funded by prudential borrowing. Expenditure will be subject to a business case as projects are identified and the council will seek to identify external grant funding where possible. As well as reducing the council's carbon emissions it is anticipated that projects will provide potential for additional income and/or savings to the council over and above the cost of borrowing.
- £1.8m has been set aside for capital purchases for the provision of **food waste collection** from the district's households. Food waste recycling has the potential to reduce the district's carbon footprint by an estimated 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
- In addition to the projects outlined above, measures to tackle the climate emergency are included in other projects. For example, the design of new pavilion at King George V playing fields includes elements to ensure a sustainable and energy efficient building such as high-performance insulation and solar PV, and several capital grants have been made to community groups and small businesses for the installation of solar PV.

**Priority: Good Homes for All (£358.3m)**

- Over the next 10 years, £229.2m has been budgeted for the council's **New Build programme** to enable the delivery of its ambitious programme.
- An estimated £103.5m will be spent on **major repairs and maintenance** of our existing housing stock including £14.4m to improve fire safety; £6.5m on roof replacements for dwellings; £12.1m on windows & doors for dwellings; £12.1m for external works for dwellings and estate improvements; £21.3m for major works to blocks; £11.5m on heating and hot water systems to all properties; and £11.6m on new kitchens to all properties. In addition, allowance of £14m is made for unplanned major works over the period.

- An estimated £13.4m of **Disabled Facilities Grant** to enable people to stay in their own homes where possible by providing necessary adaptations to private homes in addition to £8.2m for adaptations to the council's own stock.

#### Priority: Thriving Places (£9.5m)

- The **Strategic Asset Purchase Scheme (SAPS)** seeks to identify assets for the council to acquire which will assist it in meeting its strategic objectives such as regeneration whilst also generating ongoing revenue streams in order to ensure a scheme is financially viable overall or to be recycled in other similar schemes. Following changes to the PWLB lending terms and the Prudential Code, the council can no longer purchase assets primarily for yield and must do so for service reasons only, including regeneration. Any surplus income must be incidental to the scheme or recycled in similar schemes elsewhere and cannot be used to fund wider services. The SAPS board (see section 11.10) can approve purchases up to £4m if the minimum score criteria is met. Any other purchases must follow the usual governance process as defined by the constitution. A budget of £4m has been allocated in 2025/26.
- **Community Infrastructure Levy (CIL) – Community projects.** A total of £1.7m has been set aside to award CIL funded capital grants including £0.7m still to be awarded. The scheme allows community groups to apply for a share of between £10,000 and £200,000 for essential infrastructure projects. The allocation of CIL funding helps to provide the infrastructure required to support development whilst ensuring that the corporate priorities and outcomes within the Council Plan are at the forefront of the decisions made regarding the infrastructure to be delivered.
- In addition, a total of £3.6m has been identified for various car park improvements throughout the district including a new lift at **Chesil car park**, and provision of a new **car park at the Dean in Alresford**.

#### Priority: Healthy Communities (£6.2m)

- A budget of £2.3m (including £40,000 for fees in 2024/25) has been approved to replace the **North Walls pavilion**. The current pavilion is beyond its useful life and in need of replacement. The proposal is to demolish the existing Pavilion and replace with a modern facility. This includes disabled access to the facilities to enhance the offer of disability cricket in the district.
- Over the next 4 years, £0.37m has been included for the **replacement or refurbishment of several play areas** that are the responsibility of Winchester Town Forum.



- £183,000 is included in the 10-year programme for the refurbishment of the 3G pitch and replacement equipment including gym and group exercise equipment at **Meadowside Leisure Centre**.
- Proposals for the future use of the old **River Park Leisure Centre site** have not been determined but a provisional budget for its demolition was added to the capital programme in February 2020; £2m is profiled in 2025/26. The exact timing is uncertain and to be determined as part of the wider plans for the site. This expenditure will be funded from the capital receipts reserve and offset by any capital receipt from the disposal of the site.

**Priority: Effective and Efficient (£4.8m)**

- A large element of the budgets is for long term capital maintenance works to the council's operational assets. This includes the replacement of the City Offices heating system and lifts within City Offices and the West Wing, as well as an annual budget for reactive capital maintenance works.
- A budget of £250,000 has been included in order to undertake **essential refurbishment works to the clock tower of the Guildhall**. The works will improve the fire safety of the building whilst also improving thermal comfort. The building will remain opening during the works.
- The council continues to invest in keeping its IMT up to date including the provision of appropriate equipment to reduce cost and the consumption of paper and investing in remote working solutions to reduce the need for staff to travel and therefore the council's carbon footprint.

11.2.5. Future capital ambitions and key considerations for future years:

- Ongoing work is being undertaken on **Greener Faster energy schemes**, including the potential for the council to invest in a solar farm in the district and the possibility, for example, of installing solar canopies in car parks. In some cases, such as with the installation of solar panels, the projects may pay for themselves and deliver a small surplus to the council. However, some projects may not provide sufficient income or savings to cover the associated cost of borrowing and will therefore increase the overall revenue costs to the council; there are a number of possible sources of grant funding for these projects and the council will explore these opportunities where appropriate in order to reduce the financial impact.
- A number of potential schemes will be required in respect of the **Winchester Movement Strategy**. Where possible, external funding sources will be explored such as Community Infrastructure Levy (CIL) contributions and external grant funding.
- **Community Infrastructure Levy** funded investment - it is expected that a number of infrastructure projects will come forwards in 2025/26 through

our major projects for place making and regeneration. CIL funds will be used to contribute to projects such as the delivery of the City Local Cycling and Walking Infrastructure Plan (LCWIP), the district LCWIP, the Winchester Movement Strategy (mentioned above), and other projects which improve walking, cycling and using buses around our district. Projects coming forward under these CIL funds will all be authorised through the council's usual governance route.

- **Central Winchester Regeneration (CWR)** is a once in a lifetime opportunity aiming to transform the centre of our historic city: bringing homes for local families; providing jobs for local people; and making a visit to this heritage city one which will be remembered. The council has a unique opportunity to bring forward sensitive development, adapting to the challenges faced by a new generation and crucially to be delivered through the lens of responding to climate change. Working with a development partner to bring the scheme forward, the council will be investing in the redevelopment, including transferring its assets into it.
- The cost of borrowing has increased considerably in the last few years (rates available to the council at the end of 2021 were circa 2% and at the end of 2024 were between 5% and 6%). This, coupled with significant construction inflation, challenges the viability of potential build projects. Ongoing consideration is being given to value engineering, alternative proposals or meanwhile uses while potential projects are paused until the economic environment improves.
- As stated in the Asset Management Strategy (CAB3777 refers), the council's non-housing property assets play a significant role in generating rental income and creating opportunity for social, economic, environmental, cultural and regeneration interventions. As part of this it is essential that sufficient funds are set aside in the Property Reserve and the council is establishing the total needs of the estate over the next several years with a key tenet being the decarbonisation of the council's estate. It is essential to regularly review the performance of the council's property portfolio and make active decisions on retention, disposal or rental/leasing options to best support council objectives. Part of the remit of the council's Property Board, a member/officer group, is "Asset Challenge" which commenced in 2018/19 and involves reviewing the council's assets on a rolling basis to ensure the best use is made of them and, where appropriate, recommend investment in or disposal of assets.

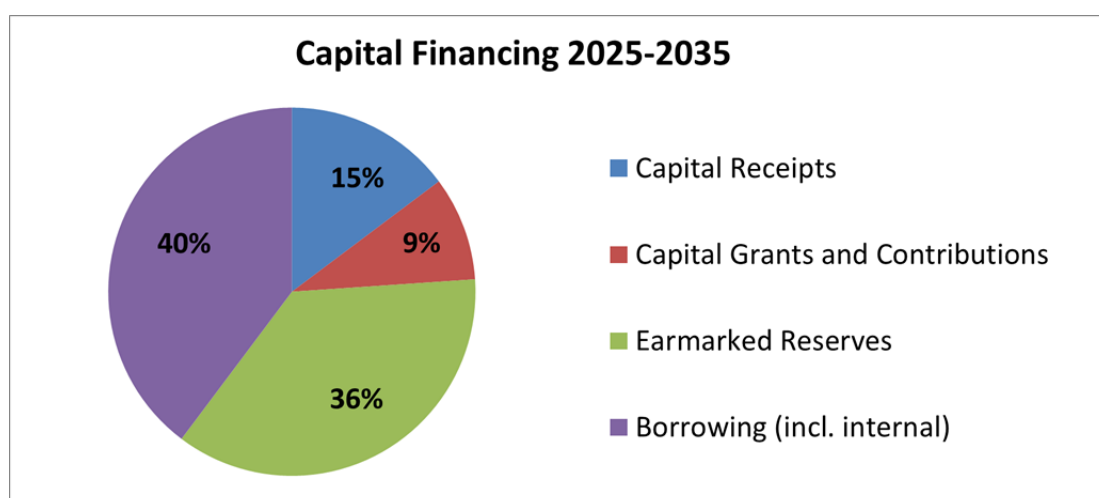
### 11.3. Financing the Capital Programme

- 11.3.1. The council can invest in a capital programme so long as its capital spending plans are "affordable, prudent, and sustainable" as well as "proportionate".

11.3.2. The main sources of finance for capital projects are as follows:

- Capital receipts (from asset sales);
- Capital grants (e.g. Disabled Facilities Grant);
- External contributions (e.g. Section 106 developers' contributions and Community Infrastructure Levy (CIL));
- 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 internally (also known as the "Capital Financing Requirement").

11.3.3. Full details of the proposed financing for the 2025-2035 capital programme are provided in Appendix B and is summarised in the following graph:



11.3.4. Borrowing (or Capital Financing Requirement) makes up a significant element of the council's proposed financing over the next 10 years. In recent years the council has had sufficient cash and investment balances to be able to internally borrow but will, in the future, need to increase its external borrowing in addition to the £159.6m the council has already borrowed on behalf of the HRA. The impact of this borrowing is incorporated into the Medium-Term Financial Strategy and the Housing Revenue Account business plan. The council works closely with its external treasury advisors (Arlingclose) to identify the optimum borrowing strategy to provide a balance between achieving certainty of future costs (i.e. locking-in long-term fixed rates) and the overall cost of borrowing.

11.3.5. Before committing the council to borrowing, consideration is given to the forecast savings and/or income a new project may generate and how this will contribute to the financing costs as part of its respective business case. The capital financing requirement is reduced over the life of individual assets in the General Fund by a statutory annual contribution from revenue referred to as the Minimum Revenue Provision (MRP). In

addition, the council can elect to reduce its borrowing need by making additional contributions from revenue or from the sale of assets (capital receipts). Planned MRP is as follows:

*Table 2: Replacement of debt finance in £ millions*

	2023/24 actual	2024/25 forecast	2025/26 budget	2026/27 budget	2027/28 budget
Minimum Revenue Provision (GF)	1.6	1.6	1.7	1.6	1.5
Reserves (HRA)	0.0	0.2	0.0	0.0	0.0
<b>Total</b>	<b>1.6</b>	<b>1.8</b>	<b>1.7</b>	<b>1.6</b>	<b>1.5</b>

The council's full MRP statement is available at Appendix E.

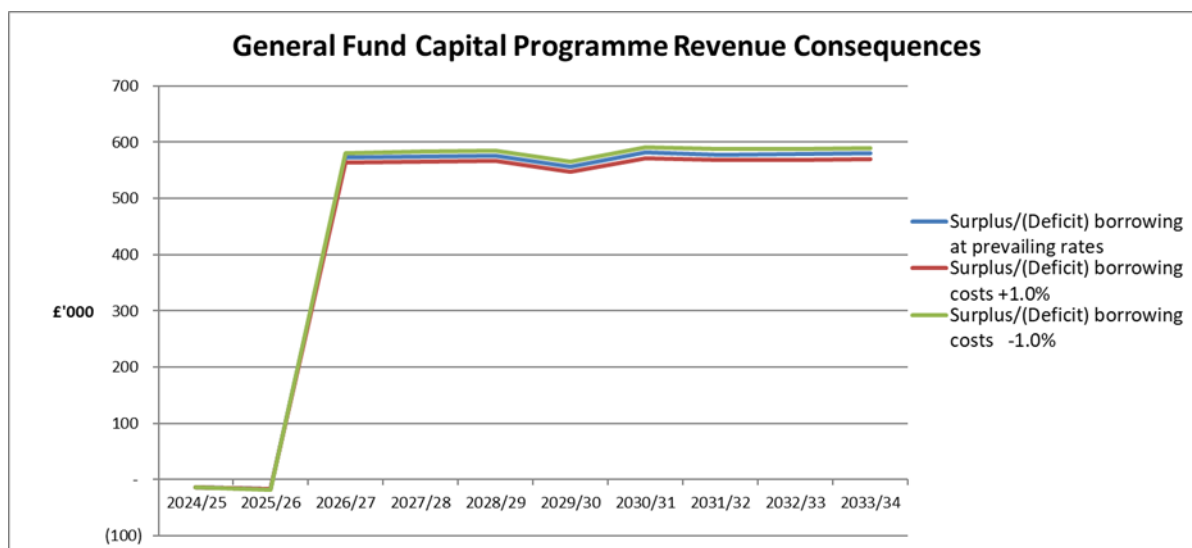
- 11.3.6. The council's cumulative outstanding amount of debt finance (borrowing need) is measured by the Capital Financing Requirement (CFR). This increases with new debt-financed capital expenditure and reduces with MRP and voluntary contributions from revenue or capital receipts. CFR is estimated to decrease by up to £8.4m during 2025/26 subject to full delivery of the Capital Programme including asset sales.

*Table 3: Estimates of Capital Financing Requirement (CFR) in £ millions*

	31.3.2024 actual	31.3.2025 forecast	31.3.2026 budget	31.3.2027 budget	31.3.2028 budget
General Fund	70.2	68.8	60.4	59.9	58.9
Housing Revenue Account	212.5	212.3	212.3	212.3	257.4
<b>TOTAL CFR</b>	<b>282.7</b>	<b>281.1</b>	<b>272.7</b>	<b>272.2</b>	<b>316.3</b>

- 11.3.7. Further information including borrowing forecasts and borrowing limits are set out in the Treasury Management Strategy (CAB3496).
- 11.4. Revenue Consequences of the Capital Programme on the General Fund
- 11.4.1. Appendix C details the impact of the Capital Programme on the council's General Fund and includes the effect of using potential capital receipts to reduce prior year unfinanced capital expenditure. Not all projects provide savings or generate income but, in aggregate, the capital programme is forecast to have a positive net benefit to the General Fund from 2026/27 driven largely by the capital receipts from asset sales reducing outstanding CFR and therefore ongoing MRP charges.
- 11.4.2. Part of the council's programme is financed by borrowing and this exposes the council to the risk of changing interest rates. The council can mitigate against this by borrowing early where it is advantageous to do so and by

taking out a basket of loans of mixed duration including longer-term fixed rate loans. The graph below illustrates the impact on the General Fund at prevailing long-term rates available to the council as well as the impact of a change in those rates by +/-1.0%:



11.4.3. Although capital expenditure is not charged directly to the revenue budget, interest payable on loans, MRP, and any revenue funded reductions in the borrowing need are charged to the General Fund (GF) or Housing Revenue Account (HRA) income and expenditure statements as appropriate. The net annual charge is known as financing costs - this is compared to the net revenue stream: Council Tax, Business rates, and general government grants in the case of the GF; and rents and other charges in the case of the HRA.

