

CABINET – 12 OCTOBER 2005ROLL FORWARD OF CORPORATE STRATEGY AND REVENUE BUDGET 2006/09REPORT OF LEADER OF THE COUNCIL AND CHIEF EXECUTIVE

Contact Officer: Simon Eden Tel No: 01962 848230 (seden@winchester.gov.uk)

RECENT REFERENCES:

CAB1099 – Financial Strategy 2006/07 to 2010/11

EXECUTIVE SUMMARY:

The Council's Corporate Strategy sets out the organisation's key priorities for the medium term – a period of three years. It is a key document in the Council's policy framework that the Cabinet is then empowered to deliver, within the agreed budget. The Strategy is reviewed annually to take account of changing local and national circumstances.

As part of the Council's process of continuous improvement, this year integrated documentation is being developed, identifying the Council's aspirations for the next three years, looking at the key targets and milestones that will help the authority meet these aspirations and identifying changes required to the Council's budget in order to be able to deliver these outcomes, within the resources available.

Additional time has also been included in the review programme to allow wider consultation on proposed changes to both the Corporate Strategy and budget over the autumn, with an integrated package of documents comprising the Corporate Strategy, the forward looking elements of the Council's Performance Plan and the revenue budget to be brought for approval by full Council at the end of February. This report seeks Cabinet approval to the documents on which this consultation is to be based.

Following an initial review of the 2005/08 Corporate Strategy and supporting budget, no significant changes to the Council's policy direction are being proposed, but the need to make efficiency savings and reduce expenditure in areas of lower priority, in order to achieve a balanced budget in the medium to long term is recognised. The need to ensure that the Council's aims are stated in terms of the outcomes desired for the community has also been recognised and further work is taking place to achieve this.

RECOMMENDATIONS:

- 1 That Cabinet agrees the draft Corporate Strategy and revenue budget as a basis for consultation with staff, Members and partner organisations over the autumn, on the understanding that the documentation will continue to be refined to give a stronger outcome focus as part of this process and that the budget continues to be developed.

CABINET – 12 OCTOBER 2005ROLL FORWARD OF CORPORATE STRATEGY AND REVENUE BUDGET 2006/09REPORT OF LEADER OF THE COUNCIL AND CHIEF EXECUTIVE1 Introduction

- 1.1 The Council's Corporate Strategy sets out the organisation's key priorities for the medium term – a period of three years. It is a key document in the Council's policy framework that the Cabinet is then empowered to deliver, within the agreed budget. It is reviewed and rolled forward on an annual basis.
- 1.2 The Council also plans its budgets over a six year time frame, with an annual roll forward to ensure that spending plans and overall income to the Council balance, in both the short and longer term, within the parameters set out in the Financial Strategy.
- 1.3 Over recent years the Council has been working to align these processes more closely together. This year it is intended to present an integrated package to the Council meeting in February comprising
 - a) The Corporate Strategy for 2006/09;
 - b) The forward looking elements of the Performance Plan for 2006 (as a 'Corporate Business Plan');
 - c) The revenue budget for 2006/07 – 2010/11

2 Review of the Corporate Strategy and Performance Plan

- 2.1 The role of the Council's Corporate Strategy is to set out the key priorities that the Council will be seeking to address over the medium term, identifying, through the Performance Plan, targets and milestones it will need to achieve in order to do this and, through its budget, resource required to deliver these improvements. The Government is urging all local authorities to think about these improvements in terms of the outcomes they will achieve for the local community.
- 2.2 Before considering the roll forward of the Corporate Strategy, a seminar was held on 12 July to give all Members an opportunity to identify the issues that were most important in their communities, so that these could be taken into account.
- 2.3 Information about the demographic makeup of the communities in this District, the views of residents as expressed through the Citizens' Panel and current performance standards being achieved by Council services has also been reviewed as part of this roll forward process. The contribution that the Council makes towards the aims set out in the Community Strategy, which provides a shared agenda with other organisations working in this District for the benefit of local people, has also been taken into account.
- 2.4 Having taken account of these various issues, no significant changes to the Council's policy direction are being recommended, although the text of the document has been reviewed and new wording proposed to take account of
 - a) The need to ensure wording is outcome focused in that it identifies improvements to the quality of life that the Council seeks to achieve (further work is continuing on this and will be reflected in the consultation process);

- b) The Children's and Young People's Act which places responsibility on District Councils to work with the County Council on promoting the well being of Children and Young People;
- c) The need to recognise the impact that the Council's work has on the health of the community (reflected through a change of wording in the priority looking at social inclusion);
- d) The need to reflect the importance of the local environment to the community, as well as the impact that the Council can have on more global environmental issues (reflected through a change of wording to the priority previously identified as 'The Green Agenda').

