

CABINET

21 October 2015

THE OVERVIEW AND SCRUTINY COMMITTEE

26 October 2015

MEDIUM TERM FINANCIAL STRATEGY 2016/17 TO 2020/21

REPORT OF CHIEF FINANCE OFFICER

Contact Officer: Alexis Garlick Tel No: 01962 848224 Email:
agarlick@winchester.gov.uk

RECENT REFERENCES:

- CAB2606: Financial Strategy 2015/16 – 2019/20, 22 October 2014
- CAB2648: Treasury Management Strategy 2015/16, 11 February 2015
- CAB2647: Budget and Council Tax 2015/16, 11 February 2015
- AUD118: Risk Management Policy 2015, 22 June 2015
- CAB2698: General Fund Revenue Outturn 2014/15, 6 July 2015
- CAB2710: Capital Strategy 2015, 09 September 2015

EXECUTIVE SUMMARY:

The purpose of this report is to give consideration to the Council's Medium Term Financial Strategy to be adopted for the 2016/17 budget process and beyond. The Strategy sets out to establish the principles to be applied in setting the baseline budget and managing the medium term financial position, against a backdrop of continued transfer of risk from central to local government and the Council's significant capital expenditure plans. Following this, the Cabinet's preliminary view of budget considerations will be brought forward to the next Cabinet meeting in December, for consultation.

A General Fund Revised Estimate for 2015/16 is also presented for approval, and provides an updated baseline for consideration of the 2016/17 budget.

RECOMMENDATIONS:

That the Cabinet :

1. Approves the Medium Term Financial Strategy 2015, including the key principles to be applied to the General Fund Budget for 2016/17 and beyond.
2. Approves the Revised Estimates for 2015/16 as follows:
 - a. General Fund Revenue, as set out in paragraph 6.2; and
 - b. Capital (£10.958m) as set out in Appendix D.
3. Approves the Virement of £125,050 from the 2015/16 General Fund Revenue Budget to the Capital Programme, for Flooding Resilience Schemes, in accordance with Financial Procedure Rule 7.4 (see paragraph 6.3).
4. Recommends to Council that the proposals to carry forward budgets be approved under Financial Procedure Rule 7.9 for:
 - a. One-off Revenue budgets of £821,000 from 2015/16 to future years, as detailed in paragraph 6.5; and
 - b. Capital budgets amounting to £12.355m from 2015/16 to future years, as detailed in Appendix D (see paragraph 5.2).

That The Overview & Scrutiny Committee:

1. Considers any proposals it wishes to make to the Cabinet on the draft Medium Term Financial Strategy;
2. Considers whether it wishes to make any comments to the Cabinet or Council on the General Fund Revised Estimates (Revenue and Capital) for 2015/16 or the proposed carry forward of budgets ; and
3. Considers whether it wishes to call in the proposed virement from the revenue to capital for flooding resilience schemes.

To Council:

1. That the proposals to carry forward budgets be approved under Financial Procedure Rule 7.9 for:
 - a. One-off Revenue budget of £821,000 to future years as detailed in paragraph 6.5; and
 - b. Capital budgets amounting to £12.355m to future years (see Appendix D & paragraph 5.2).

CABINET21 October 2015THE OVERVIEW & SCRUTINY COMMITTEE26 October 2015MEDIUM TERM FINANCIAL STRATEGY 2016/17 TO 2020/21REPORT OF CHIEF FINANCE OFFICER1. Purpose

1.1. The purpose of this report is to give consideration to the Council's Medium Term Financial Strategy, to be adopted for the 2016/17 budget and for the medium term beyond. This seeks to identify available resources to achieve the Council's priorities which support the Community Strategy for the District which was adopted in 2014, and which is planned to be reviewed during 2016 for approval 2017/18.

1.2. A General Fund Revised Estimate for 2015/16 for both Capital and Revenue is also presented for approval, taking into account the outturn position for 2014/15 and the experience in the year to date. This provides an updated baseline for consideration of the 2016/17 budget.

1.3. The Housing Revenue Account is a ring-fenced account which will be considered separately by the Cabinet (Housing) Committee.

2. Key Stages in setting the General Fund Budget for 2016/17

2.1. The key stages are as follows:

Consideration	By	When
Capital Strategy 2015	Cabinet & The Overview & Scrutiny Committee & Council	9 September 14 September 4 November 2015
Medium Term Financial Strategy	Cabinet & The Overview & Scrutiny Committee	21 October 26 October

Consideration	By	When
Cabinet's preliminary view of Budget Considerations 2016/17 Draft Portfolio Holder Plans	Cabinet & The Overview & Scrutiny Committee	2 December 7 December
Portfolio Holder Plans	Council	6 January 2016
Consultation summary for General Fund Revenue Budget	Cabinet & The Overview & Scrutiny Committee	13 January 2016 18 January 2016
Budget & Council Tax report Treasury Management Strategy	Cabinet & The Overview & Scrutiny Committee & Council	10 February 2016 15 February 2016 18 February 2016

3. The Budget Context

- 3.1. The Council continues to have to respond to significant changes in Government support whilst being mindful of the impact on local council tax payers and the services being provided to local communities.
- 3.2. The budget for next year, and the Medium Term Financial Strategy's forward projections, will be influenced by actions both within the Council's control and by various external factors that cannot be quantified at this stage. Those currently known are identified in the Strategy, and the sensitivity to key risks is considered.
- 3.3. The planning horizon for the Medium Term Financial Strategy is 5 years, although it is planned that soft projections will be developed for a 10 year period.
- 3.4. At the time of writing, the Hampshire Authorities have submitted a proposal to the Government to set up a Combined Authority under the Government's Devolution proposals. The Chancellor made further announcements on Government's proposals recently. This could have a significant impact on the

Council's financial position and budgets in due course. The implications will be considered as more information emerges and as the Hampshire bid progresses.