Table 4: Prudential Indicator: Proportion of financing costs to net revenue stream

	2023/24 actual	2024/25 forecast	2025/26 budget	2026/27 budget	2027/28 budget
GF financing costs (£m)	1.6	1.7	1.7	1.6	1.6
GF proportion of net revenue stream	7.2%	7.4%	8.1%	8.2%	8.3%
HRA financing costs (£m)	5.2	7.4	8.3	8.3	9.5
HRA proportion of net revenue stream	15.7%	20.0%	21.9%	20.9%	22.1%

11.4.4. **Sustainability** – due to the long-term nature of capital expenditure and financing, the revenue implications of the expenditure in the next few years



will extend up to 50 years in the future. It is imperative therefore that the council ensures that the proposed programme is prudent, affordable, and sustainable. This is achieved by ensuring that the governance and procedures outlined in this strategy are followed; by incorporating and considering the revenue impact in the context of the medium-term financial strategy (MTFS); by undertaking financial appraisals of individual projects as part of their business cases on a whole life basis; and, for HRA expenditure, incorporating the impact in the 30 year business plan.

#### 11.5. Capital Receipts

11.5.1. When a capital asset is sold the proceeds, known as capital receipts, can be spent on new assets or to reduce debt from prior year capital expenditure. Repayments of capital grants, loans, and investments also generate capital receipts. Forecast capital receipts and their use in funding capital expenditure is detailed in Appendix D.

11.5.2. Ordinarily capital resources, such as capital receipts, can only be used to finance capital expenditure (i.e. the creation or enhancement of a capital asset). However, in 2018 the MHCLG Secretary of State issued a direction to local authorities in order to give them the freedom to use capital receipts from the sale of their own assets (excluding Right to Buy receipts) to help fund the revenue costs of transformation projects and release savings, including through redundancy. By using capital receipts, the council is able to avoid the negative impact on its annual revenue budget of significant one-off costs. The council used £194,000 in qualifying receipts for severance costs in 2020/21 which will continue to provide significant ongoing savings of over £700,000 per annum. The direction was extended and expires on 31 March 2023. While the council has no specific plans to do so, it may use qualifying capital receipts, when appropriate, to help fund the revenue costs of any transformation projects identified. Further detail is provided in the Flexible Use of Capital Receipts Strategy at Appendix G.

11.5.3. In order to effectively manage its estate the council commenced an asset challenge programme in 2018/19. This process involves reviewing all the council's assets on a rolling basis to establish why the council holds assets; what options the council has, for example, to increase income, dispose, hold or develop; and when these can be realised.

#### 11.6. The approval process and Project and Programme management

11.6.1. For effective delivery of the Capital Programme, it is important that the programme is realistic in terms of projects which can be delivered on time, within budget, and whilst achieving the desired outcomes. The council has a number of programme and project management procedures in place to help to ensure successful delivery of the capital programme, from the initiation and approval of projects to effective performance monitoring and post-implementation review.

- 11.6.2. The resource requirements for each corporate project are assessed as part of the development of the outline business case and associated project plan and initially identified in the Business Justification Case which is considered by the Programme and Capital Board (PAC). This is then considered in relation to the whole programme of projects to determine the cumulative impact of delivery on staff resources. This can have an impact on resourcing in key service areas such as the legal, finance, procurement and estates teams depending upon the nature of the projects. Where required, external support is commissioned to provide resources which cannot be met internally.
- 11.6.3. The PAC Board, the role of which is to monitor the programme and project delivery together with identifying and addressing resource issues, meets on a regular basis to consider such issues.
- 11.6.4. Cabinet and Scrutiny Committee receive quarterly updates on financial performance as well as key projects many of which are in the capital programme.
- 11.7. Asset Management Strategy (AMS)
- 11.7.1. The AMS seeks to address both the spending priorities for the maintenance of operational property and the development of the non-operational estate to assist economic development and provide both capital receipts and revenue income streams. The most recent AMS covering the period to 2027 was approved in January 2023 (CAB3377 refers).
- 11.7.2. The council owns a well-located portfolio of property which has the potential to provide an increasing level of income for the council, whilst other sources of income may be restricted in growth. The value of the council's portfolio can be unlocked by undertaking prudent development or refurbishment schemes on existing property to be let as well as identifying potential asset sales as detailed in 11.5 above.
- 11.7.3. The Capital Programme (Appendix A) includes specific projects in line with the underlying asset management plan held by the council's Estates team. In addition, an annual budget, funded by the Property Reserve, has been allocated to support reactive capital maintenance and smaller scale refurbishments as they arise.
- 11.8. IMT Asset Management Plan
- 11.8.1. The council formed an IT delivery partnership with Test Valley Borough Council in 2009 that shares an infrastructure platform that continues to produce both capital avoidance and revenue financial savings. Assets in the shared platform are jointly procured and owned. Other capital assets which are required solely for the use of either party will continue to be funded independently. This will be reflected in setting out investment requirements.

- 11.8.2. The purpose of the IMT Service is to deliver highly reliable, secure and easy to use technology solutions, maintaining operational excellence. The IMT Service uses good practice methodologies (ITIL3) to ensure the quality control of supportable, sustainable, and secure services to deliver high quality IT Services.
- 11.8.3. The Asset Management Plan for IT infrastructure recognises this requirement for fit-for-purpose equipment through a programme of continuous investment. Generally, equipment will require refreshment after 4-5 years, at intermittent intervals due to the practical constraint of delivery and implementation. The plan assumes the need to refresh infrastructure items on a like-for-like basis, and proposed costs reflect this. In reality, after five years the technology will have “moved on” and new developments, offering further advances, will be considered and may give greater benefits for the same investment.
- 11.8.4. The council has introduced hybrid working and staff may work up to 50% of the time remotely. A key element of this is the IT investment to enable flexible working from a range of locations (specifically the roll-out of laptops and hybrid meeting room solutions).
- 11.8.5. Digitalisation is a key tenet of the council’s TC25 Programme and we must continue to align our IT delivery to ensure that we provide technical solutions that enable a shift from traditional IT support and focus more on transformation services to complement our digital and workforce strategy.
- 11.8.6. The following table sets out the proposed IMT capital expenditure for 2024/25 to be financed from the IMT reserve:

<b>IMT Capital</b>	<b>2025/26</b>
	<b>£'000</b>
Equipment	15
Corporate network	25
Uninterruptable power supply (UPS)	5
Meeting rooms equipment	50
<b>Total</b>	<b>95</b>

- 11.9. Housing Revenue Account (HRA)
- 11.9.1. The HRA capital programme takes full account of priorities detailed in the council’s Housing Strategy, its 30-year HRA Business Plan and the Housing Asset Management Strategy.
- 11.9.2. Appendix A provides summary detail on the HRA capital programme for 2025/26 and forecasts to 2034/35. Further detailed information can be found in the Housing budget paper (CAB3490).

## 11.10. Commercial and non-Treasury Investment Activities

11.10.1. The council invests for three broad purposes:

- because it has surplus cash as a result of the reserves it holds and its day-to-day activities such as when income is received in advance of expenditure (known as **treasury management investments**);
- to support local public services by undertaking regeneration projects, by lending to, and by buying shares in other organisations (**service investments**); and
- to earn investment income (**commercial investments**).

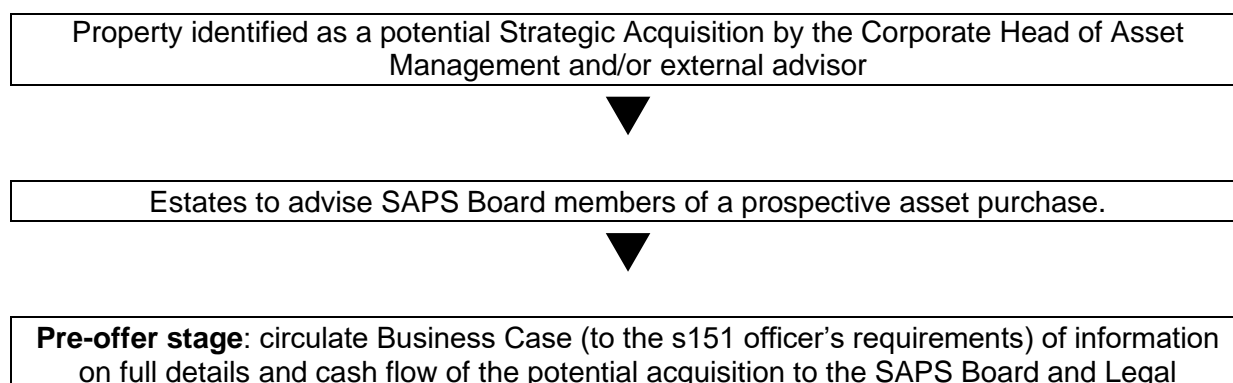
11.10.2. The council's Treasury Management Strategy, and associated limits and indicators, is reported in CAB3496. Further detail on service and commercial investments including total investment indicators is provided in Appendix F.

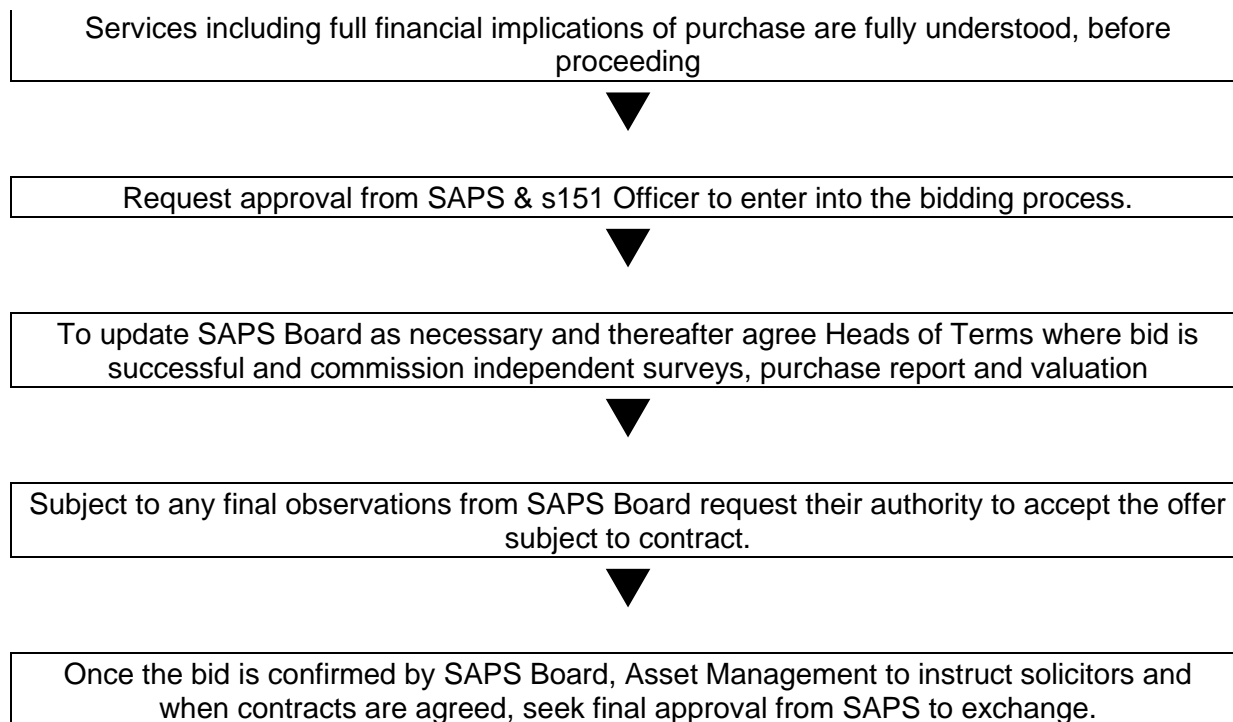
11.10.3. As noted elsewhere in this report, the council's Asset Management Strategy seeks to develop the estate to assist economic development and provide both capital receipts and revenue income streams.

11.10.4. Individual projects are supported by appropriate business cases and the programme as a whole is monitored to ensure that sufficient resources are available, both financial and in respect of staff. Where appropriate, the council will procure additional external resource when either there is insufficient officer availability or when specialist advice and support is required.

11.10.5. In addition to this, Council approved a Strategic Asset Purchase Scheme (SAPS) in January 2017 (CAB2872 refers). As part of this, a SAPS Board was created which includes members and officers; the board receives recommendations of potential purchases and the s151 officer has delegated authority to make acquisitions up to £4m following discussions with the board, subject to due diligence, or recommend to Cabinet and Council to approve acquisitions above £4m.

11.10.6. The following flowchart details the process:





#### 11.11. Risk Appetite

- 11.11.1. The council's Risk Appetite Statement is an integral part of the council's Risk Management Policy. It ensures that the opportunities the council is willing to take to achieve its strategic priorities and objectives are measured, consistent and compatible with the council's capacity to accept and manage risk; and that they do not expose the council to unknown, unmanaged or unacceptable risks. The Policy was most recently updated and approved in March 2024 (CAB3453). The Policy is subject to review annually and the risk appetite detailed below may therefore change.
- 11.11.2. During the course of the year the council will take fair, measured and targeted levels of risk to achieve the priority objectives included in the Council Plan. There will be opportunities for the council to be innovative or work differently and any identified risks will need to be considered against the anticipated cost or efficiency benefits.
- 11.11.3. The Risk Appetite Statement supports members and officers in decision making by setting out where the cabinet is comfortable taking different levels of risk, and which levels of risk are unacceptable. The council's risk appetite is considered in conjunction with the risk section of all committee reports when decisions are made.
- 11.11.4. The council's current overall risk appetite is defined as MODERATE (see table below for definitions). This means the council remains open to innovative ways of working and to pursue options that offer potentially substantial rewards, despite also having greater level of risks. However,

the council's preference is for safe delivery options which have a lower degree of risk, especially for those services required by statute.

Risk Appetite Definitions	
Avoid	No appetite. Not prepared to take risk.
Averse	Prepared to accept only the very lowest levels of risk, with the preference being for ultra-safe delivery options, while recognising that these will have little or no potential for reward/return.
Cautious	Willing to accept some low risks, while maintaining an overall preference for safe delivery options despite the probability of these having mostly restricted potential for reward/return.
Moderate	Tending always towards exposure to only modest levels of risk in order to achieve acceptable outcomes.
Open	Prepared to consider all delivery options and select those with the highest probability of productive outcomes, even when there are elevated levels of associated risk.
Hungry	Eager to seek original/creative/pioneering delivery options and to accept the associated substantial risk levels in order to secure successful outcomes and meaningful reward/return.

11.11.5. Risk appetite is not a single, fixed concept and there will be a range of appetites for different risks which may vary over time. The council's risk appetite by corporate priority (as at March 2024) and guiding principles are set out below.

Council Plan Priority*	Risk Appetite	
Tackling the climate emergency	Open	Reflecting the urgency of the climate crisis we will consider options with elevated levels of risk if they deliver required outcomes faster.
Homes for all	Open	We will choose innovative solutions which may bring elevated levels of risk in order to provide homes that are: <ul style="list-style-type: none"> <li>• Affordable</li> <li>• sustainable</li> <li>• with low energy usage and low bills</li> </ul> built in the right areas for our changing communities.
Living well	Moderate	We will continue to facilitate and deliver solutions, often working with partners, that produce positive outcomes for all our residents. We will usually take moderate to low-risk options.
Vibrant local economy	Moderate	We will tend towards exposure to modest levels of risk in order to deliver positive



		outcomes for our local economy in these challenging times.
Your services, your voice	Moderate	We will, in order to ensure resilience, enhance our services and make the best use of our resources and explore alternative delivery models. We will tend towards moderate risk exposure to deliver good levels of service.

\* The risk appetites are based on the previous council plan and will be updated in 2025 when the risk policy is revised.