2.5 A copy of the revised summary document is attached as Appendix 2 to this report.

2.6 Initial consideration has been given to targets for action required to deliver these improvements and work to date is included in the draft document attached as Appendix 1, which also identifies the budget changes required to support this programme of work. Further work is continuing to differentiate between targets and activities required to deliver them and to ensure that targets are SMART (Specific, Measurable, Achievable, Resourced, Timed).

3 Review of the Budget

3.1 The key principles to be applied to the budget were agreed at the Cabinet meeting of 26 July, 2005, viz:

- a) The revenue budget for the forthcoming year will be balanced;
- b) Reserves will not be used to fund annual, recurring expenditure;
- c) Savings proposals will be sufficient to fund Growth proposals and to eliminate the projected deficit;
- d) Growth proposals will not create a revenue deficit in future financial years without equivalent forward savings also being identified;
- e) Inflation will be applied only to budgets for staff and external contracts.

3.2 The forward financial projections have been updated from the Financial Strategy report (CAB1090) to include growth and savings proposals. The projections show that the budget will be in deficit next year and action is needed to ensure that the recently approved Key Principles are complied with.

3.3 As usual, there are many uncertainties about the budget. Items that have not been quantified, or cannot be fully assessed at this time, are commented on below.

a) **Revenue Support Grant (RSG).** The Council receives cash grant that is £400,000 more than the amount the Government calculate as being required. Previously the gap was £600,000. It may be expected that the gap will be narrowed over time, but it is not known how quickly this will happen. The recent extension of the concessionary travel scheme will bring considerable extra costs which will affect the calculation – these costs may reduce the gap and it is possible that no extra cash will be forthcoming to fund the increased travel costs. However, the settlement might make allowance for the extra costs and increase the amount of cash the Council receives. An indication of the settlement will be made in December. The projections assume a cash increase in line with inflation.

b) **Comprehensive Spending Review (CSR).** Earlier this year Cabinet Members engaged with Officers to review all services in advance of the

budget process. The review identified a number of areas for potential saving through reduced service provision. Work has since concentrated on identifying efficiency savings, mainly through changes to procurement practices and the e-government programme, in order to protect services yet achieving reductions in overall spending. Savings from the efficiency review are included in the forward projections and these will be monitored to ensure that they are achieved.

- c) **Business growth incentive schemes.** The potential for retention of business rates associated with growth in rateable value base is unknown.
- d) **E-Government programme.** Significant work is underway but the overall capital budget and revenue impact needs to be reviewed. In particular, the provision for a corporate electronic document and records management system may be in excess of that currently provided for. This will be considered further later in the year.
- e) **Guildhall.** Any significant work to be scheduled, in particular as part of the Bapsy bequest proposals, is not budgeted for.
- f) **Interest rates.** Current projections were based on interest rates averaging 4.75% pa. The recent reduction in Base Rate to 4.5% and a projected further reduction in 2006 to 4.25% will reduce investment income by about £0.1m pa.
- g) **Land charges/Licensing income.** Current projections show income may be £40,000 below target for 2005/06 – and it may not be possible to make any significant changes to fee structure because of current market conditions. Licensing income is also being reviewed to take account of recent changes from implementation of the Licensing Act 2003.
- h) **New office accommodation.** This scheme is at an early stage and no assessment has been made of the effect on the Council's finances and cash flow, although the intention is for the scheme to be no worse than cost neutral overall.
- i) **Parking.** The Parking Income Reserve has supported the General Fund budget increasingly over the last few years, with £300,000 being included in the 2005/06 budget. The balance on the Reserve will be depleted at the end of the current year and this contribution will no longer be available. This shortfall will need to be made good from other sources. There is provision in the Parking Property Repairs Reserve for a contribution of £1m towards the Silverhill development. There is no provision for any significant works that the Council may wish to undertake on other car parks: in particular, expenditure on the Tower Street car park may be required.
- j) **Repairs to building.** There is no forward programme for repairs to Council owned buildings. Work is required on City Offices but this has not been assessed and is dependent upon the proposal for new office accommodation.
- k) **Silverhill.** Detailed proposals for this scheme are nearing completion but the final outcome on City Council finances cannot be quantified precisely. As well as several capital elements that may affect the overall costs of the scheme, and thus the Council's share of any subsequent profit, there may be

additional revenue costs, such as in relation to additional street cleaning or landscape maintenance.