4. Policy Driven Approach

4.1. Financial planning is an intrinsic part of the Council's Corporate Planning Framework which is explained in more detail in section 11 of the Strategy Document.

4.2. In considering how best to use limited financial resources, the Administration will be guided by their service and policy priorities, which in turn stem from the Council's Community Strategy and are key drivers of our corporate planning framework.

4.3. As has been the Council's practice in recent years, the Administration will continue to explore opportunities for operational efficiency in our working practices, including by developing flexible working practices, exploring new ways of managing activity, and developing a targeted programme of service transformation.

5. Capital Strategy

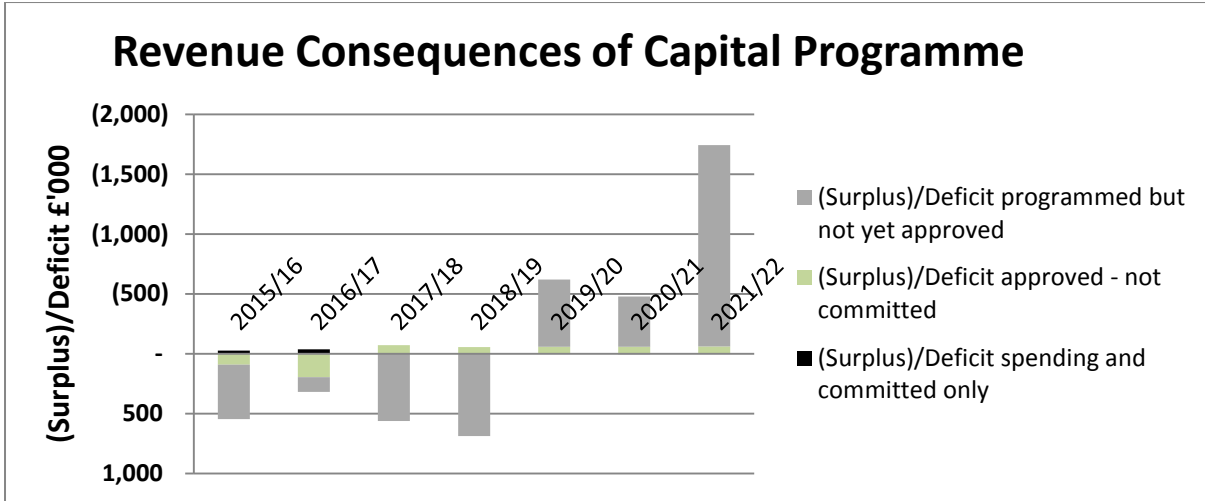
5.1. The Capital Strategy was considered by the Cabinet in September (CAB2710 refers). The Council continues to plan to use prudential borrowing to support its capital spending and this will also have direct consequences on the revenue resources available, and the future financial resilience position of the Council. The forecast Capital Financing Requirement for the General Fund is expected to increase from £6m to £40m by March 2021.

5.2. The proposed revisions to the current Capital Programme and the revenue consequences of the planned programme are provided at Appendices D & E respectively. This identifies forecast slippage in the Capital Programme of £12.355m from 2015/16 into future years, which will require approval under Financial Procedure Rule 7.9. The impact of the capital programme on the General Fund Revenue Account is shown in the financial projections at Appendix C.

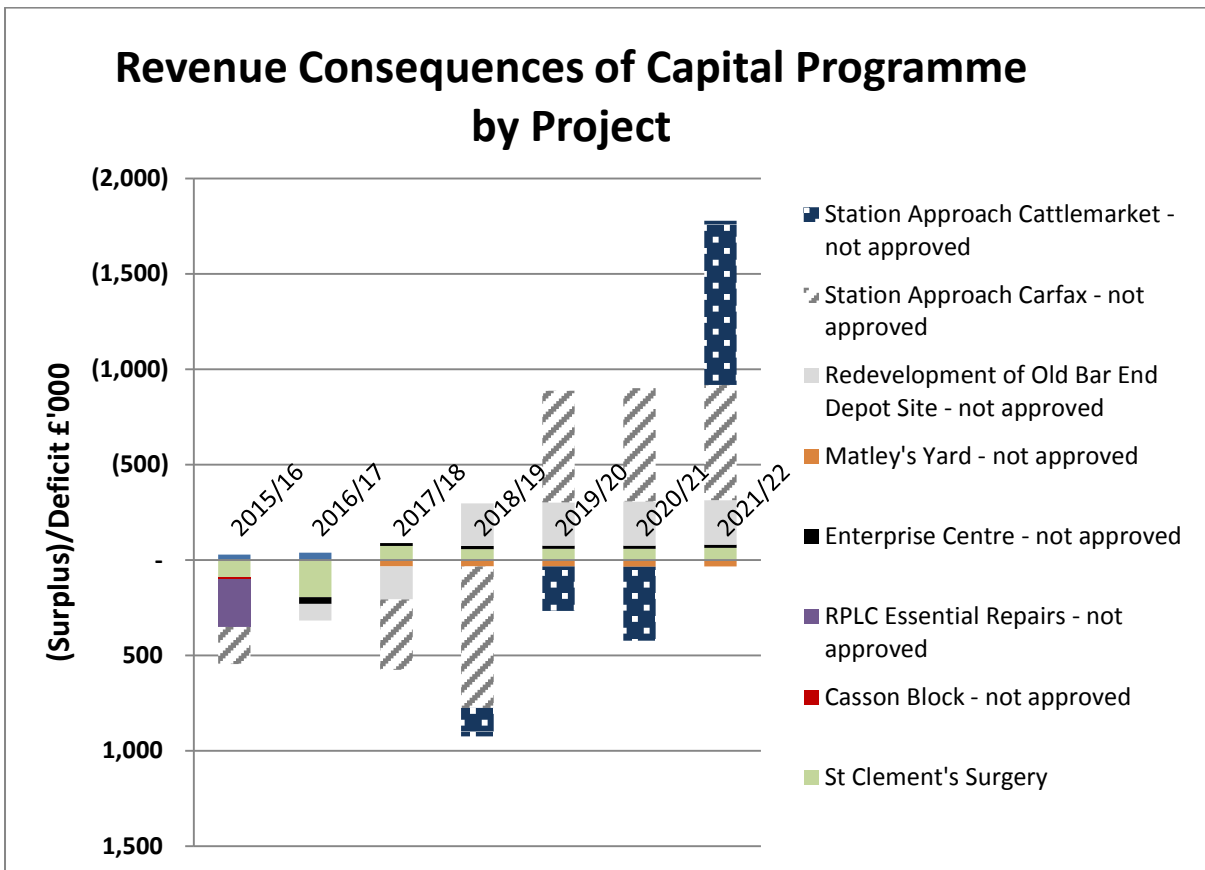
5.3. Projects in the Capital Programme have been grouped into the following 3 categories:

- Spending and committed
- Approved – not committed
- Programmed – not yet approved

5.4. The forecast amounts and timing for the programmed but not yet approved are generally very much less accurate than for the other categories. The chart below illustrates the forecast impact of the capital programme on the revenue projections.



5.5. This can also be viewed by major projects, demonstrating the lead time and potential impact of each:



5.6. As indicated in the Capital Strategy there are some key decisions the Council will need to make in the near future that are not yet reflected in the capital programme. These include; the option to purchase the car park in the Silver Hill development; the potential redevelopment/refurbishment of its own offices in Winchester, and the River Park Leisure Centre renewal or refurbishment. These will be further considered as part of Cabinet's preliminary view of the budget considerations in December.

6. General Fund Revenue - Revised Estimate for 2015/16

6.1. The following revisions to the current year are proposed:

2015/16 Revisions to Budget		<u>One-off</u>	<u>Recurring</u>
<u>Income</u>		<u>£'000</u>	<u>£'000</u>
Car parking & enforcement	Income in the year to date is running at similar levels to last year despite the closure of the Friarsgate car park.		250
Planning Fees	Reflecting higher income in the year to date.	50	
Recycling income	Reduction in MRF Recycling Income due to lower sale price per tonne	(50)	(50)
Higher income receivable		0	200
<u>Expenditure</u>			
Card processing charges	Increase in charges specifically VISA Debit now calculated on a percentage of value		50
External Audit	Increase in 2014/15 audit fee for additional resilience work on risk	5	
Employee costs	Savings arising mainly from new posts as yet unfilled.	(250)	
Revenues	Savings arising mainly from one-off budgets funded by Government Grant	(35)	
Higher / (lower) Expenditure		(280)	50
Interest Receivable	Mainly higher average balances	142	
Rental Income from Investment Properties	Mainly deferral of assumed income related to Property Acquisition in Capital Programme	(224)	
Non-Domestic Rates Income and Expenditure	Updated to reflect the latest forecast NDR receivable in 2015/16	(82)	
Capital Grants and Contributions	Updated to reflect £300k of CIL receipts received in the year to date and £700k forecast Silver Hill receipt	1,000	
Council Tax Income (Including Parish Precepts)	Increased to reflect the latest forecast outturn for 2015/16	171	
Total increase in Surplus		1,287	150
Increased Recharges to Housing Revenue Account			15
Increase in Reserves		1,287	165
Total Increase in transfer to Reserves		1,452	

- 6.2. Both the outturn position and monitoring of the year to date have been considered to identify revisions to the current year budget; some of which are recurring and affect the baseline budget forecast, and others are non-recurring (one-off) and affect only the surplus/ deficit and reserves forecast. The updated medium term forecast is provided at Appendix C.
- 6.3. In addition, a budget of £125,050 is currently within the approved General Fund Revenue budget for 2015/16 in relation to flood resilience schemes (having been brought forward from 2014/15), £100,000 contribution towards the Hambledon flood resilience scheme and £25,050 towards the purchase of a flood defence barrier. As these schemes have been progressed it is has been possible to review them in detail and it is now determined that they are capital in nature and should form part of the Capital Programme. It is therefore requested that a budget Virement of £125,050 is approved from General Fund Revenue to Capital in 2015/16, in accordance with Financial Procedure Rule 7.4.
- 6.4. There was only one Contingent liability identified in the Statement of Accounts for 2014/15. This relates to a Municipal Mutual Insurance Company potential liability relating to mesothelioma claims – the Council has remaining exposure under the scheme of arrangement of £157,000 for which an Earmarked Reserve is being held.
- 6.5. One-off revenue expenditure that was budgeted for in 2015/16 that is now forecast to slip into future years is detailed below. This will require approval under Financial Procedure Rule 7.9 to carry forward the budget.