#### 11.12. Knowledge, capacity, and skills

- 11.12.1. In order to deliver the Capital Programme, it is essential that the council has access to the right knowledge and skills.
- 11.12.2. Internally the council employs fully qualified and experienced staff such as accountants, solicitors, and surveyors. It is fully supportive in providing access to training, both internal and external, to enable those staff to complete their Continuing Professional Development (CPD) requirements.
- 11.12.3. Where the council does not have the knowledge, capacity, or skills required, use is made of external advisors and specialists in their field. The council currently employs Arlingclose Ltd as their Treasury advisers, PSTax to advise on tax matters, Wilks Head & Eve to undertake its year end valuations, and other specialists as required to support, for example, its major projects.
- 11.12.4. In addition, the council ensures that its members are suitably experienced to undertake the governance responsibilities commensurate to their roles by providing training opportunities (internally and externally provided) and access to workshops either within the council or with its local government partners. There are a number of mandatory training sessions for members throughout the year including, for example, Code of Conduct training and training for the Audit & Governance Committee. Several members attended briefing sessions in October and November 2024: a “Understanding your council’s financial statements” provided by CIPFA and a session on Treasury Management delivered provided by the council’s treasury advisers Arlingclose.
- 11.12.5. The council also procures, when required, expert advice and assistance externally such as financial and legal advice.

12. OTHER OPTIONS CONSIDERED AND REJECTED

- 12.1. The council could elect to have no capital programme at all or to plan for an alternative programme. Both these options have been rejected as the council would no longer be able to meet its objectives.

BACKGROUND DOCUMENTS:-

Previous Committee Reports:-

The Capital Strategy and Programme are approved annually.

Other Background Documents:-

None

APPENDICES:

Appendix A – Capital Programme 2025-2035

Appendix B – Capital Programme Financing 2025-2035

Appendix C – Revenue Consequences of General Fund Capital Programme 2025 to 2035

Appendix D – Capital Receipts Reserve Forecast

Appendix E – Minimum Revenue Provision Statement 2025/26

Appendix F – Investment activities

Appendix G – Flexible Use of Capital Receipts Strategy

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## Capital Programme 2025-35

Projects **highlighted in bold** are either complete or substantially complete

	Priority	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	TOTAL
		Revised	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	2025-2035 Forecast
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>General Fund</b>													
<b>Approved*</b>													
Disabled Facility Grants	Good Homes for All	1,343	1,343	1,343	1,343	1,343	1,343	1,343	1,343	1,343	1,343	1,343	13,430
North Walls Pavilion replacement	Healthy Communities	40	2,260	-	-	-	-	-	-	-	-	-	2,260
Food waste collection - capital investments incl. vehicles & caddies	Greener Faster	125	1,816	-	-	-	-	-	-	-	-	-	1,816
IMT Assets	Effective and Efficient	111	95	224	285	240	30	65	294	35	210	35	1,513
Car Parks	Thriving Places	337	840	-	-	-	-	-	-	-	-	-	840
CIL funded community projects	Thriving Places	469	701	-	-	-	-	-	-	-	-	-	701
SAPS - Car Park at the Dean, Alresford	Thriving Places	600	-	465	-	-	-	-	-	-	-	-	465
CIL funded HCC projects - contra-flow cycle scheme Upper High St.	Thriving Places	-	300	-	-	-	-	-	-	-	-	-	300
Meadowside Leisure centre - new equipment	Healthy Communities	-	-	-	-	101	-	-	-	-	-	-	101
Public conveniences improvements	Thriving Places	130	180	-	-	-	-	-	-	-	-	-	180
Open Spaces & Recreational Facilities - Chaundler Road	Healthy Communities	-	110	-	-	-	-	-	-	-	-	-	110
Meadowside Leisure centre - solar PV	Greener Faster	-	60	-	-	-	-	-	-	-	-	-	60
KGV Park Plan	Healthy Communities	57	47	-	-	-	-	-	-	-	-	-	47
<b>WGC all weather 3G pitch</b>	Healthy Communities	1,466	-	-	-	-	-	-	-	-	-	-	0
<b>59 Colebrook Street - shared accommodation</b>	Good Homes for All	607	-	-	-	-	-	-	-	-	-	-	0
<b>Rural Prosperity Fund - approved projects</b>	Thriving Places	597	-	-	-	-	-	-	-	-	-	-	0
<b>Guildhall fire safety improvement works</b>	Effective and Efficient	485	-	-	-	-	-	-	-	-	-	-	0
<b>Chesil Multi Storey car park - resurfacing</b>	Thriving Places	299	-	-	-	-	-	-	-	-	-	-	0
<b>Frisgate Park</b>	Thriving Places	240	-	-	-	-	-	-	-	-	-	-	0
<b>King George V Pavilion replacement</b>	Healthy Communities	218	-	-	-	-	-	-	-	-	-	-	0
<b>Car parks - public convenience improvements</b>	Healthy Communities	210	-	-	-	-	-	-	-	-	-	-	0
<b>UK Shared Prosperity Fund - approved projects</b>	Thriving Places	205	-	-	-	-	-	-	-	-	-	-	0
<b>The Weirs - essential repairs</b>	Thriving Places	151	-	-	-	-	-	-	-	-	-	-	0
<b>Housing Company</b>	Good Homes for All	150	-	-	-	-	-	-	-	-	-	-	0
<b>Open Spaces &amp; Recreational Facilities - KGV play area</b>	Healthy Communities	115	-	-	-	-	-	-	-	-	-	-	0
<b>Open Spaces &amp; Recreational Facilities - Talavera Road play area</b>	Healthy Communities	90	-	-	-	-	-	-	-	-	-	-	0
<b>Relocation of bone store to F2 - racking</b>	Effective and Efficient	75	-	-	-	-	-	-	-	-	-	-	0
<b>Winchester Sport &amp; Leisure Park</b>	Healthy Communities	55	-	-	-	-	-	-	-	-	-	-	0
<b>Chesil Multi Storey car park - replacement lighting</b>	Thriving Places	50	-	-	-	-	-	-	-	-	-	-	0
North Wallis Park Plan - path improvements	Healthy Communities	50	-	-	-	-	-	-	-	-	-	-	0
<b>St Giles Hill stabilisation works (Town)</b>	Healthy Communities	46	-	-	-	-	-	-	-	-	-	-	0
<b>Open Spaces &amp; Recreational Facilities - Abbey Gardens (surface)</b>	Healthy Communities	23	-	-	-	-	-	-	-	-	-	-	0
<b>Winchester Town bus shelters</b>	Thriving Places	20	-	-	-	-	-	-	-	-	-	-	0
Jane Austen Statue - capital grant	Thriving Places	10	-	-	-	-	-	-	-	-	-	-	0
<b>North Walls - tennis court resurfacing</b>	Healthy Communities	7	-	-	-	-	-	-	-	-	-	-	0
<b>Total Approved*</b>		<b>8,381</b>	<b>7,752</b>	<b>2,032</b>	<b>1,628</b>	<b>1,684</b>	<b>1,373</b>	<b>1,408</b>	<b>1,637</b>	<b>1,378</b>	<b>1,553</b>	<b>1,378</b>	<b>21,823</b>

Capital Programme 2025-35

		2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	TOTAL
	Priority	Revised	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	2025-2035 Forecast
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>Subject to Appraisal*</b>													
Demolition of former leisure centre at River Park	Healthy Communities	-	2,000	-	-	-	-	-	-	-	-	-	2,000
Energy Management Projects	Greener Faster	-	500	500	500	500	-	-	-	-	-	-	2,000
Car Parks	Thriving Places	-	-	305	180	180	180	180	180	180	180	180	1,745
Asset Management Plan	Effective and Efficient	150	150	150	150	150	150	150	150	150	165	200	1,565
North Whiteley Sports Pavilion - grant of S106 monies to parish	Healthy Communities	-	100	500	600	-	-	-	-	-	-	-	1,200
City Offices - refurbishments inc. new lifts, lighting, and heating system	Effective and Efficient	-	-	670	170	-	-	250	-	-	-	-	1,090
CIL funded community projects - unallocated	Thriving Places	-	350	350	-	-	-	-	-	-	-	-	700
Chesil Multi Storey car park - replacement lifts	Thriving Places	-	-	-	500	-	-	-	-	-	-	-	500
Open Spaces & Recreational Facilities - various sites	Healthy Communities	-	-	120	50	90	-	-	-	-	-	-	260
Guildhall capital repairs to clock tower	Effective and Efficient	-	250	-	-	-	-	-	-	-	-	-	250
Cipher House roof replacement	Effective and Efficient	-	160	-	-	-	-	-	-	-	-	-	160
Wickham Recreation Ground - grant of S106 monies to parish	Healthy Communities	30	160	-	-	-	-	-	-	-	-	-	160
West Wing refurbishment - replacement lift	Effective and Efficient	-	-	-	140	-	-	-	-	-	-	-	140
City Offices - additional solar PV	Greener Faster	-	-	100	-	-	-	-	-	-	-	-	100
Replacement printers	Effective and Efficient	-	-	93	-	-	-	-	-	-	-	-	93
Meadowside Leisure centre - 3G pitch refurbishment	Healthy Communities	-	82	-	-	-	-	-	-	-	-	-	82
UK Shared Prosperity Fund	Thriving Places	13	60	-	-	-	-	-	-	-	-	-	60
Rural Prosperity Fund	Thriving Places	4	-	-	-	-	-	-	-	-	-	-	0
<b>Subject to Appraisal*</b>		<b>197</b>	<b>3,812</b>	<b>2,788</b>	<b>2,290</b>	<b>920</b>	<b>330</b>	<b>580</b>	<b>330</b>	<b>330</b>	<b>345</b>	<b>380</b>	<b>12,105</b>
<b>Total General Fund</b>		<b>8,578</b>	<b>11,564</b>	<b>4,820</b>	<b>3,918</b>	<b>2,604</b>	<b>1,703</b>	<b>1,988</b>	<b>1,967</b>	<b>1,708</b>	<b>1,898</b>	<b>1,758</b>	<b>33,928</b>

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

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

SAPS - unallocated	Thriving Places	-	4,000	-	-	-	-	-	-	-	-	-	4,000
<b>Total SAPS - unallocated</b>		<b>-</b>	<b>4,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,000</b>

<b>Housing Revenue Account</b>														
New build	Good Homes for All	8,538	13,198	18,960	46,623	26,193	30,785	37,005	28,672	27,771	-	-	229,207	
Major repairs	Good Homes for All	7,182	8,570	9,203	8,555	9,605	9,708	9,864	5,736	7,547	7,084	8,367	84,239	
Improvements & conversions	Good Homes for All	524	506	521	537	553	570	587	516	532	272	280	4,874	
Disabled adaptations	Good Homes for All	700	719	740	763	786	809	833	858	884	911	938	8,241	
Fire Safety provision	Good Homes for All	750	3,301	2,697	2,778	729	751	774	797	821	846	871	14,365	
Climate Change Emergency	Greener Faster	4,636	5,936	7,744	5,900	6,077	6,259	6,447	-	-	-	-	38,363	
Other capital spend	Good Homes for All	665	2,102	762	120	123	127	131	135	139	143	147	3,929	
<b>Total Housing Revenue Account</b>		<b>22,995</b>	<b>34,332</b>	<b>40,627</b>	<b>65,276</b>	<b>44,066</b>	<b>49,009</b>	<b>55,641</b>	<b>36,714</b>	<b>37,694</b>	<b>9,256</b>	<b>10,603</b>	<b>383,218</b>	
<b>Grand Total</b>		<b>31,573</b>	<b>49,896</b>	<b>45,447</b>	<b>69,194</b>	<b>46,670</b>	<b>50,712</b>	<b>57,629</b>	<b>38,681</b>	<b>39,402</b>	<b>11,154</b>	<b>12,361</b>	<b>421,146</b>	

### Capital Programme Financing 2025 to 2035

	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>General Fund</b>												
<i>Externally Funded</i>												
Government Grants	2,677	1,403	1,343	1,343	1,343	1,343	1,343	1,343	1,343	1,343	1,343	13,490
External Contributions												
Non governmental grants	1,695	1,517	0	0	0	0	0	0	0	0	0	1,517
Open Space Fund	48	178	0	0	0	0	0	0	0	0	0	178
Developer's Contributions	380	260	535	600	0	0	0	0	0	0	0	1,395
<b>Total Externally Funded</b>	<b>4,800</b>	<b>3,358</b>	<b>1,878</b>	<b>1,943</b>	<b>1,343</b>	<b>1,343</b>	<b>1,343</b>	<b>1,343</b>	<b>1,343</b>	<b>1,343</b>	<b>1,343</b>	<b>16,580</b>
<i>Earmarked Reserves</i>												
Car Parks Property	468	840	305	180	180	180	180	180	180	180	180	2,585
Community Infrastructure Levy (CIL)	1,172	3,105	350	0	0	0	0	0	0	0	0	3,455
Town CIL	53	495	0	0	0	0	0	0	0	0	0	495
Information, Management, and Technology	65	45	204	165	240	30	65	294	35	210	35	1,323
Landscape Mitigation	0	0	0	0	0	0	0	0	0	0	0	0
Major Investment Reserve	79	50	0	0	0	0	0	0	0	0	0	50
Property - Asset Management Reserve	760	597	820	960	150	150	400	150	150	165	200	3,742
Winchester Town	225	110	120	50	90	0	0	0	0	0	0	370
Pride in Place	10	0	0	0	0	0	0	0	0	0	0	0
<b>Total Earmarked Reserves</b>	<b>2,832</b>	<b>5,242</b>	<b>1,799</b>	<b>1,355</b>	<b>660</b>	<b>360</b>	<b>645</b>	<b>624</b>	<b>365</b>	<b>555</b>	<b>415</b>	<b>12,020</b>
<i>Capital Receipts</i>												
General fund	527	2,000	20	120	0	0	0	0	0	0	0	2,140
Right to buy allowable	150	0	0	0	0	0	0	0	0	0	0	0
<b>Total Capital Receipts</b>	<b>677</b>	<b>2,000</b>	<b>20</b>	<b>120</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,140</b>
<i>Revenue Contribution to Capital</i>	23	0	0	0	0	0	0	0	0	0	0	0
<i>Capital Financing Requirement</i>	246	4,964	1,123	500	601	0	0	0	0	0	0	7,188
<b>Total General Fund</b>	<b>8,578</b>	<b>15,564</b>	<b>4,820</b>	<b>3,918</b>	<b>2,604</b>	<b>1,703</b>	<b>1,988</b>	<b>1,967</b>	<b>1,708</b>	<b>1,898</b>	<b>1,758</b>	<b>37,928</b>
<b>Housing</b>												
Capital Grants and Contributions	882	700	4,000	3,878	4,000	1,035	2,805	1,600	0	0	0	18,018
Community Infrastructure Levy (CIL)	755	0	0	0	0	0	0	0	0	0	0	0
Major Repairs Reserve	10,704	24,787	28,333	11,527	11,705	12,188	12,729	13,083	13,481	7,924	9,221	144,979
Capital Receipts	10,654	8,845	8,294	4,829	6,586	8,360	7,169	6,038	7,239	1,332	1,382	60,075
Revenue Contribution to Capital	0	0	0	0	0	0	0	0	0	0	0	0
<i>Capital Financing Requirement</i>	0	0	0	45,042	21,775	27,426	32,937	15,993	16,973	0	0	160,146
<b>Total Housing Revenue Account</b>	<b>22,995</b>	<b>34,332</b>	<b>40,627</b>	<b>65,276</b>	<b>44,066</b>	<b>49,009</b>	<b>55,641</b>	<b>36,714</b>	<b>37,694</b>	<b>9,256</b>	<b>10,603</b>	<b>383,218</b>
<b>Total Financing of Capital Programme</b>	<b>31,573</b>	<b>49,896</b>	<b>45,447</b>	<b>69,194</b>	<b>46,670</b>	<b>50,712</b>	<b>57,629</b>	<b>38,681</b>	<b>39,402</b>	<b>11,154</b>	<b>12,361</b>	<b>421,146</b>



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## Revenue Consequences of General Fund Capital Programme 2025 to 2035

**Notes:**

Revenue consequences are estimates and are subject to change. More detailed analysis is carried out prior to actual expenditure being approved.