- l) **Superannuation Fund.** Government proposals to reduce the burden on the Pension Fund were abandoned earlier this year. If these proposals are not pursued the deficit on the Fund may be worse than currently forecast and Employers' contribution rates in 2007/08 may have to increase above those included in the projections.

- 3.4 The budget projections (attached as Appendix 3) have been revised to take account of the following:
 - a) Proposed growth and saving;
 - b) A change in the Gershon savings to reflect those items already included within the base budget and a more realistic position;
 - c) The cessation of the contribution from the car park reserve;
 - d) The effect of the reduction in interest rates.
- 3.5 Work will continue throughout the Autumn, including deliberation by the Scrutiny Panels, on refining the budget in order to present final proposals to Council in February.

4 Next Steps in the Process

- 4.1 Following good practice guidance and in light of comments made last year, additional time has been allowed as part of the process of rolling forward both the Corporate Strategy and budget for consultation both within the organisation and with partners.
- 4.2 Once Cabinet has agreed these draft papers, it is proposed to discuss the approach being proposed with our key partners as part of the Local Strategic Partnership meeting taking place in November. It is also intended to meet the statutory requirement to discuss proposals with local business organisations and key local business at this stage in the process, when any comments or concerns can be considered as the process develops.
- 4.3 While scrutiny bodies have been consulted about budget proposals in the past, this has tended to be in the context that the Corporate Strategy has already been set. To make these discussions more meaningful, it is proposed that Scrutiny Panels will be invited to comment on proposals being brought forward for both the development of the Corporate Strategy and the budget to support these at the cycle of meetings starting in late November. Principal Scrutiny Committee will have an opportunity to consider the full package of proposals at its November meeting and again at its January meeting, when changes made as a result of the earlier consultation have been incorporated.
- 4.4 Cabinet will be revising the budget proposals taking account of the views of the scrutiny bodies and will bring detailed budget proposals forward later in the year. The final decision on all these documents will be made by full Council at its meeting at the end of February.

OTHER CONSIDERATIONS:

5 Relevance to Corporate Strategy

- 5.1 This report is part of the process of review of the Corporate Strategy to ensure that it remains relevant to the needs of the District.

6 Resource Implications

- 6.1 The resource required to support the delivery of outcomes set out in the Corporate Strategy are being considered as part of the process for updating this strategy.

Background Documents

The following documents have helped to establish the needs of the District. Copies can be obtained from the Chief Executive's Directorate.

- WCC Demographic Information (compiled as at 20 July 2005)
- Officer views on perceived pressures for 2006
- WCC Selected BVPI Information
- Key outcomes identified by City Councillors at Member Seminar held on 12 July 2005

Appendices

- Appendix 1 Better Services – Strategy, Targets and Budget
- Appendix 2 Draft summary of Corporate Strategy 2006 – 2009
- Appendix 3 Budget Projections

Corporate Strategy – Better Services

Taking account of the Community Strategy and the vision set by the Council and having considered the current circumstances of the District and the views of citizens, the Council has identified the following as the key service areas on which it will focus over the period of the Corporate Strategy:

1. **Homes**

To address the longer term aim of providing decent affordable homes for all sectors of our community, we will:

- build more affordable homes;
- meet the decent homes standard
- provide better housing for vulnerable elderly people;

Key Targets for 2006-2009

Corporate Priority	Corporate objective	Responsible Portfolio	Target 2006/2007	Target 2007/2008	Target 2008/2009
<i>Homes</i>	• <i>build more affordable homes</i>	<i>Housing Planning</i>	<i>34% of affordable housing provided on Policy H.5 sites</i>	<i>34% of affordable housing provided on Policy H.5 sites</i>	
<i>Homes</i>	• <i>build more affordable homes</i>	<i>Housing Planning</i>	<i>Provide a minimum of 20 units of affordable rural housing</i>	<i>Provide a minimum of 20 units of affordable rural housing</i>	
<i>Homes</i>	• <i>meet the Decent Homes Standard</i>	<i>Housing</i>	<i>Reduce the % of non-decent stock incrementally to achieve Winchester Decent Homes Standard by March 2010</i>	<i>Reduce the % of non-decent stock incrementally to achieve Winchester Decent Homes Standard by March 2010</i>	
<i>Homes</i>	• <i>provide better housing for vulnerable elderly people</i>	<i>Housing</i>	<i>Work jointly with partners to optimise the services provided by the Home Improvement Agency to assist elderly, disabled, vulnerable households in the private sector</i>	<i>Work jointly with partners to optimise the services provided by the Home Improvement Agency to assist elderly, disabled, vulnerable households in the private sector</i>	