	2015/16	2016/17	2017/18
	£'000	£'000	£'000
Homelessness Gold Standard	-518	452	66
Homelessness Prevention	-116	54	62
Business Support Grants	-85	85	
Local Development Framework	-72	72	
St Maurice's Covert	-30	30	
Total	-821	693	128

7. Silver Hill

- 7.1. The updated budget projections have been updated to reflect the latest position for the Silver Hill development.
- 7.2. The Receipts arising when the scheme goes unconditional are assumed to be receivable in 2015/16; this relates to a “put option” amounting to £5m and s106 receipts of £700k (other future potential capital receipts arising from the Development Agreement, are not included in budget projections because of their uncertainty).
- 7.3. Income and expenditure projections have been revised to reflect the 26 investment properties in the area which the Council owns, and the estimated costs of maintaining them in the short term. The projections assume an increase in voids from 2016/17, compensated by a release from the Income Equalisation Reserve.
- 7.4. However the Capital Programme has not been revised to include the potential purchase of the car park in the scheme. This will be considered alongside other potential capital schemes in the next report on budget considerations.

8. Reserves

- 8.1. The forecasts for Earmarked Reserves are set out in Appendix F. These will be reviewed as part of the finalisation of the budget in February. The forecasts reflect current spending expectations with the exception of:
 - Business Rates Reserve – it has been assumed that this is replenished and maintained at £1m;
 - New Home Bonus – this reserve currently holds the forecast receipts above the £2.8m being used to support the base budget (see Financial Strategy para. 3.6);
 - Developers’ Contributions – this holds the current receipts for s106 and Community Infrastructure Levy;
 - Organisational Development – Spending Plans are not yet reflected.
- 8.2. The General Fund Balance is assumed to remain at £2m although this will also be reviewed as part of the finalisation of the budget, in consideration of the financial risk assessment of the budget proposals.
- 8.3. Appendix G provides forecasts for the Usable Capital Receipts Reserve and the Major Investment Reserve. The forecast closing balance on the Major Investment Reserve in 2020/21 indicates the extent of the savings to be found in the strategy period, to deliver the current plans. The next stage of budget development will consider how to bring the medium term position into balance.

OTHER CONSIDERATIONS:

9. SUSTAINABLE COMMUNITY STRATEGY & PORTFOLIO PLANS
(RELEVANCE TO):

9.1. The Medium Term Financial Strategy is an integral part of the Council's corporate planning framework and is driven by what the Council is seeking to achieve which is led by the District's Community Strategy. The Council's Corporate Planning Framework is explained more fully in the Medium Term Financial Strategy (section 11).

10. RESOURCE IMPLICATIONS:

10.1. As outlined in the Strategy and the Appendices.

11. RISK

11.1. Managing risk and scenario planning is considered in section 8 of the Strategy. This year, the financial risk assessment will once again be linked directly to the Council's Corporate Risk assessment (as reported in AUD132, Sept 2015). This work is currently underway and will be included in the budget considerations report to the next Cabinet meeting in December.

BACKGROUND DOCUMENTS:

None

APPENDICES:

Appendix A: Medium Term Financial Strategy 2016/17 – 2020/21

Appendix B: *not used*

Appendix C: General Fund Revenue Account - Indicative Projections

Appendix D: Capital Programme – Revised Estimate

Appendix E: Capital Programme – Revised Estimate - Revenue Consequences

Appendix F: General Fund Earmarked Reserves forecasts

Appendix G: Major Investment Reserve & Usable Capital Receipts forecasts



Winchester
City Council

MEDIUM TERM FINANCIAL STRATEGY

2016/17 – 2020/21

Winchester City Council

Medium Term Financial Strategy

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Medium Term Financial Strategy 2016/17 - 2020/21

1 Introduction

- 1.1 The Medium Term Financial Strategy is part of the Council's Corporate Policy Framework and is key to the achievement of the Council's corporate priorities. It aims to provide a financial framework for delivering the Council's policy objectives by enabling resourced plans to be put in place.
- 1.2 The overall objective of the Medium Term Financial Strategy is to determine how the Council wants to structure and manage its finances for a 3-5 year forward period and to ensure this fits with and supports the objectives and priorities of the Council. It aims to support the rational allocation of resources based on as full and transparent a picture as possible, and to guide our approach to delivering income growth and operational savings whilst protecting services to the public.
- 1.3 The financial management arrangements of the Council including the Budget & Policy Framework Rules, the Financial Procedure Rules and other relevant parts of the Council's Constitution support the delivery of the Medium Term Financial Strategy.
- 1.4 The Budget Strategy, in which the Council has set a balanced budget for the current financial year, responding to year on year changes and supporting business continuity, addresses short term delivery issues and is focussed on ensuring that fundamental stewardship requirements are met.
- 1.5 The Medium Term Financial Strategy shapes the Budget Strategy and considers how it can be enhanced to support and enable transformation in the way that services are delivered and in our working practices so that the Council meets its policy and service priorities in the medium term.
- 1.6 In determining the Medium Term Financial Strategy consideration is given to the following:
 - Setting the baseline financial position over the 3-5 year planning horizon;
 - Identifying what resources may be available and how these may be used;
 - Establishing Key Budget Principles;
 - Developing options to support service change and improvement;
 - The Council's programme of organisational development;
 - Determining how performance is to be managed and measured; and
 - Managing risk and scenario planning.

2 Setting the Baseline

2.1 To enable the rational allocation of resources based on a full and transparent picture the Medium Term Financial Strategy baseline reflects the financial implications of the current position over the planning period i.e.