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

GENERAL FUND	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>TOTAL SURPLUS/(DEFICIT)</b>	<b>(15)</b>	<b>(17)</b>	<b>573</b>	<b>575</b>	<b>576</b>	<b>557</b>	<b>581</b>	<b>578</b>	<b>578</b>	<b>580</b>	<b>669</b>

Forecast interest payable and Minimum Revenue Provision are affected by borrowing rates available to the Council.

The figures above are based on prevailing rates. An increase or decrease of 1.0% (100 basis points) to long-term borrowing rates would have the following impact:

<b>Difference to TOTAL SURPLUS/(DEFICIT) (+1.0%)</b>	-	0	(9)	(9)	(9)	(10)	(10)	(10)	(10)	(10)	(6)
<b>Difference to TOTAL SURPLUS/(DEFICIT) (-1.0%)</b>	-	(1)	9	9	9	9	9	9	9	9	6

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**Capital Receipts Reserve Forecast**

<b><u>CAPITAL RECEIPTS RESERVE</u></b>	<b>2024/25 Forecast £000</b>	<b>2025/26 Forecast £000</b>	<b>2026/27 Forecast £000</b>	<b>2027/28 Forecast £000</b>	<b>2028/29 Forecast £000</b>	<b>2029/30 Forecast £000</b>	<b>2030/31 Forecast £000</b>	<b>2031/32 Forecast £000</b>	<b>2032/33 Forecast £000</b>	<b>2033/34 Forecast £000</b>	<b>2034/35 Forecast £000</b>
<b>Consolidated Opening Balance</b>	<b>(8,398)</b>	<b>(3,713)</b>	<b>(1,487)</b>	<b>(1,716)</b>	<b>(1,853)</b>	<b>(2,117)</b>	<b>(2,428)</b>	<b>(2,749)</b>	<b>(3,081)</b>	<b>(3,421)</b>	<b>(3,860)</b>
<b>GENERAL FUND</b>											
<b>Opening Balance</b>	<b>(3,248)</b>	<b>(3,111)</b>	<b>(1,318)</b>	<b>(1,547)</b>	<b>(1,684)</b>	<b>(1,948)</b>	<b>(2,259)</b>	<b>(2,580)</b>	<b>(2,910)</b>	<b>(3,251)</b>	<b>(3,689)</b>
Forecast receipts	(390)	(11,907)	(249)	(257)	(264)	(311)	(321)	(330)	(340)	(438)	(452)
Forecast utilisation	527	13,700	20	120	-	-	-	-	-	-	-
<b>Closing Balance</b>	<b>(3,111)</b>	<b>(1,318)</b>	<b>(1,547)</b>	<b>(1,684)</b>	<b>(1,948)</b>	<b>(2,259)</b>	<b>(2,580)</b>	<b>(2,910)</b>	<b>(3,251)</b>	<b>(3,689)</b>	<b>(4,140)</b>
<b>HOUSING REVENUE ACCOUNT</b>											
<b>Opening Balance</b>	<b>(5,150)</b>	<b>(602)</b>	<b>(169)</b>	<b>(169)</b>	<b>(169)</b>	<b>(169)</b>	<b>(169)</b>	<b>(170)</b>	<b>(170)</b>	<b>(171)</b>	<b>(171)</b>
Forecast receipts	(6,256)	(8,412)	(8,294)	(4,828)	(6,586)	(8,360)	(7,169)	(6,039)	(7,240)	(1,332)	(1,383)
Forecast utilisation	10,804	8,845	8,294	4,828	6,586	8,360	7,168	6,038	7,239	1,332	1,382
<b>Closing Balance</b>	<b>(602)</b>	<b>(169)</b>	<b>(169)</b>	<b>(169)</b>	<b>(169)</b>	<b>(169)</b>	<b>(170)</b>	<b>(170)</b>	<b>(171)</b>	<b>(171)</b>	<b>(172)</b>
<b>Consolidated Closing Balance</b>	<b>(3,713)</b>	<b>(1,487)</b>	<b>(1,716)</b>	<b>(1,853)</b>	<b>(2,117)</b>	<b>(2,428)</b>	<b>(2,749)</b>	<b>(3,081)</b>	<b>(3,421)</b>	<b>(3,860)</b>	<b>(4,312)</b>

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## Annual Minimum Revenue Provision Statement 2025/26

Where the council finances capital expenditure by debt, it must put aside resources to repay that debt in later years. The amount charged to the revenue budget for the repayment of debt is known as Minimum Revenue Provision (MRP), although there has been no statutory minimum since 2008. The Local Government Act 2003 requires the council to have regard to the Ministry of Housing, Communities and Local Government Guidance on Minimum Revenue Provision (the MHCLG Guidance) most recently issued in April 2024.

The broad aim of the MHCLG Guidance is to ensure that debt is repaid over a period that is aligned with that over which the capital expenditure provides benefits.

The MHCLG Guidance requires the council to approve an Annual MRP Statement each year and provides a number of options for calculating a prudent amount of MRP but does not preclude the use of other appropriate methods. The following statement incorporates options recommended in the Guidance.

MRP is calculated by reference to the capital financing requirement (CFR) which is the total amount of past capital expenditure that has yet to be permanently financed, noting that debt must be repaid and therefore can only be a temporary form of funding. The CFR is calculated from the Authority's balance sheet in accordance with the Chartered Institute of Public Finance and Accountancy's Prudential Code for Capital Expenditure in Local Authorities, 2021 edition.

For unsupported capital expenditure incurred after 31st March 2008, MRP will be determined by charging the expenditure over the expected useful life of the relevant asset as the principal repayment on an annuity with an annual interest rate equal to the relevant PWLB rate at the end of the financial year when the asset is complete, starting in the year after the asset becomes operational. MRP on purchases of freehold land will be charged over 50 years. MRP on expenditure not related to fixed assets but which has been capitalised by regulation or direction will be charged over 20 years.

For assets acquired by leases or the Private Finance, MRP will be determined as being equal to the element of the rent or charge that goes to write down the balance sheet liability.

Where former operating leases have been brought onto the balance sheet due to the adoption of the IFRS 16 Leases accounting standard, and the asset values have been adjusted for accruals, prepayments, premiums and/or incentives, then the MRP charges will be adjusted so that the overall charge for MRP over the life of the lease reflects the value of the right-of-use asset recognised on transition rather than the liability.

For capital expenditure on loans to third parties which were made primarily for financial return rather than direct service purposes, MRP will be charged in accordance with the policy for the assets funded by the loan, including where appropriate, delaying MRP until the year after the assets become operational. This



MRP charge will be reduced by the value any repayments of loan principal received during in the year, with the capital receipts so arising applied to finance the expenditure instead.

For capital expenditure on loans to third parties which were made primarily for service purposes, the Authority will make nil MRP except as detailed below for expected credit losses. Instead, the Authority will apply the capital receipts arising from the repayments of the loan principal to finance the expenditure in the year they are received.

For capital loans made on or after 7th May 2024 where an expected credit loss is recognised during the year, the MRP charge in respect of the loan will be no lower than the loss recognised. Where expected credit losses are reversed, for example on the eventual repayment of the loan, this will be treated as an overpayment.

For capital loans made before 7th May 2024 and for loans where expected credit losses are not applicable, where a shortfall in capital receipts is anticipated, MRP will be charged to cover that shortfall over the remaining life of the assets funded by the loan.

### ***Housing Revenue Account***

No MRP will be charged in respect of assets held within the Housing Revenue Account but depreciation on those assets will be charged instead in line with regulations.

Capital expenditure incurred during 2025/26 will not be subject to a MRP charge until 2026/27 or later.

Based on the Authority's latest estimate of its CFR on 31st March 2025, the budget for MRP has been set as follows:

	<b>31.03.2025 Estimated CFR £m</b>	<b>2025/26 Estimated MRP £</b>
Unsupported capital expenditure after 31.03.2008	<b>67.1</b>	1,190,000
Finance leases and Private Finance Initiative	<b>1.7</b>	462,000
<b>Total General Fund</b>	<b>68.8</b>	<b>1,652,000</b>
Assets in the Housing Revenue Account	212.3	Nil
<b>Total Housing Revenue Account</b>	<b>212.3</b>	<b>Nil</b>
<b>Total</b>	<b>281.1</b>	<b>1,652,000</b>

## Investment Activities

The council invests for three broad purposes:

- because it has surplus cash as a result of the reserves it holds and its day-to-day activities such as when income is received in advance of expenditure (known as **treasury management investments** – further detail including associated limits and indicators is reported in CAB3496);
- to support local public services by undertaking regeneration projects, by lending to, and by buying shares in other organisations (**service investments**); and
- to earn investment income (**commercial investments**).

### Service Investments: Loans

**Contribution:** The council considers lending money to its subsidiaries, housing associations, and other entities to support local public services and stimulate local economic growth. The council currently has outstanding loans with Housing Associations which help to meet its objective of providing affordable housing and preventing homelessness. It has no subsidiaries currently but is setting up a wholly owned Housing Company.

**Security:** The main risk when making service loans is that the borrower will be unable to repay the principal lent and/or the interest due. In order to limit this risk, and ensure that total exposure to service loans remains proportionate to the size of the council, upper limits on the outstanding loans to each category of borrower have been set as follows:

Table 1: Loans for service purposes in £ millions

Category of borrower	31.3.2024 actual			2025/26
	Balance owing	Loss allowance	Net figure in accounts	Approved Limit
Subsidiaries	-	-	-	1m
Housing associations	0.09m	0.05m	0.04m	1m
Other entities*	-	-	-	1m
<b>TOTAL</b>	<b>0.09m</b>	<b>0.05m</b>	<b>0.04m</b>	<b>3m</b>

\*loans to other entities will be considered on a case by case basis by the Treasury Investment Group (TIG). Further information on TIG is provided in CAB3496

Accounting standards require the council to set aside a loss allowance for loans, reflecting the likelihood of non-payment. The figures for loans in the council's statement of accounts are shown net of this loss allowance. However, the council makes every reasonable effort to collect the full sum lent and has appropriate credit control arrangements in place to recover overdue repayments. Included in loans to housing associations are £35,000 of loans which have an allowance of the full amount; these loans are in respect of asset purchases for the provision of temporary accommodation to prevent homelessness and are only repayable in the event the asset is sold or its use changes.

**Risk assessment:** The council assesses the risk of loss before entering into and whilst holding service loans by considering any loans on a case by case basis. This includes, where appropriate, completion of a business case, assessing the purpose of the loan, the entity to which the loan is made, the use of credit ratings, and the procurement of external advice.

### **Service Investments: Shares**

The council does not actively consider the purchase of direct shares for Treasury Management purposes. It has, however, set up Venta Living, a wholly owned subsidiary in which the council holds £150,000 in shares. In addition, the council purchased one hundred and eighty-eight ordinary shares at a cost of £188,000 in Hampshire Community Bank (HCB Holding Ltd.) for the purpose of assisting the local economy.

### **Commercial Investments: Property**

**Contribution:** The council owns an investment property portfolio (assets held solely for rental income or capital appreciation) which was valued at £71.5m as at 31 March 2024 and generated gross income of £4.3m and net income after costs of £2.7m in 2023/24. This income helps contribute to the Council Strategy priorities.

In 2024/25 there is £0.6m budgeted capital expenditure in respect of the council's investment properties all of which is in relation to the conversion of 59 Colebrook Street to temporary accommodation. This asset will be transferred to operational land and buildings upon completion as it will no longer meet the definition of an investment property (held solely for capital appreciation and/or income generation).

Table 2: Property held for investment purposes in £ millions

<b>1 April 2023</b>	<b>71.0</b>
Acquisitions	0.0
Enhancements	0.0
Disposals	(0.1)
Gains/(losses) in fair value	0.6
Transfers (to)/from PPE (operational assets)*	0.0
<b>31 March 2024</b>	<b>71.5</b>
<b>Budgeted</b>	
Acquisitions	0.0
Enhancements	0.6
Disposals	0.0
Gains/(losses) in fair value**	-
Transfers (to)/from PPE (operational assets)*	(0.8)
<b>31 March 2025</b>	<b>71.3</b>

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

\*\*valuations are carried out at the balance sheet date and so it is not possible to forecast future changes in fair value

The Council has a mixed investment property portfolio with the largest single element being in the retail sector. This is primarily due to historic holdings on Winchester's High Street with some assets being held by the Council and its predecessor organisations for over a hundred years.

Table 3: Investment properties by type

<b>As at 31 March 2024</b>	<b>Retail</b>	<b>Offices</b>	<b>Industrial</b>	<b>Residential / Garages</b>	<b>Other</b>	<b>Total</b>
<b>Value £000s</b>	28,389	10,898	6,868	24,483	1,008	<b>71,646</b>

**Security:** Investment property values are subject to fluctuation and so, in some years, the Council may make a loss in fair value. However, the Council is not reliant on capital receipts from the sale of its investment property assets and so any short or medium term loss is unrealised.

**Risk assessment:** The Council generates significant income from its portfolio and, in order to ensure continued revenue streams, the portfolio is kept under rolling review as part of the Asset Challenge programme and, where appropriate, assets are identified for sale. The Council does not plan to purchase new investment properties. It has, however, used prudential borrowing (also known as Capital Financing Requirement (CFR)) to undertake the refurbishment of property in its existing portfolio to enable it to continue to generate rental income. When any such refurbishment is planned, it is subject to a business case and approval in accordance with the governance arrangements outlined in the Capital Strategy. As at 31 March 2024, the Council had £10.4m of CFR in relation to investment properties.

**Liquidity:** Compared with other investment types, property is relatively difficult to sell and convert to cash at short notice, and can take a considerable period to sell in certain market conditions. The Council is not reliant on the sale of investment property for short-term liquidity purposes.

### **Proportionality**

The income the Council generates from its investment activities helps it deliver its objectives. The table below details the proportion of investment income as a proportion of gross service expenditure. In order to set the budget and include realistic forecasts in the Medium Term Financial Plan, prudent estimates of Treasury Management income are included which reflect forecast capital expenditure and reserve balances, and the Council's investment property portfolio is actively managed as detailed elsewhere in the Capital Strategy.

*Table 4: Proportionality of Investments*

	2023/24 Actual £000	2024/25 Forecast £000	2025/26 Budget £000	2026/27 Budget £000	2027/28 Budget £000
Gross service expenditure	37,418	42,685	42,087	40,182	40,351
Investment income*	4,764	4,209	4,009	3,522	3,009
Proportion	12.7%	9.9%	9.5%	8.8%	7.5%

*\*Investment income includes income from treasury investments and investment properties.*

### **Investment Indicators**

The Authority has set the following quantitative indicators to allow elected members and the public to assess the Authority's total risk exposure as a result of its investment decisions.

**Total risk exposure:** The first indicator shows the Authority’s total investments and therefore its exposure to potential investment losses. The Council seeks to minimise its risk of loss and how it achieves this is detailed in the Capital Investment Strategy and the Treasury Management Strategy (CAB3496).

*Table 5: Total investment exposure in £millions*

Total investment exposure	31.03.2024 Actual	31.03.2025 Forecast	31.03.2026 Forecast
Treasury management investments	11.3m	10.8m	10.0m
Service investments: Loans	0.1m	0.1m	0.1m
Service investments: Shares	0.2m	0.2m	0.2m
Commercial investments: Property	71.5m	71.3m	71.3m
<b>TOTAL EXPOSURE</b>	<b>83.1m</b>	<b>82.4m</b>	<b>81.6m</b>

**How investments are funded:** The following table details which investments are funded by external borrowing. The Council’s borrowing need (known as its Capital Financing Requirement or CFR) reflects capital expenditure that hasn’t been financed from other sources – CFR increases with additional unfinanced capital expenditure and reduces with annual provisions from revenue (known as Minimum Revenue Provision or MRP) over the life of each asset. The Council is able to internally borrow a proportion of its borrowing need due, for example, to the usable reserves it holds and income received in advance, but will borrow externally when its need exceeds cash balances available. External borrowing in the forecast period is expected to be HRA related and not in respect of the investment types below.