Proposed Budget Changes relating to priority areas**Proposed Growth:** None**Proposed Savings:**

Saving	2006/07 £'000	2007/08 £'000	2008/09 £'000	Opportunity for Saving
Homecheck	(15)	(15)	(15)	In absence of partnership funding it is proposed to stop supporting this scheme. The alternative would be a growth bid of £10,000 in base budget to replace previous partnership funding.
HMO Licensing Income	(5)	(10)	(15)	Additional income likely to be accrued from charging for HMO licence inspections.

Proposed Budget Changes in related areas

None

2. Community Safety

To create communities that feel safe and further reduce levels of crime and anti-social behaviour in the District we will:

- increase feelings of safety
- reduce the propensity of people to indulge in anti-social behaviour.

Key Targets for 2006-2009

Corporate Priority	Corporate objective	Responsible Portfolio	Target 2006/2007	Target 2007/2008	Target 2008/2009
Community safety	<ul style="list-style-type: none"> • Increase feelings of safety • Reduce the propensity of people to indulge in anti-social behaviour 	Healthy & Inclusive Communities	Provide leadership to the Community Safety Partnership in working towards achieving an overall crime reduction target of 15% by 2007/08	<p>Provide leadership to the Community Safety Partnership in achieving overall crime reduction target of 15% by 2007/08.</p> <p>Individual reduction targets: Theft of vehicle 17% Theft from vehicle 17% Vehicle interference 17% Domestic burglary 17% Theft from person 5% Criminal damage 15% Common assault 15% Wounding 15% Robbery 8%.</p> <p>Updated three year strategy and action plan to be in place by end March 2007.</p>	

Proposed Budget Changes relating to priority areas**Proposed Growth:**

Required	2006/07 £'000	2007/08 £'000	2008/09 £'000	Reasons for Growth
Public Convenience maintenance costs	15	15	15	Increased provision in budget to deal with vandalism incidents
Additional Warden(s)	20	20	20	Creation of additional posts would help to meet the new ODPM quality standard for warden schemes and help overcome risks of lone working while maintaining the standard of service. Level of budget increase subject to a business case being made in consultation with the Town Forum and the balance of funding being agreed between the GRF, Town Forum and any Parish Council that may directly wish to benefit from Warden services.

Proposed Savings: NoneProposed Budget Changes in related areas

None

3. High Quality Environment

To minimise pollution and waste and to make efficient use of resources we will:

- significantly reduce landfill, encourage increased re-use and promote recycling by rolling out the weekly collection of separated waste streams across the whole district;
- improve air quality in central Winchester, through implementation of the Air Quality Action Plan in partnership with Hampshire County Council;
- work with partners to increase local communities' pride in the place where they live.

Key Targets for 2006-2009

Corporate Priority	Corporate objective	Responsible Portfolio	Target 2006/2007	Target 2007/2008	Target 2008/2009
<i>High Quality Environment</i>	• <i>significantly reduce landfill, encourage increased re-use and promote recycling</i>	<i>Environmental Health</i>	<i>36% of household waste recycled by April 2007</i>	<i>45% of household waste recycled by April 2008</i>	
<i>High Quality Environment</i>	• <i>improve air quality, in central Winchester</i>	<i>Environmental Health</i>	<i>Implement actions assigned to 2006/07 within the Air Quality Action Plan</i>	<i>Implement actions assigned to 2007/08 within the Air Quality Action Plan</i>	
<i>High Quality Environment</i>	• <i>increase local communities' pride in the place where they live</i>	<i>Healthy & Inclusive Communities</i>	<i>Base line survey to establish current degree of 'pride' and factors that influence this.</i>		

Proposed Budget Changes relating to priority areas**Proposed Growth:**

Required	2006/07 £'000	2007/08 £'000	2008/09 £'000	Reasons for Growth
Roll out of AWC Pilot Project across district	?	?	?	The costs are currently being reviewed, with a view to long term revenue costs being no greater than the cost of the existing system. Alternative funding streams are being investigated to help meet start up costs.
AWC Roll out	400	800	400	Capital: Cost of bins spread over likely timescale of project