If the Council makes no changes to what it currently does:

- what resources will it have?
- how much will it be spending?
- what will be the budget gap or surplus?
- What will be the reserves position?

2.2 The current position is determined by taking into account all available information, including:

- i. **The working budget for the current year** - The capital and revenue budgets for each year are approved by Council in February. The working budget takes into account any changes since the Original Budget was set arising from approved supplementary estimates and budget virements.
- ii. **The outturn position for the previous year** – The outturn positions for both Revenue and Capital are reported to Cabinet and The Overview and Scrutiny Committee and, where appropriate, to Council as soon as possible after the year end. Approved budget carry forwards will generally only affect the current year and should not be included in the baseline. Further consideration should be given as to the reasons for any over/under-spends in the previous year both in reviewing the current year budget and in setting the baseline for future years.
- iii. **Year to date monitoring information and the Revised Estimate for the current year** – monthly performance monitoring enables the early identification and extrapolation of significant in-year variations and enables early actions to address.
- iv. **The latest forecast of the capital expenditure programme** will be used to determine the future revenue effects including any interest costs of borrowing, the loss of interest income resulting from the reduction in balances and any statutory provisions for the financing of capital investment.
- v. **Existing contractual commitments** will be fully reflected in the baseline and forecast using inflation assumptions appropriate to the relevant contracts.
- vi. **Paybill commitments** including forecast nationally agreed pay awards, incremental progression, and fixed term contracts will be fully reflected in baseline forecasts.

2.3 The following key assumptions will be used to set the baseline for the medium term forecasts:-

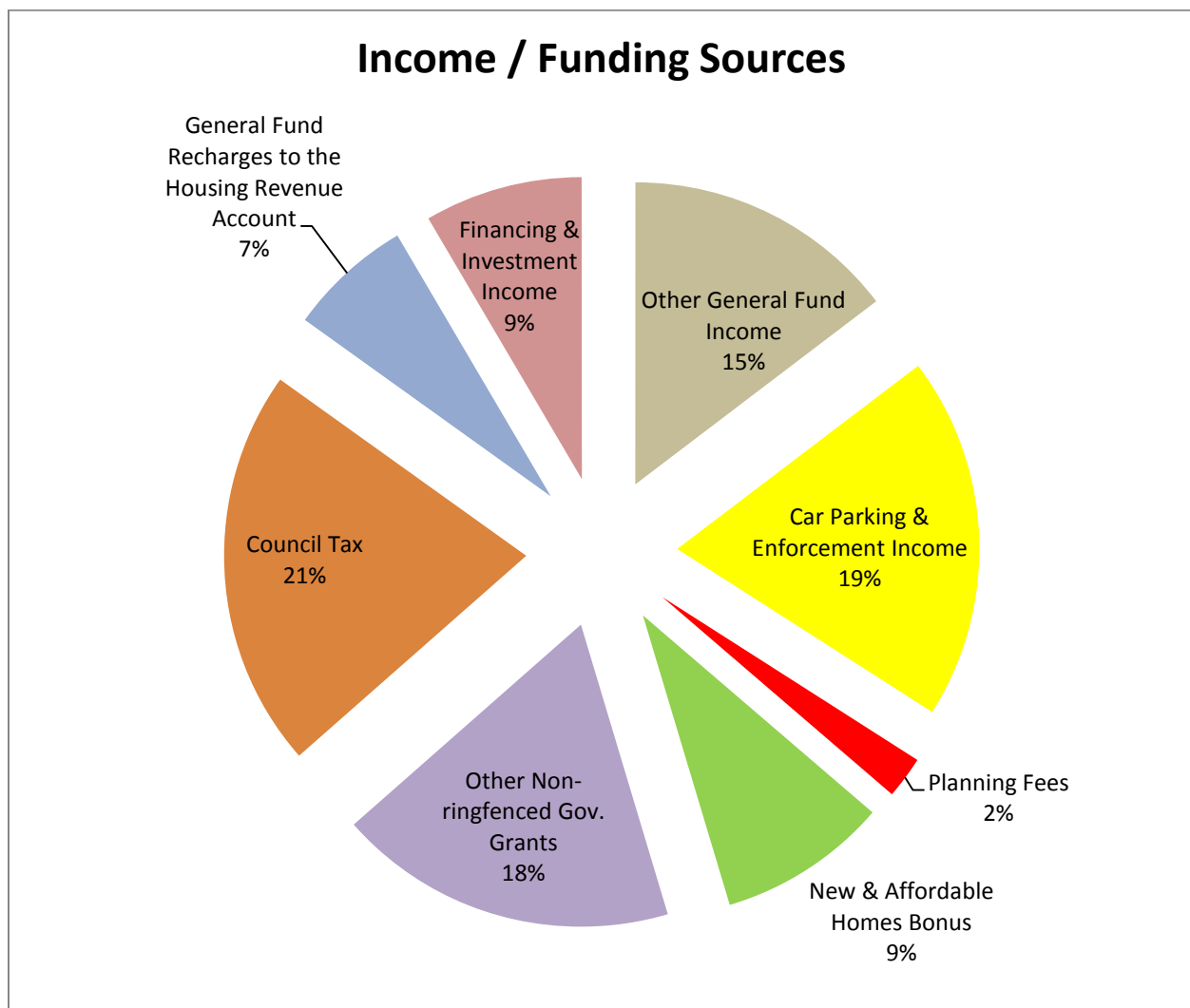
- i. **Council Tax** baseline will remain at 2010/11 levels (see para. 3.4 below), although the actual level of Council Tax will be set by Members in the final stages of setting the budget.
 - ii. **Government Grant** forecasts will be based on the latest information available including proposals under consultation, with adjustment to be made in the final stages of setting the budget when the grant levels are announced.
- 2.4 The budget for next year, and the Strategy's forward projections, will be influenced significantly by various external factors that cannot be quantified or assessed fully at this stage even though they will affect the baseline in due course. These include:
- The implications of any new legislation;
 - The effect of the Hampshire Devolution bid, if successful, on the Council's financial plans;
 - Developing policy and practice on the implementation of major national initiatives such as health service reform and the provision of care to vulnerable adults;
 - The effect of any changes to the distributional system for government funding arising from the Chancellor's recent announcements, and any further reductions to Departmental budgets announced in the next Spending Review;
 - The amount of New Homes Bonus and Affordable Homes Bonus earned, and any future changes to the distribution system;
 - Other opportunities for grant funding or other support;
 - Interest rates;
 - Further changes to the statutory basis for or actuarial adjustments to the funding and management of the Local Government Pension Scheme;
 - The South Downs National Park Authority agency agreement, and
 - Other growth pressures, new burdens determined by Parliament and changes to national priorities promulgated by Ministers.
- 2.5 Similarly the baseline budget will also be influenced by factors and aspirations within the Council's control, such as changes to corporate priorities.
- 2.6 In line with previous years, no inflationary increases will be added to any costs other than contractual commitments. This supports the Council's continuing drive for efficiency.
- 2.7 Interest rate sensitivity is to be considered within the budget projections with the central/base case to be presented using a forecast obtained from the Council's advisers. Balances