*Table 6: Investments funded by external borrowing in £millions*

Investments funded by external borrowing	31.03.2024 Actual	31.03.2025 Forecast	31.03.2026 Forecast
Treasury management investments	0.0m	0.0m	0.0m
Service investments: Loans	0.0m	0.0m	0.0m
Service investments: Shares	0.0m	0.0m	0.0m
Commercial investments: Property	0.0m	0.0m	0.0m
<b>TOTAL FUNDED BY EXTERNAL BORROWING</b>	<b>0.0m</b>	<b>0.0m</b>	<b>0.0m</b>



**Rate of return received (%):** This indicator shows the investment income received less the associated costs, including the cost of borrowing where appropriate, as a proportion of the sum invested. Note that due to the complex local government accounting framework, not all recorded gains and losses affect the revenue account in the year they are incurred.

Table 7: Investment rate of return (net of costs) %

Investments net rate of return	2023/24 Actual	2024/25 Forecast	2025/26 Forecast
Treasury management investments	5.1%	5.0%	4.0%
Service investments: Loans	0.0%	0.0%	0.0%
Service investments: Shares	0.0%	0.0%	0.0%
Commercial investments: Property	3.8%	3.2%	3.0%
<b>ALL INVESTMENTS*</b>	4.1%	3.4%	3.1%

\*weighted average return

**Capital financing requirement (CFR) to total fixed assets value:** Capital Financing requirement represents the total borrowing need of the Council. This indicator shows the CFR as a percentage of total fixed assets and forecasts assume the full delivery of the capital programme. The Council is able to internally borrow an element of its need and actual external borrowing stood at £159.7m at 31 March 2024. Further detail on borrowing is included in the Treasury Management Strategy (CAB3496)

Table 8: Capital Financing Requirement to total fixed assets value

Capital Financing Requirement to total fixed assets value	2023/24 Actual	2024/25 Forecast*	2025/26 Forecast*
General Fund - total fixed assets (£m)	195.6	202.9	198.9
<b>Outstanding CFR (%)</b>	35.9%	33.9%	30.4%
Housing Revenue Account - total fixed assets (£m)	597.1	600.0	606.9
<b>Outstanding CFR (%)</b>	35.6%	35.4%	35.0%

\*excludes future changes in valuation

## Flexible Use of Capital Receipts Strategy

### **1. Introduction**

Ordinarily, capital resources such as capital receipts can only be used on capital expenditure (i.e. the creation or enhancement of a capital asset). However, the MHCLG Secretary of State issued a direction to local authorities in order to give them the freedom to use capital receipts from the sale of their own assets (excluding Right to Buy receipts) to help fund the revenue costs of transformation projects and release savings, including through redundancy, for the financial years 2016/17 to 2021/22. A further direction was issued in 2022 covering the financial years 2022/23 to 2024/25 although redundancy costs must no longer be included unless “necessarily incurred and limited to...statutory payments”. This has since been further extended to 31 March 2030. By using capital receipts, the council is able to avoid the negative impact of on its annual revenue budget of one-off costs but this will reduce the available resources for future capital projects.

### **2. The Direction**

The direction issued by the Secretary of State specifies that local authorities can treat as capital expenditure, expenditure which:

- “is incurred by the authority that is designed to generate savings in the delivery of public services and/or transform service delivery to reduce costs and/or transform service delivery in a way that reduces costs or demand for services in future years for any of the public sector delivery partners”;
- “is not incurred with respect to redundancy payments, except where such redundancy costs are necessarily incurred and limited to the amounts available as statutory redundancy payments”.

### **3. Available capital receipts**

It is a condition of the direction that it only applies to capital receipts received in the years to which the direction applies.

### **4. Proposed use**

*2024/25* – the council does not plan to apply capital receipts to transformation projects.

*2025/26 onwards* - the council may use qualifying capital receipts, when appropriate and if available, to help fund the revenue costs of any transformation projects

identified, though none specifically has been identified to date. In accordance with the direction, any such projects must deliver ongoing savings to the council.

### **5. Prudential indicators**

As the capital receipts available under the direction are not allocated to existing proposed projects, there is no impact on the council's prudential indicators as it has not been necessary to identify alternative funding sources.

It should be noted that any receipts used will not be available for future projects and alternatives such as borrowing may need to be identified in the future which would increase the council's capital financing requirement (borrowing need). However, the council is allowed to borrow for capital projects whereas it is not for revenue purposes.

CAB3496  
CABINET

REPORT TITLE: TREASURY MANAGEMENT STRATEGY 2025/26

12 FEBRUARY 2025

REPORT OF CABINET MEMBER: Cllr 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 WARDS

## PURPOSE

This report sets out the proposed Treasury Management Strategy Statement, including the Annual Investment Strategy for the council for 2025/26.

Following the council's declaration of a Climate Emergency in June 2019 the Investment Strategy (Section 16) includes a commitment not to make equity investments either directly or indirectly (via pooled funds) in companies directly involved in the fossil fuel industry.

In addition, following changes to the Public Works Loans Board (PWLB) lending criteria which precludes a local authority from borrowing from PWLB for any purpose if it plans to purchase assets primarily for yield, the Borrowing Strategy (section 15) confirms the council has no such plans.

## RECOMMENDATIONS:

That Cabinet recommends to Council:

1. That the Treasury Management Strategy Statement which includes the Annual Treasury Investment Strategy for 2025/26 (and the remainder of 2024/25) is approved;
2. That authority is delegated to the Section 151 Officer to manage the council's pooled property investment and long-term borrowing according to the Treasury Management Strategy Statement as appropriate; and

3. That authority is delegated to the Section 151 Officer, who in turn discharges this function to Hampshire County Council's Director of Corporate Operations, as agreed in the Service Level Agreement, to manage all council investments (other than the high yield portfolio) and short-term borrowing according to the Treasury Management Strategy Statement as appropriate.

## IMPLICATIONS:

### 1 COUNCIL PLAN OUTCOME

- 1.1 Treasury management is an integral part of helping to deliver the council Plan and all of its outcomes.

### 2 FINANCIAL IMPLICATIONS

- 2.1 Effective treasury management ensures both the financial security and liquidity of the council. The council forecasts a return of 4% on an average balance of £30m in 2025/26. This would represent a yield of £1.2m. The actual return depends on several variable factors including the interest rates available throughout the period and the level of cash and investment balances.

### 3 LEGAL AND PROCUREMENT IMPLICATIONS

- 3.1 The council's Treasury Management Strategy Statement follows the latest codes of practice and the MHCLG and CIPFA guidance.
- 3.2 With effect from September 2014 Hampshire County Council (HCC) and Winchester City Council (WCC) established arrangements for the joint discharge of functions under Section (101)(1) and (5) of the Local Government Act 1972 and Section 9EA and 9EB Local Government Act 2000. Under this arrangement, HCC's Investments and Borrowing Team provide a Treasury Service which includes the management of WCC's cash balances and investment of surplus cash or sourcing of short-term borrowing in accordance with the agreed Treasury Management Strategy Statement.

### 4 WORKFORCE IMPLICATIONS

- 4.1 Hampshire County council's Investments and Borrowing Team carry out the day-to-day management of the council's cash balances and investments. The council's in-house finance team undertake the accounting and retain responsibility for long-term borrowing decisions.

### 5 PROPERTY AND ASSET IMPLICATIONS

- 5.1 None.

### 6 CONSULTATION AND COMMUNICATION

- 6.1 This report has been produced in consultation with Hampshire County council's Investments & Borrowing team.
- 6.2 In November 2024 several members attended the annual treasury management briefing session provided by the council's treasury advisors Arlingclose.



6.3 The Scrutiny Committee discussed the report at its meeting held on 4 February 2025. Due to the dispatch date any particular matters that the Committee wishes to raise with Cabinet will be reported at the meeting.

## 7 ENVIRONMENTAL CONSIDERATIONS

7.1 Following the council's declaration of a Climate Emergency in June 2019, and in line with its ethical stances in its investment policy (see Section 16 below), the council has no direct or indirect equity investments in companies directly involved in the fossil fuel industry.

## 8 PUBLIC SECTOR EQUALITY DUTY

8.1 None.

## 9 DATA PROTECTION IMPACT ASSESSMENT

9.1 None required.

## 10 RISK MANAGEMENT

<b>Risk</b>	<b>Mitigation</b>	<b>Opportunities</b>
<i>Returns from investments are too low</i>	<i>A diversified strategy that attempts to manage the balance between liquidity risk, credit risk and yield within the council's risk appetite.</i>	<i>Returns above budgeted levels</i>
<i>A counterparty fails</i>	<i>A diversified strategy that has relatively low levels of counter-party risk</i>	
<i>Cash is not available</i>	<i>A balanced portfolio of liquid and long-term funds are held to ensure cash is available to utilise. The council also mitigates this risk through cashflow forecasting</i>	<i>More accurate and immediate cashflow forecasting can help improve the return on investments through more active treasury management activity</i>
<i>Access to Money Market Funds (MMFs) may be restricted when the UK exits the EU</i>	<i>Invest in suitable alternatives</i>	
<i>Insufficient capacity to deliver day to day treasury management</i>	<i>Since 2014, Hampshire County council's Investments and Borrowing Team has carried out the day to day management of the council's cash balances and investments</i>	<i>The economies of scale in HCC carrying out the day to day management gives the council access to a much wider range of skills, and resilience, at a far lower cost than managing in-house</i>

## SUPPORTING INFORMATION:

### 11 Summary

- 11.1 The Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice (the CIPFA Code) requires authorities to determine the Treasury Management Strategy Statement (TMSS) before the start of each financial year.
- 11.2 As per the requirements of the Prudential Code, the council adopts the CIPFA Treasury Management Code. This report fulfils the council's legal obligation under the Local Government Act 2003 to have regard to the CIPFA Code.

### 12 Introduction

- 12.1 Treasury management is the management of the council's cash flows, borrowing and investments, and the associated risks. The council has borrowed and invested sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of financial risk are therefore central to the council's prudent financial management.
- 12.2 Treasury risk management at the council is conducted within the framework of the CIPFA Code which requires the council to approve a Treasury Management Strategy Statement (TMSS) before the start of each financial year. This report fulfils the council's legal obligation under the Local Government Act 2003 to have regard to the CIPFA Code.
- 12.3 Investments held for service purposes or for commercial profit are considered in a different report, the Capital Investment Strategy.
- 12.4 Hampshire County council's Investments & Borrowing Team has been contracted to manage the council's treasury management balances since September 2014 but overall responsibility for treasury management remains with the council. No treasury management activity is without risk; the effective identification and management of risk are integral to the council's treasury management objectives.

### 13 External Context

- 13.1 The following paragraphs explain the economic and financial background against which the TMSS is being set.

### Economic background

- 13.2 The impact on the UK economy from the Government's Autumn Budget: slower interest rate cuts, modestly weaker economic growth over the medium term, together with the impact from President Trump's second term in office and uncertainties around US domestic and foreign policy, will be major influences on the council's treasury management strategy for 2025/26.
- 13.3 The Bank of England's (BoE) Monetary Policy Committee (MPC) reduced Bank Rate to 4.75% at its meeting in November 2024, having previously cut by 25bp from the 5.25% peak at the August MPC meeting. At the December 2024 meeting, Bank Rate was maintained at 4.75%.

### Credit outlook

- 13.4 Credit Default Swap (CDS) prices are used as an indicator of credit risk, where higher premiums indicate higher perceived risks. CDS prices have typically followed a general trend downwards during 2024, reflecting a relatively more stable financial period compared to the previous year. Improved credit conditions in 2024 have also led to greater convergence in CDS prices between ringfenced (retail) and non-ringfenced (investment) banking entities again.
- 13.5 Higher interest rates can lead to a deterioration in banks' asset quality through increased loan defaults and volatility in the value of capital investments. Fortunately, the rapid interest rate hikes during this monetary tightening cycle, while putting some strain on households and corporate borrowers, has not caused a rise in defaults, and banks have fared better than expected to date, buoyed by strong capital positions. Low unemployment and robust wage growth have also limited the number of problem loans, all of which are positive in terms of creditworthiness.
- 13.6 Overall, the institutions on the counterparty list provided by the council's treasury management adviser, Arlingclose, remain well-capitalised. Arlingclose's counterparty advice on both recommended institutions and maximum duration remain under constant review, and will continue to reflect economic conditions and the credit outlook.

### Interest rate forecast (December 2024)

- 13.7 The council's treasury management adviser Arlingclose forecasts that The Bank of England's Monetary Policy Committee will continue reducing rates during and through 2025, taking Bank Rate to around 3.75% by the end of the 2025/26 financial year. The effect from the Autumn Budget on economic growth and inflation has reduced previous expectations in terms of the pace of rate cuts as well as pushing up the rate at the end of the loosening cycle.
- 13.8 A more detailed economic and interest rate forecast provided by Arlingclose is attached at Appendix A.

## 14 Balance Sheet Summary and Forecast

- 14.1 On 31 December 2024, the council held £159.6m of borrowing and £38.1m of investments. This is set out in further detail at Appendix B. Forecast changes in these sums, subject to delivery of the capital programme, are shown in the balance sheet analysis in Table 1.
- 14.2 The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while reserves and working capital are the underlying resources available for investment. The council's current strategy is to maintain borrowing and investments below their underlying levels, sometimes known as internal borrowing.
- 14.3 The council has a forecast increasing CFR due to the planned capital programme over the coming years, and the council's reserves will gradually reduce over the same period. This will reduce the council's capacity to internally borrow and will ultimately result in the council needing to take out additional external borrowing.
- 14.4 CIPFA's Prudential Code for Capital Finance in Local Authorities recommends that the council's total debt should be lower than its highest forecast CFR over the next three years. Table 1 shows that the council expects to comply with this recommendation during 2025/26.