Proposed Savings: NoneProposed Budget Changes in related areas**Proposed Growth:**

Required	2006/07 £'000	2007/08 £'000	2008/09 £'000	Reasons for Growth
Tree stock condition survey – year 2	30			Required to satisfy risk management requirements - estimate of survey costs – will only be known once procurement investigated in more detail
Tree Works	40	40	20	HRA: These are the HRA:implications prior to completion of the survey
Increased provision in Grounds Maintenance budget to cover remedial work to trees	45	30	15	GRF: 2 year major programme required to deal with stock followed by routine maintenance costs in subsequent years
Replanting of Trees	?	?	?	To replace those felled
Cost of implementation of Clean Neighbourhoods and Environment Act – increased street cleansing costs etc	15	15	15	Required to meet new legislative requirements. Dependent upon final guidance on interpretation of new provisions (e.g. chewing gum removal) and decisions by WCC on extent of adoption of new powers – report to follow to Cabinet in due course with options.

Required	2006/07 £'000	2007/08 £'000	2008/09 £'000	Reasons for Growth
Increased costs of dog waste bin emptying contract	10	10	10	Increased costs following re-letting of contract
Refurbishment of Abbey Gardens Public Convenience. Bring M/F together use F for Garden store.	200			This is capital Estimate of costs but will be subject to more detailed feasibility study during 2005/06
Concessionary travel – expansion of scheme	370	370	370	New legislative requirement. Net increase shown, taking account of reduction in costs of travel token scheme. There may be an increase in RSG to offset these costs in part.
Lost income from recycling credits	10	10	10	Required to offset ongoing reduction in income paid for materials as overall volume of materials for recycling increases.
Creation of a new cremation plot at Mornhill Cemetery	35			Capital: Required to extend capacity.

Proposed Savings:

Saving	2006/07 £'000	2007/08 £'000	2008/09 £'000	Opportunity for Saving
Reduction in planning & environment grants	(30)			Capital: Required to release funds for higher priority work.
Transfer of sewage treatment works to Southern Water	(30)*	(45)*		*Efficiency saving. Includes £15,000 savings made in 2005/06 but not included in that year's base budget.
Reduced maintenance costs for Jewry Street toilets	(10)*	(20)*		Replacement of existing public toilets with a new facility as part of the Cultural Centre project will result in reduced maintenance costs. *Efficiency saving.

4. **Healthy & Inclusive Communities**

To ensure that everyone can play a full part in the life of their community we will target support on the most deprived communities within the District to

- reduce health inequalities by encouraging more active lifestyles;
- help these communities to become more self confident and self supporting, in partnership with the voluntary sector;
- improve outcomes for children and young people

Key Targets for 2006-2009

Corporate Priority	Corporate objective	Responsible Portfolio	Target 2006/2007	Target 2007/2008	Target 2008/2009
<i>Healthy & Inclusive Communities</i>	<ul style="list-style-type: none"> • <i>reduce health inequalities by encouraging more active lifestyles</i> 	<i>Healthy & Inclusive Communities Portfolio</i>	<i>Increase number of exercise prescriptions actively being taken up by 5% compound each year</i>	<i>Increase number of exercise prescriptions actively being taken up by 5% compound each year</i>	
<i>Healthy & Inclusive Communities</i>	<ul style="list-style-type: none"> • <i>help communities become more self confident</i> 	<i>Healthy & Inclusive Communities Portfolio</i>			
<i>Healthy & Inclusive Communities</i>	<ul style="list-style-type: none"> • <i>improve outcomes for children and young people</i> 	<i>Healthy & Inclusive Communities Portfolio</i>			

Proposed Budget Changes relating to priority areas

Proposed Growth: None

Proposed Savings: None

Proposed Budget Changes in related areas

None

5. Economic Prosperity

To achieve a strong and diverse urban and rural economy which builds on local strengths and offers opportunities for all we will:

- create opportunities across the District for new and existing businesses to flourish;
- recognise, support and develop the market towns and wider rural economy;
- develop the evening economy in Winchester;
- develop a vibrant and sustainable creative and cultural economy.