will be estimated on the basis of forward cash flow projections and taking into account experience to date.

2.8 An initial assessment of the General Fund baseline position for setting the 2016/17 budget is provided at Appendix C.

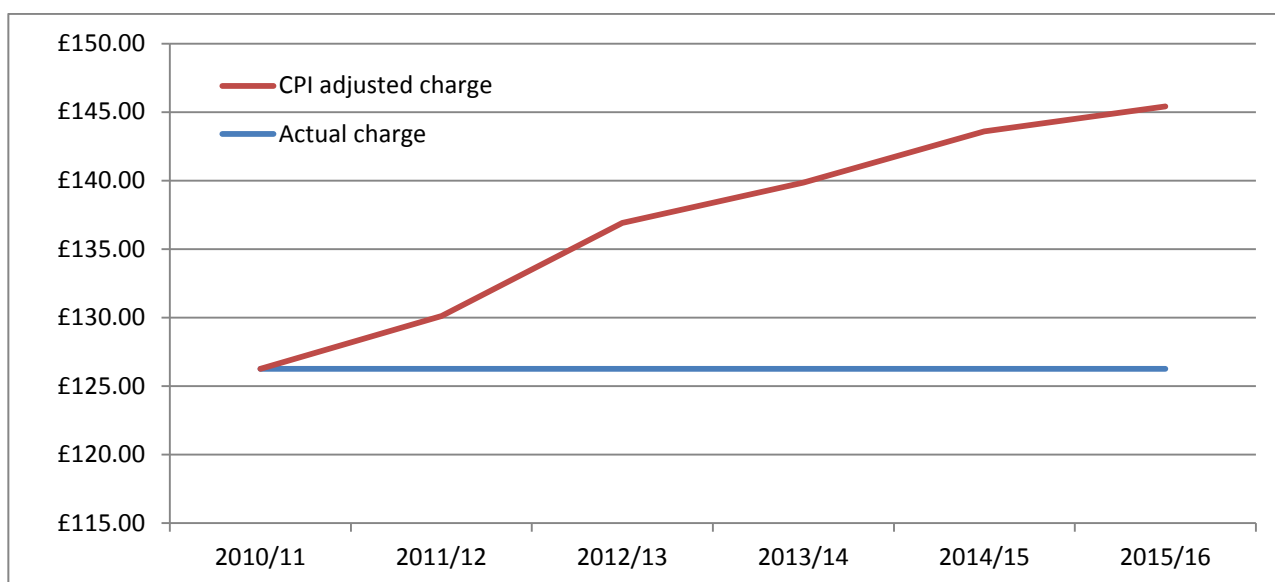
3 Identifying Financial Resources

3.1 The Council's main resources (based on the Original Estimate for 2015/16) are shown in the chart below:



3.2 The Council continues to develop its income strategy to be less reliant on Government funding and to use more finance earned or raised locally, whilst ensuring income is as broadly spread as possible, to minimise risk.

- 3.3 The Council's Asset Management Plan seeks to achieve growth in General Fund Property Income, by increasing its asset base over time, associated with the Council's proposals for economic regeneration. This will require the Council to undertake prudential borrowing and to be able to manage any gap between initial investment and returns (i.e. lead time).
- 3.4 Council Tax remains a significant source of income and has been frozen at 2010/11 levels for a number of years now. As outlined in para. 2.3 above the baseline budget forecasts will assume this level is maintained, although scenario planning will consider the financial effect of various options. The tax to be set will be determined in the final stages of setting the budget as the amount required to be raised is clearly determined by the rest of the budget considerations. The impact of the Council Tax freeze in real terms amounts to a saving of c.13% /£19 for an average Band D equivalent in 2015/16.