**Table 1: Balance sheet summary and forecast**

	<b>31/03/24 Actual £m</b>	<b>31/03/25 Estimate £m</b>	<b>31/03/26 Forecast £m</b>	<b>31/03/27 Forecast £m</b>	<b>31/03/28 Forecast £m</b>
General Fund CFR	70.2	68.8	60.4	59.9	58.9
HRA CFR	212.5	212.3	212.3	212.3	257.4
<b>Total CFR</b>	<b>282.7</b>	<b>281.1</b>	<b>272.7</b>	<b>272.2</b>	<b>316.3</b>
Less other debt liabilities *	(2.2)	(1.7)	(1.3)	(0.8)	(0.3)
<b>Borrowing CFR</b>	<b>280.5</b>	<b>279.4</b>	<b>271.4</b>	<b>271.4</b>	<b>316.0</b>
Less: External borrowing **	(159.7)	(154.5)	(149.3)	(139.0)	(128.8)
<b>Internal borrowing</b>	<b>120.8</b>	<b>124.9</b>	<b>122.1</b>	<b>132.4</b>	<b>187.2</b>
Less: Balance sheet resources	(132.1)	(135.6)	(110.6)	(86.5)	(80.8)
<b>New borrowing or (investments)</b>	<b>(11.3)</b>	<b>(10.7)</b>	<b>11.5</b>	<b>45.9</b>	<b>106.4</b>

\* finance leases that form part of the council's total debt

\*\* existing external borrowing

Liability benchmark

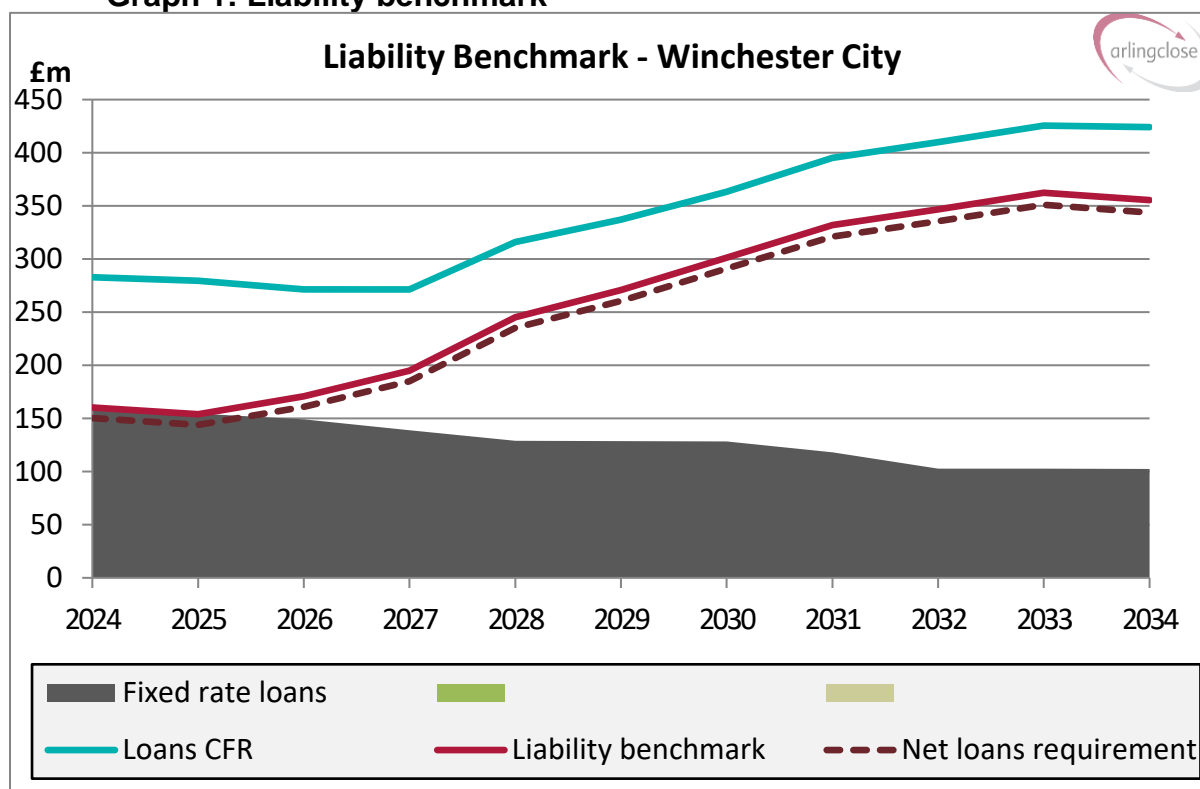
- 14.5 To compare the council's actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the lowest risk level of borrowing. This assumes the same forecasts as Table 1, but that cash and investment balances are kept to a minimum level of £10m at each year-end to maintain sufficient liquidity but minimise credit risk.
- 14.6 The liability benchmark is an important tool to help establish whether the council is likely to be a long-term borrower or long-term investor in the future, and so shape its strategic focus and decision making. The liability benchmark itself represents an estimate of the cumulative amount of external borrowing the council must hold to fund its current capital and revenue plans while keeping treasury investments at the minimum level required to manage day-to-day cash flow.

**Table 2: Prudential Indicator: Liability benchmark**

	<b>31/03/24 Actual £m</b>	<b>31/03/25 Estimate £m</b>	<b>31/03/26 Forecast £m</b>	<b>31/03/27 Forecast £m</b>	<b>31/03/28 Forecast £m</b>
Loans CFR	280.5	279.4	271.4	271.4	316.0
Less: Balance sheet resources	(132.1)	(135.6)	(110.6)	(86.5)	(80.8)
<b>Net loans requirement</b>	<b>148.4</b>	<b>143.7</b>	<b>160.8</b>	<b>184.9</b>	<b>235.1</b>
Plus: Liquidity allowance	10.0	10.0	10.0	10.0	10.0
<b>Liability benchmark</b>	<b>158.4</b>	<b>153.7</b>	<b>170.8</b>	<b>194.9</b>	<b>245.1</b>

- 14.7 At the start of the period, 31 March 2024, the council had a Loans CFR of £280.5m, fixed term loans of £159.7m and a liability benchmark of £158.4m. The difference of £120.8m between the CFR and fixed term loans is internal borrowing and is where the council has used its own cash and investment balances to fund its borrowing need.

Graph 1: Liability benchmark



- 14.8 The liability benchmark is the lowest level of debt the council could hold if it used all of its balances, reserves and cash flow surpluses.
- 14.9 The forward projection using the council's capital programme forecasts indicate that capital expenditure funded by borrowing of around £35.5m will occur from the position at the 31 March 2024 to 31 March 2028 as evidenced by the rising CFR, and where the liability benchmark increases above the debt portfolio is where the council will need to take on additional external borrowing to fund this expenditure. It is anticipated that to keep debt at a minimum level, a maximum of £85.4m of additional debt would need to be taken out. The actual CFR and external borrowing required will depend on several factors including delivery of the capital programme and the actual level of balance sheet resources available.
- 14.10 The full liability benchmark is available at Appendix D to this report.

## 15 Borrowing Strategy

- 15.1 The council currently holds £159.6m of loans as part of its strategy for funding previous years' capital programmes. The balance sheet forecast in Table 1 shows that the council is forecast to maintain a net borrowing position, and so may need to borrow to fund capital expenditure to maintain its long-term and minimum level of investments. The council may also borrow additional sums to pre-fund future years' requirements, providing total external borrowing does not exceed the authorised limit for borrowing of £304.7m.



### Objectives

- 15.2 The council's chief objective when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving certainty of those costs over the period for which funds are required. The flexibility to renegotiate loans should the council's long-term plans change is a secondary objective.

### Strategy

- 15.3 Given the significant cuts to public expenditure and in particular to local government funding, the council's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. Short-term interest rates are currently higher than in the recent past but are expected to fall in the coming year and it is possible therefore to be more cost effective over the medium-term to either use internal resources, or to borrow short-term loans instead.
- 15.4 The benefits of internal and short-term borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise modestly. Arlingclose will assist the council with this 'cost of carry' and breakeven analysis, and this will be used to help determine whether the council borrows additional sums at long-term fixed rates in 2025/26 with a view to keeping future interest costs low, even if this causes additional cost in the short-term.
- 15.5 The council has previously raised all of its long-term borrowing from the Public Works Loan Board (PWLB) but will consider long-term loans from other sources including banks, pension funds and local authorities, and will investigate the possibility of issuing bonds and similar instruments (including Community Municipal Investments (crowdfunding bonds) with the lenders being residents and the general public), in order to lower interest costs and reduce over-reliance on one source of funding in line with the CIPFA Code. New PWLB loans are no longer available to local authorities planning to buy investment assets primarily for yield (including where individual purchases are not funded by borrowing); the council has no plans to undertake this activity and will therefore retain its access to PWLB loans. If the council were to elect to purchase assets primarily for yield it would have no access to the PWLB for loans for any purpose. This would expose the council to significant liquidity risk as it would need to obtain loans elsewhere in the market to finance its borrowing need.
- 15.6 The council may also arrange forward-starting loans during 2025/26, where the interest rate is fixed in advance, but the cash is received in later years. This would enable certainty of cost to be achieved without suffering a cost of carry in the intervening period. The council may, from time to time, borrow in advance of need, where this is expected to provide the best long-term value for money.

- 15.7 In addition, the council may borrow further short-term loans (normally for up to one month) to cover unplanned cash flow shortages.

Sources of borrowing

- 15.8 The approved sources of long-term and short-term borrowing are:
- HM Treasury's PWLB lending facility (formerly the Public Works Loan Board)
  - National Wealth Fund Ltd (formerly UK Infrastructure Bank Ltd)
  - Any institution approved for investments
  - Any other bank or building society authorised to operate in the UK
  - Any other UK public sector body
  - UK public and private sector pension funds (except Hampshire Pension Fund)
  - Capital market bond investors
  - Retail investors via a regulated peer-to-peer platform
  - UK Municipal Bonds Agency plc and other special purpose companies created to enable local council bond issues

Other sources of debt finance

- 15.9 In addition, capital finance may be raised by the following methods that are not borrowing, but may be classed as other debt liabilities:
- Leasing
  - Hire purchase
  - Private Finance Initiative
  - Sale and leaseback
  - Similar asset-based finance

Short-term and variable rate loans

- 15.10 These loans leave the council exposed to the risk of short-term interest rate rises and are therefore subject to the limit on the net exposure to the interest rate exposure limits in the treasury management indicators at Section 17 of this TMSS.

### Debt rescheduling

- 15.11 The PWLB allows authorities to repay loans before maturity and either pay a premium or receive a discount according to a set formula based on current interest rates. The council may take advantage of this and replace some loans with new loans, or repay loans without replacement, where this is expected to lead to an overall cost saving or a reduction in risk. The recent rise in interest rates means that more favourable debt rescheduling opportunities could arise and the opportunity to reschedule is kept under review.

### 16 Treasury Investment Strategy

- 16.1 The council holds invested funds representing income received in advance of expenditure plus balances and reserves held. In the past 12 months, the council's treasury investment balance has ranged between £11.8m and £48.2m.

### Objectives

- 16.2 The CIPFA Code requires the council to invest its treasury funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The council's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income. The council aims to be a responsible investor and will consider environmental, social and governance (ESG) issues when investing.

### Strategy

- 16.3 As demonstrated by the liability benchmark above, the council expects to be a long-term borrower and new treasury investments will therefore be made primarily to manage day-to-day cash flows using short-term low risk instruments.
- 16.4 Given the increasing risk and very low returns from short-term unsecured bank investments, the council aims to continue to hold investments that provide diversification through greater security and/or higher yielding asset classes. This is especially the case for the estimated funds that are available for longer-term investment.
- 16.5 At 31 December 2024 approximately 35% of the council's investment balances were invested so that they were not subject to bail-in risk as they were invested in Government investments, secured bank bonds and pooled property funds.
- 16.6 Of the 65% of investment balances that were subject to bail-in risk, 75% were held in cash plus funds and overnight money market funds which are subject to a reduced risk of bail in due to the high level of diversification within these

investments, and 18% were held in overnight bank call accounts for liquidity purposes.

- 16.7 Further detail is provided at Appendix B and this diversification represents a continuation of the strategy first adopted in 2015/16.

#### Environmental, social and governance factors

- 16.8 Environmental, social and governance (ESG) considerations are increasingly a factor in global investors' decision making, but the framework for evaluating investment opportunities is still developing and therefore the council does not currently include ESG scoring or other real-time ESG criteria at an individual investment level. When investing in pooled funds, the council will prioritise funds operated by managers that are signatories to the UN Principles for Responsible Investment, the Net Zero Asset Managers Alliance and/or the UK Stewardship Code.
- 16.9 The council declared a Climate Emergency in June 2019 and as a consequence will not make equity investments either directly or indirectly (via pooled funds) in companies directly involved in the fossil fuel industry.

#### Business models

- 16.10 Under the new IFRS 9 standard, the accounting for certain investments depends on the 'business model' for managing them. The council aims to achieve value from its internally managed treasury investments through a business model of collecting the contractual cash flows and therefore, where other criteria are also met, these investments will continue to be accounted for at amortised cost.

#### Investments in pooled funds

- 16.11 The council continues to invest in a pooled property fund which enables it to achieve a greater degree of diversification than could effectively be achieved by directly owning individual assets. Pooled funds are managed by specialist external fund managers who are best placed to select and manage investments, for example with property investments in selecting appropriate buildings and then managing the relationship with tenants and the maintenance of those buildings.
- 16.12 Diversification in itself does not guarantee positive outcomes. The selection of a pooled fund is carefully managed to target funds with a strong performance track record and objectives that are well aligned to the council's income returns aims without putting its initial investment at undue risk over the longer term. The council is therefore currently invested in a pooled fund that specialises in providing income returns to support the revenue budget. As a result of their income focus this fund may not achieve the same capital growth and therefore total return, as other more general investment funds, however it is likely to deliver good income returns for the longer term.

- 16.13 The investible universe for pooled funds is vast and part of the service provided by Arlingclose as treasury advisers is to conduct research and suitable due diligence on pooled funds prior to making recommendations to their clients.
- 16.14 Past performance does not guarantee that funds can replicate successful outcomes in future and knowing which funds will perform well is not an exact science. The council will therefore continue to conduct its own ongoing review and scrutiny of the performance of its pooled fund investments. The council will also discuss these investments regularly with Arlingclose, who provide advice based on regular meetings with representatives from the pooled funds and their own ongoing due diligence on areas such as performance and investment style, strategy and process.
- 16.15 Changes to IFRS 9 mean that capital gains and losses on investments need to be reflected in the revenue account on an annual basis, with the statutory override in place for local authorities that exempts them from complying with this requirement coming to an end on 31st March 2025.

#### Investment limits

- 16.16 The maximum that will be lent to any one organisation (other than the UK Government) will be £7m. Over the longer term it is expected that the council's cash balances will reduce, and new external borrowing will need to be taken. This limit allows the flexibility to ensure that all of the council's cash can be invested in accordance with this TMSS.
- 16.17 A group of entities under the same ownership will be treated as a single organisation for limit purposes. Limits are placed on fund managers as shown in Table 3.

**Table 3: Investment limits**

	<b>Cash limit</b>
Any single organisation, except the UK Central Government	£7m each
UK Central Government	Unlimited
Any group of pooled funds under the same management	£17.5m per manager

#### Approved counterparties

- 16.18 The council may invest its surplus funds with any of the counterparty types in Table 4, subject to the limits shown.

**Table 4: Sector and counterparty limits**

<b>Sector</b>	<b>Time limit</b>	<b>Counterparty limit</b>	<b>Sector limit</b>
The UK Government	3 years	Unlimited	n/a
Local authorities & other government entities	3 years	£7.0m	Unlimited
Secured investments *	3 years	£7.0m	Unlimited
Banks (unsecured) *	13 months	£3.5m	Unlimited
Building societies (unsecured) *	13 months	£3.5m	£7.0m
Registered providers (unsecured) *	3 years	£3.5m	£17.5m
Money market funds *	n/a	£7.0m	Unlimited
Strategic pooled funds	n/a	£7.0m	£35.0m
Real estate investment trusts	n/a	£7.0m	£17.5m
Other investments *	3 years	£3.5m	£7.0m

This table must be read in conjunction with the notes below.

#### Time limit

16.19 Borrowing to invest primarily for financial return is in contravention of the CIPFA Treasury Management Code. To reflect the expectation that long-term borrowing will be a requirement for the council, time limits for investment have therefore been shortened to a maximum of 3 years.

#### \* Minimum credit rating

16.20 Treasury investments in the sectors marked with an asterisk will only be made with entities whose lowest published long-term credit rating is no lower than A-/A3. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings, and all other relevant known factors including external advice will be taken into account.

16.21 For entities without published credit ratings, investments may be made where external advice indicates the entity to be of similar credit quality.

#### UK Government

16.22 Sterling-denominated investments with or explicitly guaranteed by the UK Government, including the Debt Management Account Deposit Facility, treasury bills and gilts. These are deemed to be zero credit risk due to the government's ability to create additional currency and therefore may be made in unlimited amounts for up to 3 years.

#### Local authorities and other government entities



- 16.23 Loans to, and bonds and bills issued or guaranteed by, other national governments, regional and local authorities and multilateral development banks. These investments are not subject to bail-in, and there is generally a lower risk of insolvency, although they are not zero risk.