Key Targets for 2006-2009

Corporate Priority	Corporate objective	Responsible Portfolio	Target 2006/2007	Target 2007/2008	Target 2008/2009
<i>Economic prosperity</i>	<ul style="list-style-type: none"> • <i>create opportunities across the District for new and existing businesses to flourish</i> 	<i>Economy & Transport</i>	<i>Development of BID business plan including business community programme for promoting town retail, culture and leisure offer (June 2006)</i>		
<i>Economic prosperity</i>	<ul style="list-style-type: none"> • <i>recognise, support and develop the market towns and wider rural economy;</i> 	<i>Economy & Transport</i>	<i>Develop property register and sites portfolio (December 2006)</i> <i>Develop Rural Employment Action Plan (working through Rural Forum) (June 2006)</i> <i>Review business policies as part of the Local Development Framework (LDF) Core Strategy (March 2007)</i>		

Key Targets for 2006-2009 (continued)

Corporate Priority	Corporate objective	Responsible Portfolio	Target 2006/2007	Target 2007/2008	Target 2008/2009
<i>Economic prosperity</i>	<ul style="list-style-type: none"> develop the early evening economy in Winchester 	<i>Economy & Transport</i>			
<i>Economic prosperity</i>	<ul style="list-style-type: none"> develop a vibrant and sustainable creative and cultural economy 	<i>Economy & Transport</i>			

Proposed Budget Changes relating to priority areas**Proposed Growth:**

Required	2006/07 £'000	2007/08 £'000	2008/09 £'000	Reasons for Growth
Economic development activities.	50	50	50	No funds are presently available to support economic development activities. Funding requirements to be worked up in more detail during the autumn

Proposed Savings: NoneProposed Budget Changes in related areas

Saving	2006/07 £'000	2007/08 £'000	2008/09 £'000	Opportunity for Saving
Increase income from car park fees	(150)	(150)	(150)	Car parking fees to be reviewed annually with changes introduced incrementally.

Corporate Strategy 2006-2009**Better Services****6. Cultural and Leisure Opportunities**

To achieve the benefits for the community of cultural and leisure activities we will:

- invest in projects and partnerships for young people
- extend creative and cultural opportunities into rural areas
- Increase opportunities for the take up of and access to sport for all ;
- promote Winchester as a centre for culture, education, conferences and tourism;
- develop new opportunities for people to understand and enjoy the heritage of the district

Culture, Heritage and Sport Portfolio Targets 2006-2009

Corporate Priority	Corporate objective	Responsible Portfolio	Target 2006/2007	Target 2007/2008	Target 2008/2009
<i>Cultural and Leisure Opportunities</i>	<ul style="list-style-type: none"> • <i>Increase opportunities for the take up of and access to sport for all</i> 	<i>Culture, heritage and sport</i>	<p><i>Complete capital refurbishment project for RPLC (n.b. likely to involve 3 month closure)</i></p> <p><i>Increase number of visits to Meadowside Centre by 5%</i></p>	<p><i>Increase number of visits to River Park Leisure Centre by 2% (over 2005/06 figures)</i></p> <p><i>Increase number of visits to Meadowside Centre by 5%</i></p> <p><i>Increase participation in sport and active recreation towards government target levels</i></p>	
<i>Cultural and Leisure Opportunities</i>	<ul style="list-style-type: none"> • <i>promote Winchester and District as a centre for culture, education, conferences and tourism</i> 	<i>Culture, heritage and sport</i>	<p><i>Develop the 'Conference Winchester' brand</i></p> <p><i>Develop the role of the Cultural Consortium in identifying and promoting key projects</i></p>	<i>Publish updated Cultural Strategy for the District</i>	

Corporate Priority	Corporate objective	Responsible Portfolio	Target 2006/2007	Target 2007/2008	Target 2008/2009
<i>Cultural and Leisure Opportunities</i>	<ul style="list-style-type: none"> develop new ways to provide better public access to heritage services 	<i>Culture, heritage & sport</i>	<i>Open new facilities at Winchester Cultural Centre in partnership with Hampshire County Council</i>	<i>Provide new storage and curatorial facilities in Winchester to improve efficiency of museums storage and quality of conservation services</i>	
<i>Cultural and Leisure Opportunities</i>	<ul style="list-style-type: none"> invest in projects and partnerships which will provide for the leisure, sporting and cultural interests of young people 	<i>Culture, heritage & sport</i>			

Proposed Budget Changes relating to priority areas

Proposed Growth:

Required	2006/07 £'000	2007/08 £'000	2008/09 £'000	Reasons for Growth
Outdoor Recreation Development Officer	30	30	30	<p>Post required to deliver a customer focused service in the following key areas:- Playground development – primarily the delivery of the Council's 5 Year Playground Development Plan; Parks and open spaces issues (informal recreation) – outside Serco contract; Sports pitches (formal recreation) – including MDA advice; Allotments; Community groups – e.g. Winchester in Bloom; Development of open spaces – e.g. St Giles Hill; Specialist horticultural advice. Wider funding sources being investigated.</p>

Proposed Savings:

Saving	2006/07 £'000	2007/08 £'000	2008/09 £'000	Opportunity for Saving
Meadowside	(25)	(25)	(25)	Increased income projections.
Cultural Centre	(6)	(46)*	(46)*	Savings resulting from joint working with HCC on Cultural Centre project, resulting in savings in costs relating to running the HRC. *Efficiency savings.
Overall reduction in costs of cultural services	(50)	(50)	(50)	Required to divert funds to areas of greater importance.

Proposed Budget Changes in related areas

None

Proposed Budget Changes relating to the way the Council works**Proposed Growth:**

Required	2006/07 £'000	2007/08 £'000	2008/09 £'000	Reasons for Growth
Planning improvement plan – increased staffing	100	100	100	Additional staffing costs required to deliver planning improvement plan. (NOTE: There is an underlying assumption in the budget that there will be planning development grant/additional income of £200,000 each year)
Planning improvement plan – training & IT	35			2006/07 only.
Elections	10	10	10	Growth required to cover additional costs of increased postal voting and increase in scale fees for staff in polling stations/count.
Standards Board Consultancy	10	10	10	The Standards Board intend to refer more items for local investigation and/or local decision.
Training	20	20	20	Increased budget supported but not quantified.
Loss of income in land charges and possibly licensing	?			Current projections show income may be £40,000 below target for 2005/06 – and it may not be possible to make any significant changes to fee structure because of current market conditions. Licensing income is also being reviewed to take account of recent changes from implementation of Licensing Act 2003.

Proposed Savings:

Saving	2006/07 £'000	2007/08 £'000	2008/09 £'000	Opportunity for Saving
Customer Service Centre	(40)*	(80)*	(160)*	More efficient working through separation of front line and back office working. *Efficiency saving. Includes £42,000 saving made in 2005/06 but not included in that year's base budget. NOTE; Part of this saving will fall to the HRA.
Organisational Development	(31)*	(31)*	(31)*	Additional savings made in 2005/06 but not included in 2005/06 base budget. *Efficiency saving.
Traffic / Transport / Engineering Re-organisation	(80)	(80)	(80)	Following recent staff changes there would be an opportunity to re-structure this area, with resulting net savings in salary costs.
Communications review	(10)*	(10)*	(10)*	Review in progress. Savings indicated are anticipated through more efficient and effective use of printed material. Options for further savings may be identified through the review. *Efficiency saving.

Proposed Savings (continued):

Saving	2006/07 £'000	2007/08 £'000	2008/09 £'000	Opportunity for Saving
Temporary staff	(50)*	(50)*	(50)*	Potential for saving through better procurement is being assessed. *Efficiency saving from better procurement. NOTE: Part of this saving will fall to the HRA.
Cost of stationery	(15)*	(15)*	(15)*	*Efficiency savings made through better procurement. Savings made in 2005/06 but not reflected in that year's budget. NOTE: Part of this saving will fall to the HRA.
Procurement savings	(30)*	(80)*	(80)*	Savings achieved through better procurement of goods and services. *Efficiency saving from better procurement. NOTE: Part of this saving will fall to the HRA.
IT contract	(100)*	(100)*	(100)*	Future working methods may reduce this sum. *Efficiency saving. NOTE: Part of this saving will fall to the HRA.
Insurance Cost	(40)*	(65)*	(65)*	Continued reduction in insurance premiums through better risk management. *Efficiency saving. Includes £15,000 savings achieved in 2005/06 but not included in that year's base budget. NOTE: Part of this saving will fall to the HRA.
Members' food	(10)	(10)	(10)	Policy already agreed by Council
Members' room	(5)	(5)	(5)	Additional income to be secured by Guildhall.
Leased cars	(15)*	(15)*	(15)*	Potential savings to be identified through a review of the current scheme. *Efficiency saving. NOTE: Part of this saving will fall to the HRA.
Energy Costs	(4)*	(6)*	(6)*	Reduction in energy costs through more efficient use of resources. *Efficiency saving. Includes £2,000 savings from 2005/06 that were not included in that year's budget. NOTE: Part of this saving will fall to the HRA.
Paper Cost and Use	(15)*	(25)*	(25)*	Reduction in paper costs, primarily from reducing the amount of paper used across the Council, although £5,000 is through better procurement achieved in 2005/06 but not reflected in the base budget *Efficiency saving. NOTE: Part of this saving will fall to the HRA.
HPSN	(3)*	(3)*	(3)*	Savings resulting from use of HPSN, not reflected in 2005/06 budget. NOTE: Part of this saving will fall to the HRA.
Interest rates	(40)*	(60)*	(60)*	*Counts towards efficiency saving target. Includes £20,000 saving made in 2005/06 but not reflected in that year's base budget. Figures to be revised (downwards)
Office Accommodation	(90)*	(90)*	(90)*	Reduced accommodation costs by vacating Athelston House. *Efficiency saving.
Depot rent	(17)*	(17)*	(17)*	*Efficiency saving achieved in 2005/06 but not included in that year's budget.

