

CABINET

14 JANUARY 2009

GENERAL FUND BUDGET

REPORT OF PORTFOLIO HOLDER FOR FINANCE AND EFFICIENCY

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RECENT REFERENCES:

CAB1663: Financial Strategy 2009/10 – 2013/14, 9 July 2008

CAB1680: Capital Strategy and Programme 2008, 9 July 2008

CAB1713 : Capital Programme 2008/09 – 2013/14, 15 October 2008

CAB1727: General Fund Budget , 15 October 2008

SO79: Consultation on Options for the General Fund Budget 2009/10,  
November 2008

EXECUTIVE SUMMARY:

This report presents the next phase in the budget process following the consultation of budget options with the four scrutiny panels, Principal Scrutiny Committee, the Town Forum, parish council chairmen and the business community. It is proposed to consult also with our partners in the Local Strategic Partnership in mid January. The final budget proposals will be presented to Cabinet in February.

RECOMMENDATION:

That Cabinet notes the results of consultations and the further developments, as part of its deliberation of the budget.

## CABINET

14 JANUARY 2009

### GENERAL FUND BUDGET

#### REPORT OF PORTFOLIO HOLDER FOR FINANCE AND EFFICIENCY

#### 1 Introduction

- 1.1 Report CAB1727 indicated there was a significant gap between proposed expenditure and income that required a combination of additional income and savings of £2.2 million.
- 1.2 Various options to achieve this were proposed and it was decided to consult on these ideas.

#### 2 Consultations

- 2.1 Consultations have been carried out with the four scrutiny panels, Principal Scrutiny Committee, the Town Forum, parish council chairmen and the business community. It is proposed to consult also with our partners in the Local Strategic Partnership in mid January.

Comments we received back were:

#### 2.2 Social Issues Scrutiny Panel (10 November 2008)

- Consider increasing the amount of money from advertising in Perspectives magazine;
- Give further thought to the grant to the Theatre Royal;
- Save postage by sending out mail once a week to councillors.

#### 2.3 Environment Scrutiny Panel (11 November 2008)

- Investigate potential for increased revenue from car park advertising;
- Note that increased income from recycling is unlikely.

#### 2.4 Local Economy Scrutiny Panel (18 November 2008)

- consider increased income from advertising;
- review opening arrangements at city museums and consider charging for admission;
- investigate possibility of introduction of split car parking tickets (also called car park validation);
- Consider including Meadowside Leisure Centre in external management arrangement;

- there was no support for closing the Tourist Information Centre or reducing its service, but income generation could be increased;
- look at time-table for disposal of Hyde Resources Centre at an earlier date;
- further consideration be given to assigning 10 percent of the costs of the Theatre Royal grant to the Winchester Town Account.

#### 2.5 Resources Scrutiny Panel (19 November 2008)

- hold more internal meetings in Abbey House and thus free up the Guildhall for external hire;
- give further consideration to the rent charged to the Farmers Market in case these impaired the success of this venture;
- urge the Theatre Royal to increase seat prices to offset any reduction on the council's grant.
- The difficulty of reducing the number of meetings was noted.

#### 2.6 Principal Scrutiny Committee (17 November 2008)

- it was agreed that income from recycling would be reduced next year;
- rental income from property might be increased when negotiations were held;
- support for increasing rental charges for the Farmers Market;
- Car park advertising could be increased;
- Other efficiencies might be possible related to the council's vehicle fleet following combining duties;
- The sharing of costs of public conveniences between district and town/parishes was seen as a better option than closing them;
- The shortening of hours of opening of the Customer Service Centre was unlikely to have an adverse impact on service;
- The committee noted the proposal to reduce the grant to the Theatre Royal and suggest the Town Forum account could pick this up;
- It was requested that where decreases in income were forecast, these be classified as "reduction in income" rather than negative growth.

#### 2.7 Winchester Town Forum (26 November 2008)

The Town Forum considered two requests for transferring income from the General Fund to the town account. There was support for the proposal to assume 50% of the cost of maintaining the public conveniences in the town providing that a similar approach is taken in the rural areas. However, the proposal to accept part of the grant to the Theatre Royal was not supported.

#### 2.8 Meeting with Business Community (5 December 2008)

The business community understood the financial constraints of the council as they were facing similar problems of rising expenses and falling income. The Council was thought to be dealing with this problem in an efficient way.

Most of the discussion concerned parking in Winchester. There was not support for Sunday parking. A request was made to hold parking charges level next year.

## 2.9 Parish Council Chairs (10 December 2008)

A meeting was held with the chairmen of the parish councils in the District. It was well attended and following ideas were expressed:

- there was support for sharing the cost of the maintenance of public conveniences, but this was not universal. Some parishes had already set their budget for next year;
- There was support for a proposal that the parish precepts could be paid in two instalments instead of one, providing this was done as early in April as possible. The second payment would come in late September.

## 3 Options under consideration

### 3.1 The following options are put forward as part of the budget process:

- Sunday parking charges will be introduced next year at a rate to be discussed further;
- In view of the suggestions that more income from advertising can be achieved opportunities for additional income will be considered;
- The Tourist Information Centre will remain open but it may be closed on one day a week if this produced significant savings and the TIC manager is urged to look for further opportunities to increase income;
- The Customer Service Centre will close slightly earlier each day;
- Both museums will remain open but the matter of charges will be considered in greater detail in next two weeks;
- It was decided not to move the Mayoralty to the Guildhall and not to lease Abbey House to an external organisation;
- The proposal on public conveniences maintenance is to go ahead;
- The Guildhall opening hours will be reviewed on Sundays in the Winter months;
- A contribution to the grant to the Theatre Royal will be sought from the Town Forum account;
- The grants budget will be trimmed;
- The growth item of £150,000 from LABGI is not supported, but a modest growth of £50,000 to assist the LDF process will be considered for one year only.

## 4 Other developments

### 4.1 Other developments in the budget process that will be included in final draft:

- The assumption of 3.5% pay inflation will be reviewed ;
- The extra tax base will bring in an additional £24,000;

- Vacancy management will continue next year;
- The timing of capital expenditure will be managed in order to minimise interest income losses.

## 5 Economic Downturn

- 5.1 It is recognised that the economic downturn will have an adverse impact in Winchester District in 2009. Particularly affected will be losses in income from a number of areas. This is likely to reduce income in one year by over £300,000. It is therefore proposed that as a special measure, reflecting the exceptional circumstances, that a departure should be made from the Financial Strategy and this decline will be funded in one year from the Major Investment Reserve.
- 5.2 In order to assist our residents any rise in Council Tax will be kept below 4%.

## 6 Summary

- 6.1 The matters discussed here will reduce the budget deficit substantially, but the entire gap has not yet been bridged.

### OTHER CONSIDERATIONS:

#### 7 CORPORATE STRATEGY (RELEVANCE TO):

- 7.1 The Financial Strategy is part of the Council's Corporate Policy Framework and is key to the achievement of the Council's Corporate Strategy.

#### 8 RESOURCE IMPLICATIONS:

- 8.1 As set out in the report.

### BACKGROUND DOCUMENTS:

Working papers held in the Finance and other divisions.