- 3.5 The methodology for allocating Government grants changed in 2013/14 so that local authorities retain a local share of any growth in business rates (this was to be fixed until 2020 but may be impacted by Devolution). Increasing local control provides both opportunity and risk. The Council's priority to support the local economy should provide a strong basis for growth in business rates and this was seen to be the case in the first year of implementation. To mitigate the risks associated with this funding stream a Business Rates Reserve was created in 2014/15, set at £1m. This is kept under review annually as part of the budget setting process and will be considered further in the final stages of setting the budget.
- 3.6 The New Homes Bonus commenced in 2011/12 and is a grant paid by central Government to local councils for increasing the number of homes in their use. Under the current system, New Homes Bonus is paid each year for 6 years based on the amount of extra Council Tax revenue raised for new-build homes, conversions and long-term empty homes brought back into use. The Council has determined to use New Homes Bonus receivable to support the budget in the year of receipt. The financial strategy is to optimise this funding stream, but to seek to limit the amount used to support the baseline budget to not more than 10% of the

total expenditure for the year (excluding transfer payments). An amount of £2.83m has therefore been assumed to support the baseline budget (this includes Affordable Homes Bonus); with any forecast excesses to be held in a specific earmarked reserve, to be allocated for spending when receipt is certain.

Since the introduction of the New Homes Bonus grant in 2011/12 the Council has secured grant receipts totalling £7.8 million, as shown in the table below:

	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000	2015/16 £000
New Homes Bonus	495	1,102	1,521	1,983	2,683

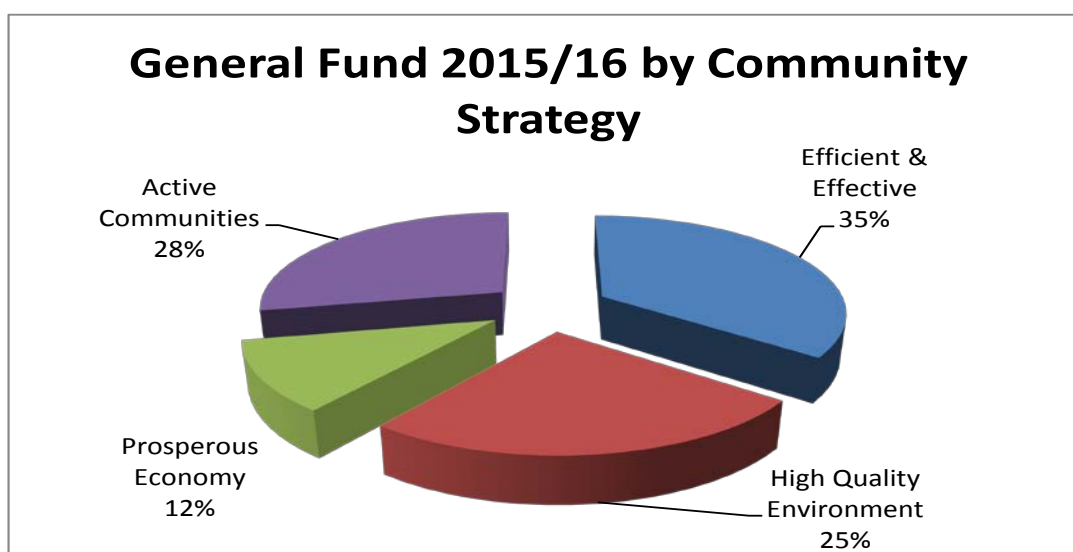
If there were no changes to the New Homes Bonus scheme, the Council's estimated grants receivable would be as follows:

	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
New Homes Bonus	3,522	4,172	5,102	5,838	6,531

- 3.7 Car parking continues to be a significant element of both income and expenditure. The budget and financial forecasts will reflect the Council's car parking strategy.
- 3.8 Other income is derived from various other fees and charges, the fee levels for which are generally within its control (although there are statutory and market restrictions on some of these charges). An annual review of all charges is carried out and this considers both statutory restrictions and the impact on users of the services charged for.

Expenditure

- 3.9 The Council's spending plans for 2015/16 are shown below:



- 3.10 The main drivers likely to affect the Council's expenditure are:
- Obligations set by statute, although these do not necessarily specify the level at which that obligation is to be met;
 - Local political priorities for both the services to be provided and the quality or standard to which they should be delivered;
 - Unavoidable increases or decreases in demand;
- 3.11 To ensure a sustainable financial outlook it will be necessary to continue to make savings as well as to grow income, which may also need to accommodate scope for new or enhanced services that are required.
- 3.12 To achieve this balance, the Administration will be guided by their service and policy priorities, which in turn stem from the District's Community Strategy and are key drivers of the Council's corporate planning framework. Cabinet will review those priorities to guide the budget setting process.
- 3.13 As has been the Council's practice in previous years, the Administration will also explore opportunities for operational efficiency in our working practices, including by developing flexible working practices and exploring new ways of managing activity.
- 3.14 The Council will continue to actively manage its paybill by ensuring staff are used flexibly to meet shifting priorities, and by taking a proactive approach to reducing the paybill in a managed way. This will entail managing vacancies in our staff complement and directing staff to areas of highest priority, and away from areas are not immediately essential to the delivery of the outcomes in the Community Strategy. It will also require reductions in the overall staffing establishment. The Government has announced that due to the introduction of the flat rate state pension the current arrangements for contracting out of the state second pension will be scrapped from April 2016. The Council currently receives a 'contracting out' reduction to its Employer's National Insurance contribution of 3.4% for every employee member of the final salary pension scheme. The estimated additional cost of this change is £0.3m per annum commencing 2016/17.