GENERAL FUND REVENUE PROJECTIONS 2005/06 - 2010/11

	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	Note
	£000	£000	£000	£000	£000	£000	
GROSS BUDGET FOR GF SERVICES	21,114	21,114	21,114	21,114	21,114	21,114	1
-							
Revenue growth		770	690	675	675	675	2
Revenue savings		(445)	(450)	(455)	(455)	(455)	3
Gershon savings year 1 (cashable)	(143)	(143)	(143)	(143)	(143)	(143)	4
Gershon savings year 2 (cashable)		(260)	(260)	(260)	(260)	(260)	4
Gershon savings year 3 (cashable)			(194)	(274)	(274)	(274)	4
Reduction in car park reserve contribution		217	304	304	304	304	5
Pensions Increases		201	380	470	529	588	6
Pay Inflation		345	701	1,068	1,446	1,835	7
Inflation on 3rd party payments		168	345	523	706	895	8
Inflation on income		(329)	(666)	(1,012)	(1,366)	(1,729)	9
Refuse/cleansing costs re new properties		50	100	150	200	250	10
Projected Expenditure Ceiling	20,971	21,688	21,921	22,160	22,476	22,800	
Capital Financing Charges	(7,190)	(7,190)	(7,190)	(7,190)	(7,190)	(7,190)	11
Net Interest	(1,402)	(1,148)	(1,008)	(961)	(939)	(902)	11
Budget Requirement	12,379	13,350	13,723	14,009	14,347	14,708	
<i>Current Tax level</i>							
Council Tax	(5,549)	(5,774)	(6,005)	(6,244)	(6,492)	(6,750)	12
RSG & NNDR	(6,111)	(6,264)	(6,420)	(6,581)	(6,745)	(6,914)	13
Winchester Town contributions	(64)	(54)	(54)	(54)	(54)	(54)	14
Earmarked Reserves	0	(36)	(24)	0	0	0	15
Contribution from Major Investment Reserve	(579)	(220)	0	0	0	0	16
(Headroom)/Shortfall	76	1,002	1,220	1,130	1,056	990	
Collection Fund (surplus)/deficit	(14)	(16)	0	0	0	0	

Notes:

see attached list of sources and assumptions for these projections

General Fund Projections

Notes re sources and assumptions for projections

- 1 Base budget for GF services approved by Council
- 2 Growth requests
- 3 Savings suggestions (net of savings credited to HRA)
- 4 Gershon savings as per CAB1069 and DMT papers - year 1 not already in budgets and years 2 & 3
- 5 2005/06 budget included contribution to GF from Parking Income Reserve - not available in subsequent years as reserve is depleted
- 6 Projections for pensions increases derived from information supplied by HCC
- 7 Pay inflation at 3% pa
- 8 3rd party payments inflation at 3% pa
- 9 Inflation on fees, charges and rents at 2.5% pa
- 10 New properties to take into account
- 11 Projections for financing transactions per capital budget papers
- 12 Assume tax base increases by 500 properties pa. Assume tax increases of 3% in line with inflation.
- 13 Assume cash increases of 2.5% pa
- 14 Difference between budget and tax levels for Win Town account
- 15 Land charges growth agreed from reserve CAB924
- 16 Subsidy from MIR agreed in previous approved budgets