#### Secured investments

- 16.24 Investments secured on the borrower's assets, which limits the potential losses in the event of insolvency. The amount and quality of the security will be a key factor in the investment decision. Covered bonds, secured deposits and reverse repurchase agreements with banks and building societies are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the higher of the collateral credit rating and the counterparty credit rating will be used. The combined secured and unsecured investments with any one counterparty will not exceed the cash limit for secured investments.

#### Banks and building societies (unsecured)

- 16.25 Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail. See below for arrangements relating to operational bank accounts.

#### Registered providers (unsecured)

- 16.26 Loans and bonds issued by, guaranteed by, or secured on the assets of registered providers of social housing and registered social landlords, formerly known as housing associations. These bodies are regulated by the Regulator of Social Housing (in England), the Scottish Housing Regulator, the Welsh Government and the Department for Communities (in Northern Ireland). As providers of public services, they retain the likelihood of receiving government support if needed.

#### Money market funds

- 16.27 Pooled funds that offer same-day or short notice liquidity and very low or no price volatility by investing in short-term money markets. They have the advantage over bank accounts of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a small fee. Although no sector limit applies to money market funds, the council will take care to diversify its liquid investments over a variety of providers to ensure access to cash at all times.

#### Strategic pooled funds

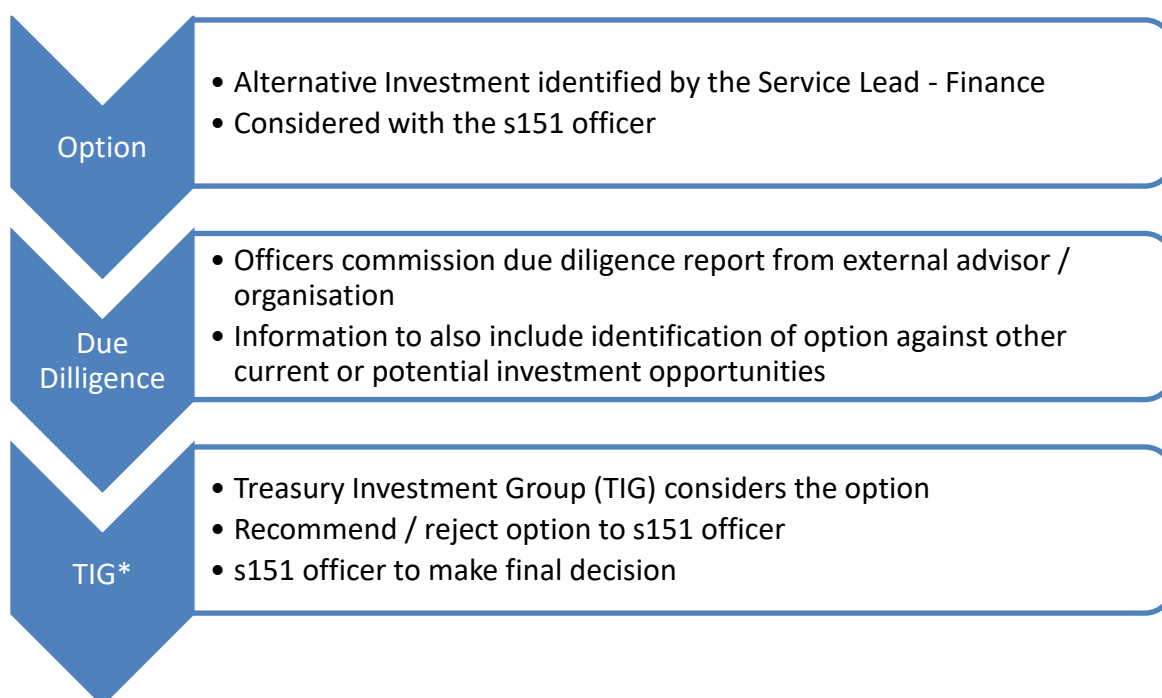
- 16.28 Bond, equity and property funds, including exchange traded funds, that offer enhanced returns over the longer term but are more volatile in the short term. These allow the council to diversify into asset classes other than cash without

the need to own and manage the underlying investments. Because these funds have no defined maturity date but can be either withdrawn after a notice period or sold on an exchange, their performance and continued suitability in meeting the council's investment objectives will be monitored regularly.

#### Other investments

16.29 This category covers treasury investments not listed above, for example unsecured corporate bonds and unsecured loans to companies and universities. Non-bank companies cannot be bailed-in but can become insolvent placing the council's investment at risk.

16.30 Where a counterparty does not have a credit rating and to ensure there is a clear process for external scrutiny specifically around these alternative investments, the governance structure detailed below was approved in the Treasury Management Mid-Year Review 2017/18 in order for the council to consider such investment opportunities in a timely manner and ensure that there has been effective scrutiny over the proposed decisions. The S151 officer will consult with this group on these types of investment prior to making the final decision.



\* The Treasury Investment Group (TIG) includes the following officer and member roles:

- Service Lead - Finance
- Cabinet Member for Finance and Performance
- One other Cabinet member
- Chair of the Audit & Governance Committee

- Shadow Cabinet Member for Finance
- S151 officer

#### Operational bank accounts

16.31 The council may incur operational exposures, for example through current accounts, to any UK bank with credit ratings no lower than BBB- and with assets greater than £25 billion. These are not classed as investments but are still subject to the risk of a bank bail-in, and balances will therefore be kept low. The council's operational bank account is with National Westminster and aims to keep the overnight balances held in current accounts as positive, and as close to zero as possible. The Bank of England has stated that in the event of failure, banks with assets greater than £25 billion are more likely to be bailed-in than made insolvent, increasing the chance of the council maintaining operational continuity.

#### Risk assessment and credit ratings

16.32 Credit ratings are obtained and monitored by the council's treasury advisers, who will notify changes in ratings as they occur. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:

- no new investments will be made,
- any existing investments that can be recalled or sold at no cost will be, and
- full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.

16.33 Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as "negative watch") so that it may fall below the approved rating criteria, then only investments that can be withdrawn on the next working day will be made with that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.

#### Other information on the security of investments

16.34 The council understands that credit ratings are good, but not perfect, predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations in which it invests, including credit default swap prices, financial statements, information on potential government support and reports in the quality financial press and analysis and advice from the council's treasury management adviser. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may otherwise meet the above criteria.

16.35 When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008, 2020 and 2022, this is not generally reflected in credit ratings but can be seen in other market measures. In these circumstances, the council will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the council's cash balances, then the surplus will be deposited with the UK Government, via the Debt Management Office or invested in government treasury bills for example, or with other local authorities. This will likely lead to investment returns falling but will protect the principal sum invested.

#### Liquidity management

16.36 The council has due regard for its future cash flows when determining the maximum period for which funds may prudently be committed. Historic cash flows are analysed in addition to significant future cash movements, such as payroll, grant income and council tax precept. Limits on long-term investments are set by reference to the council's medium term financial position (summarised in Table 1) and forecast short-term balances.

16.37 The council will spread its liquid cash over at least four providers (e.g. bank accounts and money market funds), of which at least two will be UK domiciled, to ensure that access to cash is maintained in the event of operational difficulties at any one provider, except in cases of extreme market stress whereby the council will be able to invest all of its liquid cash in one provider only, being the Debt Management Office.

#### 17 Treasury Management Prudential Indicators

17.1 The council measures and manages its exposures to treasury management risks using the following indicators.

#### Interest rate exposures

17.2 The following indicator shows the sensitivity of the council's current investments and borrowing to a change in interest rates. Fixed rate investments maturing during the year are assumed to be variable for the remainder of the year.

**Table 5: Interest rate risk indicator**

	<b>31 December 2024</b>	<b>Impact of +/-1% interest rate change</b>
	<b>£m</b>	<b>£m</b>
Sums subject to variable interest rates:		
- Investment	38.1	+/- 0.4
- Borrowing	(5.2)	+/- 0.1

Maturity structure of borrowing

- 17.3 This indicator is set to control the council's exposure to refinancing risk. The upper and lower limits on the maturity structure of fixed rate borrowing will be:

**Table 6: Refinancing rate risk indicator**

	<b>Upper</b>	<b>Lower</b>
Under 12 months	25%	0%
12 months and within 24 months	25%	0%
24 months and within 5 years	25%	0%
5 years and within 10 years	35%	0%
10 years and within 20 years	50%	0%
20 years and within 30 years	50%	0%
30 years and within 40 years	75%	0%
40 years and within 50 years	100%	0%

- 17.4 Time periods start of the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.

Principal sums invested for periods longer than a year

- 17.5 The purpose of this indicator is to control the council's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the period end will be:

**Table 7: Price risk indicator**

	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>No fixed date</b>
Limit on principal invested beyond year end	£20m	£20m	£20m	£5m

18 Prudential Indicators – BorrowingGross Debt and the Capital Financing Requirement

- 18.1 In order to ensure that over the medium-term debt will only be for a capital purpose, the council should ensure that debt does not, except in the short term, exceed the total of capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years. This is a key indicator of prudence.

**Table 8: Debt**

	<b>31/03/25 Revised £m</b>	<b>31/03/26 Estimate £m</b>	<b>31/03/27 Estimate £m</b>	<b>31/03/28 Estimate £m</b>
Borrowing	154.5	149.3	139.0	128.8
New borrowing	0.0	21.5	55.9	116.3
Finance Leases	1.7	1.3	0.8	0.3
<b>Total Debt</b>	<b>156.2</b>	<b>172.1</b>	<b>195.7</b>	<b>245.4</b>

18.2 Total debt is expected to remain below the CFR during the forecast period.

#### Operational Boundary for External Debt

18.3 The operational boundary is based on the council's estimate of most likely (i.e. prudent but not worst case) scenario for external debt. It links directly to the council's estimates of capital expenditure, the capital financing requirement and cash flow requirements, and is a key management tool for in-year monitoring. Other long-term liabilities comprise finance lease, Private Finance Initiative and other liabilities that are not borrowing but form part of the council's debt.

**Table 9: Operational Boundary**

	<b>31/03/25 Revised £m</b>	<b>31/03/26 Estimate £m</b>	<b>31/03/27 Estimate £m</b>	<b>31/03/28 Estimate £m</b>
Borrowing	298.3	289.2	288.0	331.3
Finance Leases	1.7	1.3	0.8	0.3
<b>Total Debt</b>	<b>300.0</b>	<b>290.5</b>	<b>288.8</b>	<b>331.6</b>

#### Authorised Limit for External Debt

18.4 The authorised limit is the affordable borrowing limit determined in compliance with the Local Government Act 2003. It is the maximum amount of debt that the council can legally owe. The authorised limit provides headroom over and above the operational boundary for unusual cash movements.



**Table 10: Authorised Limit**

	<b>2024/25 Limit £m</b>	<b>2025/26 Limit £m</b>	<b>2026/27 Limit £m</b>	<b>2027/28 Limit £m</b>
Borrowing	311.9	303.1	302.1	345.7
Finance Leases	2.2	1.6	1.0	0.4
<b>Total Debt</b>	<b>314.1</b>	<b>304.7</b>	<b>303.1</b>	<b>346.1</b>

## 19 Related Matters

- 19.1 The CIPFA Code requires the council to include the following in its treasury management strategy.

### Financial derivatives

- 19.2 Local authorities have previously made use of financial derivatives embedded into loans and investments both to reduce interest rate risk (e.g. interest rate collars and forward deals) and to reduce costs or increase income at the expense of greater risk (e.g. LOBO loans and callable deposits). The general power of competence in Section 1 of the Localism Act 2011 removes much of the uncertainty over local authorities' use of standalone financial derivatives (i.e. those that are not embedded into a loan or investment).
- 19.3 The council will only use standalone financial derivatives (such as swaps, forwards, futures and options) where they can be clearly demonstrated to reduce the overall level of the financial risks that the council is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be taken into account when determining the overall level of risk. Embedded derivatives, including those present in pooled funds and forward starting transactions, will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.
- 19.4 Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria, assessed using the appropriate credit rating for derivative exposures. An allowance for credit risk calculated using the methodology in the Treasury Management Practices document will count against the counterparty credit limit and the relevant foreign country limit.
- 19.5 In line with the CIPFA Code, the council will seek external advice and will consider that advice before entering into financial derivatives to ensure that it fully understands the implications.

### Housing Revenue Account

- 19.6 The council has adopted the "two pool approach" whereby each of its long-term loans are split into General Fund and HRA pools. In the future, new

long-term loans borrowed will be assigned in their entirety to one pool or the other. Interest payable and other costs/income arising from long-term loans (e.g. premiums and discounts on early redemption) will be charged/credited to the respective revenue account. Differences between the value of the HRA loans pool and the HRA's underlying need to borrow (adjusted for HRA balance sheet resources available for investment) will result in a notional cash balance which may be positive or negative. This balance will be measured each month and interest transferred between the General Fund and HRA applying the following rates:

- The PWLB 3-month variable loan rate is applied to a deficit balance
- The risk-free Debt Management Office rate is applied to a surplus balance.

#### Investment training

- 19.7 The needs of the County Council's treasury management staff for training in investment management are assessed annually as part of the staff appraisal process, and additionally when the responsibilities of individual members of staff change.
- 19.8 Staff regularly attend training courses, seminars and conferences provided by Arlingclose and CIPFA. Relevant staff are also encouraged to study professional qualifications from CIPFA, and other appropriate organisations.
- 19.9 CIPFA's Code of Practice requires that the council ensures that all members tasked with treasury management responsibilities, including scrutiny of the treasury management function, receive appropriate training relevant to their needs and understand fully their roles and responsibilities.

#### Investment advisers

- 19.10 Hampshire County Council has appointed Arlingclose Limited as treasury management advisers for all partner councils under the arrangement, and receives specific advice on investment, debt and capital finance issues. The quality of this service is controlled through quarterly review meetings with Arlingclose.

#### Investment of money borrowed in advance of need

- 19.11 The council may, from time to time, borrow in advance of need, where this is expected to provide the best long-term value for money. Since amounts borrowed will be invested until spent, the council is aware that it will be exposed to the risk of loss of the borrowed sums, and the risk that investment and borrowing interest rates may change in the intervening period. These risks will be managed as part of the council's overall management of its treasury risks.

### Markets in Financial Instruments Directive

19.12 The council has opted up to professional client status with its providers of financial services, including advisers, brokers and fund managers, allowing it access to a greater range of services but without the greater regulatory protections afforded to individuals and small companies. Given the size and range of the council's treasury management activities, the S151 Officer believes this to be the most appropriate status.

### 20 OTHER OPTIONS CONSIDERED AND REJECTED

20.1 The council could elect to bring all treasury management activity back in-house. This option has been rejected as the arrangement with Hampshire County council's Investments and Borrowing team provides significant resilience and economies of scale.

20.2 The CIPFA Code does not prescribe any particular treasury management strategy for local authorities to adopt. The Section 151 Officer believes that the above strategy represents an appropriate balance between risk management and cost effectiveness. Some alternative strategies, with their financial and risk management implications, are listed in Table 11.

**Table 11: Alternative strategies and their implications**

<b>Alternative</b>	<b>Impact on income and expenditure</b>	<b>Impact on risk management</b>
Invest in a narrower range of counterparties and/or for shorter times	Interest income will be lower	Lower chance of losses from credit related defaults, but any such losses may be greater
Invest in a wider range of counterparties and/or for longer times	Interest income will be higher	Increased risk of losses from credit related defaults, but any such losses may be smaller
Borrow additional sums at long-term fixed interest rates	Debt interest costs will rise; this is unlikely to be offset by higher investment income	Higher investment balance leading to a higher impact in the event of a default; however long-term interest costs may be more certain
Borrow short-term or variable loans instead of long-term fixed rates	Debt interest costs will initially be lower	Increases in debt interest costs will be broadly offset by rising investment income in the medium term, but long-term costs may be less certain

**Table 11: Alternative strategies and their implications**

<b>Alternative</b>	<b>Impact on income and expenditure</b>	<b>Impact on risk management</b>
Reduce level of borrowing	Saving on debt interest is likely to exceed lost investment income	Reduced investment balance leading to a lower impact in the event of a default; however long-term interest costs may be less certain

**BACKGROUND DOCUMENTS:-****Previous Committee Reports:-**

[AUD119: Treasury Management Practices, 22 June 2015](#)

[CAB3446 Treasury Management 2024-25.pdf](#)

[AG133 Treasury Management outturn 23-24.pdf](#)

[AG141 Treasury Management Q1 report 2024-25.pdf](#)

[AG145 Treasury Management Q2 report 2024-25.pdf](#)

**Other Background Documents:**

None

**APPENDICES:**

Appendix A – Arlingclose Economic & Interest Rate Forecasts December 2024

Appendix B - Existing Investment & Debt Portfolio Position at 31 December 2024

Appendix C – Q3 2024/25 Treasury Management Indicators at 31 December 2024

Appendix D – 50 year Liability Benchmark graph

## **Appendix A – Arlingclose Economic & Interest Rate Forecast December 2024**

### **Underlying assumptions:**

- As expected, the Monetary Policy Committee (MPC) held Bank Rate at 4.75% in December, although, with a 6-3 voting split and obvious concerns about economic growth, presented a much more dovish stance than had been expected given recent inflationary data.
- The Budget measures remain a concern for policymakers, for both growth and inflation. Additional government spending will boost demand in a constrained supply environment, while pushing up direct costs for employers. The short to medium-term inflationary effects will promote caution amongst policymakers.
- UK GDP recovered well in H1 2024 from technical recession, but underlying growth has petered out as the year has progressed. While government spending should boost GDP growth in 2025, private sector activity appears to be waning, partly due to Budget measures.
- Private sector wage growth and services inflation remain elevated; wage growth picked up sharply in October. The increase in employers' NICs, minimum and public sector wage levels could have wide ranging impacts on private sector employment demand and costs, but the near-term impact will likely be inflationary as these additional costs get passed to consumers.
- CPI inflation rates have risen due to higher energy prices and less favourable base effects. The current CPI rate of 2.6% could rise further in Q1 2025. The Bank of England (BoE) estimates the CPI rate at 2.7% by year end 2025 and to remain over target in 2026.
- The MPC re-emphasised that monetary policy will be eased gradually. Despite recent inflation-related data moving upwards or surprising to the upside, the minutes suggested a significant minority of policymakers are at least as worried about the flatlining UK economy.

- US government bond yields have risen following strong US data and uncertainty about the effects of Donald Trump's policies on the US economy, particularly in terms of inflation and monetary policy. The Federal Reserve pared back its expectations for rate cuts in light of these issues. Higher US yields are also pushing up UK gilt yields, a relationship that will be maintained unless monetary policy in the UK and US diverges

**Forecast:**

- In line with our forecast, Bank Rate was held at 4.75% in December.
- The MPC will reduce Bank Rate in a gradual manner. We see a rate cut in February 2025, followed by a cut alongside every Monetary Policy Report publication, to a low of 3.75%.
- Long-term gilt yields have risen to reflect both UK and US economic, monetary and fiscal policy expectations, and increases in bond supply. Volatility will remain elevated as the market digests incoming data for clues around the impact of policy changes.
- This uncertainty may also necessitate more frequent changes to our forecast than has been the case recently.
- The risks around the forecasts lie to the upside over the next 12 months but are broadly balanced in the medium term.



	Current	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27
<b>Official Bank Rate</b>													
Upside risk	0.00	0.25	0.50	0.50	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75
Central Case	4.75	4.50	4.25	4.00	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75
Downside risk	0.00	-0.25	-0.25	-0.50	-0.50	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75
<b>3-month money market rate</b>													
Upside risk	0.00	0.25	0.50	0.50	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75
Central Case	4.90	4.60	4.35	4.10	3.90	3.85	3.85	3.85	3.85	3.85	3.85	3.85	3.85
Downside risk	0.00	-0.25	-0.25	-0.50	-0.50	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75
<b>5yr gilt yield</b>													
Upside risk	0.00	0.70	0.80	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90
Central Case	4.34	4.30	4.20	4.10	4.00	3.90	3.90	3.95	4.00	4.05	4.05	4.05	4.05
Downside risk	0.00	-0.50	-0.60	-0.65	-0.65	-0.70	-0.70	-0.75	-0.75	-0.80	-0.80	-0.80	-0.80
<b>10yr gilt yield</b>													
Upside risk	0.00	0.70	0.80	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90
Central Case	4.56	4.55	4.45	4.30	4.20	4.20	4.20	4.20	4.25	4.25	4.25	4.25	4.25
Downside risk	0.00	-0.50	-0.60	-0.65	-0.65	-0.70	-0.70	-0.75	-0.75	-0.80	-0.80	-0.80	-0.80
<b>20yr gilt yield</b>													
Upside risk	0.00	0.70	0.80	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90
Central Case	5.05	5.00	4.90	4.80	4.70	4.65	4.65	4.65	4.65	4.65	4.65	4.65	4.65
Downside risk	0.00	-0.50	-0.60	-0.65	-0.65	-0.70	-0.70	-0.75	-0.75	-0.80	-0.80	-0.80	-0.80
<b>50yr gilt yield</b>													
Upside risk	0.00	0.70	0.80	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90
Central Case	4.52	4.70	4.60	4.50	4.40	4.35	4.35	4.35	4.35	4.35	4.35	4.35	4.35
Downside risk	0.00	-0.50	-0.60	-0.65	-0.65	-0.70	-0.70	-0.75	-0.75	-0.80	-0.80	-0.80	-0.80

- PWLB Standard Rate = Gilt yield + 1.00%
- PWLB Certainty Rate = Gilt yield + 0.80%
- PWLB HRA Rate = Gilt yield + 0.40%
- National Wealth Fund (NWF) Rate = Gilt yield + 0.40%

## Appendix B - Existing Investment & Debt Portfolio Position at 31 December 2024

### Treasury investment position

Investments	30/09/2024 Balance	Net movement	31/12/2024 Balance	31/12/2024 Income return	31/12/2024 Weighted average maturity years
	£m	£m	£m	%	
<b>Short term investments</b>					
Banks and building societies:					
- Unsecured	3.2	2.8	6.0	4.67	0.01
Money Market Funds	13.5	4.1	17.6	4.74	0.00
Government:					
- Local authorities	1.0	(1.0)	0.0	N/A	N/A
- Supranational	1.0	(1.0)	0.0	N/A	N/A
- UK Treasury bills	4.5	4.0	8.5	4.78	0.07
Cash plus funds	1.0	0.0	1.0	4.30	0.00
	<b>24.2</b>	<b>8.8</b>	<b>33.1</b>	<b>4.10</b>	<b>0.02</b>
<b>Long term investments</b>					
Pooled property fund*	5.0	0.0	5.0	5.22	N/A
	<b>5.0</b>	<b>0.0</b>	<b>5.0</b>	<b>5.22</b>	<b>N/A</b>
<b>TOTAL INVESTMENTS</b>	<b>29.2</b>	<b>8.8</b>	<b>38.1</b>	<b>4.79</b>	<b>0.02</b>

\* The rate provided for the pooled property fund investment is reflective of annualised income returns over the year to 31 December 2024 based on the market value of investments 12 months earlier.

### Treasury management position

	31/12/2024 Balance £m	31/12/2024 Rate %
External borrowing:		
- PWLB	(159.6)	-3.28
Investments		
- Total investments	38.1	4.79
<b>Net (Debt) / Investments</b>	<b>(121.5)</b>	

### Appendix C - Q3 2024/25 Treasury Management Indicators at 31 December 2024

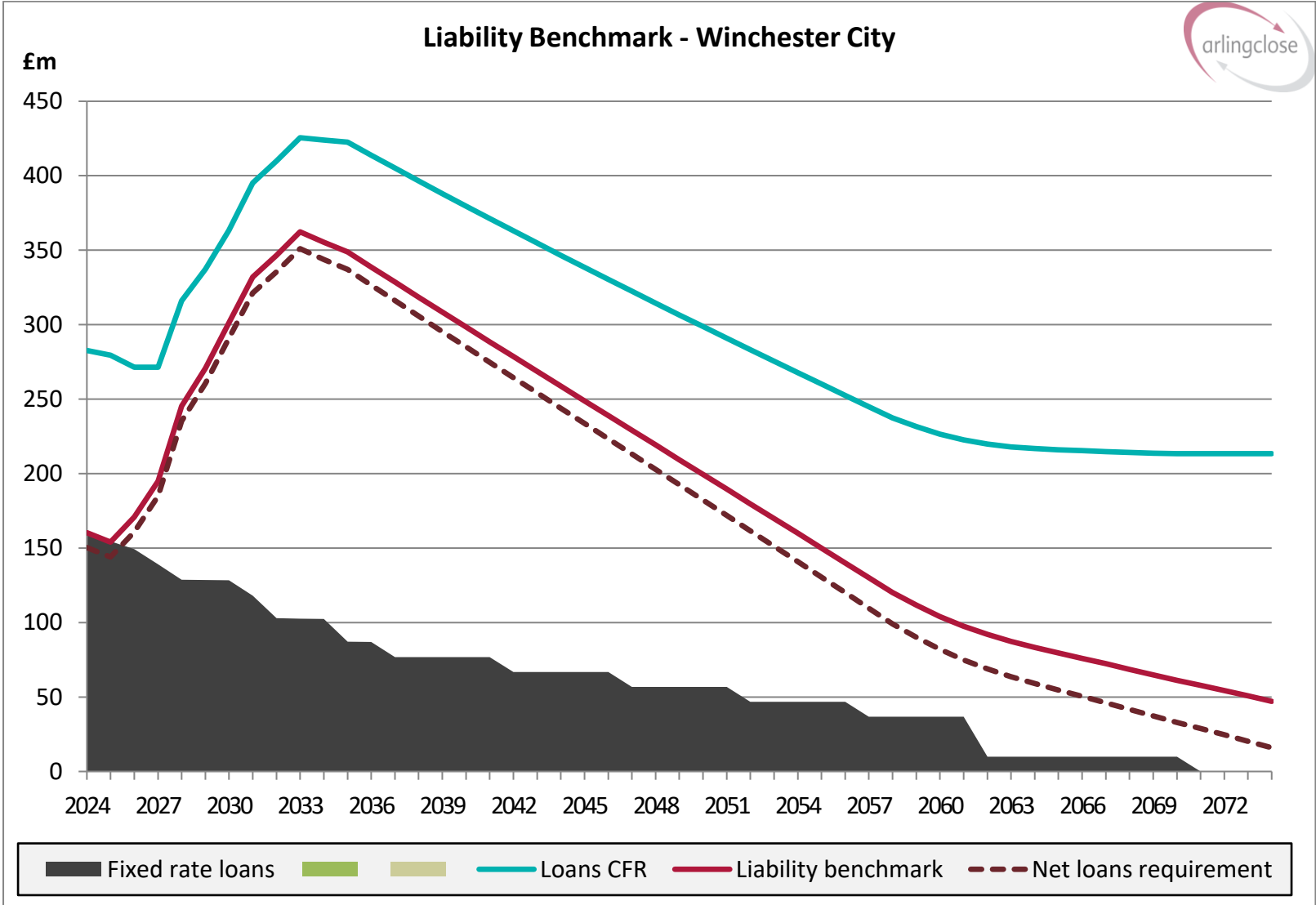
<b>Debt limits</b>	<b>2024/25 Maximum £m</b>	<b>31/12/24 Actual £m</b>	<b>2024/25 Operational Boundary £m</b>	<b>2024/25 Authorised Limit £m</b>	<b>Complied?</b>
External borrowing	(159.7)	(159.6)	(313.4)	(326.8)	✓
Leases and other debt liabilities	(2.2)	(2.2)	(1.7)	(2.2)	✓
<b>Total debt</b>	<b>(161.9)</b>	<b>(161.8)</b>	<b>(315.1)</b>	<b>(329.0)</b>	✓

<b>Refinancing rate risk indicator</b>	<b>31/12/24 Actual</b>	<b>Upper Limit</b>	<b>Lower Limit</b>	<b>Complied</b>
Under 12 months	3%	25%	0%	✓
12 months and within 24 months	3%	25%	0%	✓
24 months and within 5 years	13%	25%	0%	✓
5 years and within 10 years	16%	30%	0%	✓
10 years and within 20 years	22%	50%	0%	✓
20 years and within 30 years	13%	50%	0%	✓
30 years and within 40 years	23%	75%	0%	✓
40 years and within 50 years	6%	100%	0%	✓

<b>Long term investments</b>	<b>2024/25 £m</b>	<b>2025/26 £m</b>	<b>2026/27 £m</b>	<b>No fixed date £m</b>
Actual principal invested beyond year end	-	-	-	£5m
Limit on principal invested beyond year end	£10m	£10m	£10m	£2.5m
Complied	✓	✓	✓	✓

Appendix D – 50 year Liability Benchmark graph

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## Forward Plan of Key Decisions

1 March 2025 – 31 May 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
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**Section A**

**Decisions made by Cabinet & Cabinet committees**

Page 249	1	Development Delivery Plans - Central Winchester Regeneration	Cabinet Member for Asset Management	Yes	Town Wards	Emma Taylor	Cabinet report	Cabinet	Mar-25	13-Mar-25	Part exempt 3
		Woodman Close, Sparsholt - Final Business Case	Cabinet Member for Housing	Yes	Wonston & Micheldever	Caroline Egan	Cabinet report	Cabinet	Mar-25	13-Mar-25	Part exempt 3
	3	Corner House, North Walls, Winchester - Outline Business Case	Cabinet Member for Housing	Yes	St Michael	Caroline Egan	Cabinet committee report	Cabinet	Mar-25	13-Mar-25	Part exempt 3
	4	Hobbs View, Southbrook Cottages, Micheldever - Lessons Learned	Cabinet Member for Housing	Yes	Wonston & Micheldever	Caroline Egan	Cabinet report	Cabinet	Mar-25	13-Mar-25	Part exempt 3

	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	Air Quality Strategy	Cabinet Member for Place & Local Plan	Yes	All Wards	David Ingram	Cabinet report	Cabinet	Mar-25	13-Mar-25	Open
6	Venta Living Ltd - Business Plan 2025-26	Cabinet Member for Housing	Yes	All Wards	Gillian Knight	Cabinet report	Cabinet	Mar-25	13-Mar-25	Part exempt 3
7	Risk Management Policy 2025/26	Cabinet Member for Finance and Performance	Yes	All Wards	Liz Keys	Cabinet report	Cabinet	Mar-25	13-Mar-25	Open
8	Q3 Finance & Performance Monitoring	Cabinet Member for Finance and Performance	Yes	All Wards	Simon Howson	Cabinet report	Cabinet	Mar-25	13-Mar-25	Open
9	Community Infrastructure Levy (CIL) Funding Allocations for 2024 BIDS	Cabinet Member for Place & Local Plan	Yes	All Wards	Steve Lincoln	Cabinet report	Cabinet	Mar-25	13-Mar-25	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
10	HRA repairs and maintenance contract procurement	Cabinet Member for Housing	Yes	All Wards	Gillian Knight	Cabinet report	Cabinet	Mar-25	13-Mar-25	Part exempt 3
11	Land transaction (if required)	Cabinet Member for Asset Management	Yes	All Wards	Geoff Coe	Cabinet report	Cabinet	Mar-25	13-Mar-25	Part exempt 3

**Section B**

**Decisions made by individual Cabinet Members**

12	Upham Village Design Statement Adoption	Cabinet Member for Place & Local Plan	No	Upper Meon Valley	Joan Ashton	Cabinet member decision report	Cabinet Member for Place & Local Plan Decision Day	Mar-25	13-Mar-25	Open
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	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
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**Section C**  
Decisions made by Officers

13	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	Mar-25	Mar-25	Open
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