Capital Expenditure

- 3.15 The Prudential Code, adopted by the Council, provides a clear framework to ensure that the capital investment plans of local authorities are affordable, prudent and sustainable. The Council has determined that Capital Financing Requirements will be matched against specific assets. These are generally those assets for which the financial appraisal can demonstrate value for money in terms that the financial benefits outweigh the financing costs (including the Statutory Minimum Revenue Provision and, where applicable, Voluntary Revenue Contributions).

Reserves

- 3.16 The Council has useable revenue reserves comprising the General Fund Balance, the Major Investment Reserve and various earmarked reserves. Earmarked reserves have been established for specific purposes with associated spending plans. In setting the budget, consideration will be given to the requirements for reserves to ensure that there are adequate balances in the future to support essential expenditure.
- 3.17 Acceding to pressures for growth without concomitant savings would put the annual budget into deficit which would have to be made good from reserves. However funding continuing growth from reserves is not sustainable as :
- Reserves are finite and do not provide for recurring expenditure;
 - The Council's capital aspirations are dependent upon finance being available from reserves or borrowing;
 - Reserves provide a source of income (through investment) that supports the revenue budget;
 - It is prudent to ensure the Council has resources set aside to deal with unforeseen emergencies or similar pressing demands.

4 Guiding Principles & Priorities

4.1 In setting the budget the guiding principles will be to seek to:

- Keep Council Tax increases to a minimum
- Protect front line services
- Maintain diversity of income/ funding streams
- Support a programme of capital projects
- Reduce dependency on funding streams such as New Homes Bonus

4.2 The priorities will be to:

- Grow sources of income
- Maximise returns from the Council's non-operational estate
- Continue effective management of paybill
- Maximise efficiency and value for money in all areas of activity through service transformation

5 **Developing Options to Support Service Change and Improvement**

- 5.1 The Medium Term Financial Strategy is being developed in line with the policy agenda that is designed to take into account the corporate priorities and targets of the Council. It complements the District's Community Strategy and Portfolio Plans and the underlying service strategies and seeks to match corporate priorities with resources.
- 5.2 The Government's Budget and likely continued changes to funding will place significant financial pressures on all councils which will need to continue to deliver and improve services at much lower costs.
- 5.3 The various options to deliver, improve and transform services will be accompanied by time and cost pressures. It will be necessary for service and performance levels to be managed both upwards and downwards as we will have to adjust to very significantly reduced funding. The Council is continuously actively considering new ways of securing delivery in the most efficient manner possible, whilst ensuring the impact on the public is minimised.
- 5.4 Projects and reviews which seek to transform how we work, and in many cases deliver savings, will be considered as part of this process.
- 5.5 Portfolio Plans will provide the focus on priorities and the means of delivery to enable the Council to consider options for future service levels to align with the likely available funding.

6 **Organisational Development**

- 6.1 For some time now the Council has been changing the way we work to deliver outcomes which achieve community objectives. Alongside exploring new ways of delivery, as outlined above, we have been considering how best to modify our own working practices to achieve efficiencies and improve service to the public.
- 6.2 Initiatives have included our focus on customer service, the introduction of flexible working practices and a programme designed to use staff resources more flexibly through our *1-team* project. These have all contributed to savings, whilst ensuring services are maintained and enhanced.
- 6.3 This programme of organisational development will continue to ensure we use our staff in the best possible way, and that effective deployment and management assist in managing the paybill and meeting budget targets.

7 **Key Budget Principles**

- 7.1 The fundamental principle to be applied to the Medium Term Financial Strategy is that Members should seek to attain a balanced revenue budget. Accordingly, the following principles will be applied to setting the budget:
 - The revenue budget for the forthcoming year will be balanced;

- Reserves will not be used to fund annual, recurring expenditure;
- Savings and income proposals will be sufficient to eliminate any projected deficit and to fund Growth proposals;
- Growth proposals will not create a revenue deficit in future financial years without equivalent forward savings also being identified;
- Growth, savings and income proposals will be considered in relation to the Council's corporate objectives and priorities;
- Inflation will be applied only to budgets for external contracts;
- The Council will seek to optimise income from services and assets.

8 Managing and Measuring Financial Performance

- 8.1 Regular budget monitoring of all service areas is a key feature of the Council's processes. With effective scrutiny arrangements within the system, this has played an important role in holding management and Cabinet to account for all aspects of performance, not just financial.
- 8.2 The Council's financial management arrangements continue to be developed and the provision of monthly management reports electronically, providing information to budget managers, Heads of Team, Directors, and Portfolio Holders, has supported effective budget management. The Council's Performance Management Team monitors the budget, and adjustments are made where necessary.
- 8.3 The Members of Cabinet also review the budget monthly with senior officers, and ensure that spending and savings plans remain on target. Portfolio Holders continue to be responsible for regularly monitoring service and financial performance in their areas of responsibility. The Overview & Scrutiny Committee has adopted a more strategic focus to hold Cabinet and Portfolio Holders to account for delivery of key projects and programmes of improvement.
- 8.4 Overview budget monitoring reports on both revenue and capital budgets are presented to Cabinet with The Overview & Scrutiny Committee keeping an overview. Annual outturn reports showing financial performance against budgets are presented after the end of the financial year to Cabinet, The Overview & Scrutiny Committee and Council if appropriate. These reports show the most significant variances and explanations for them.
- 8.5 The Council's Annual Financial Report (incorporating the Statement of Accounts) and Treasury Management Stewardship review are considered and approved by the Audit Committee.

9 **Managing Risk and Scenario Planning**

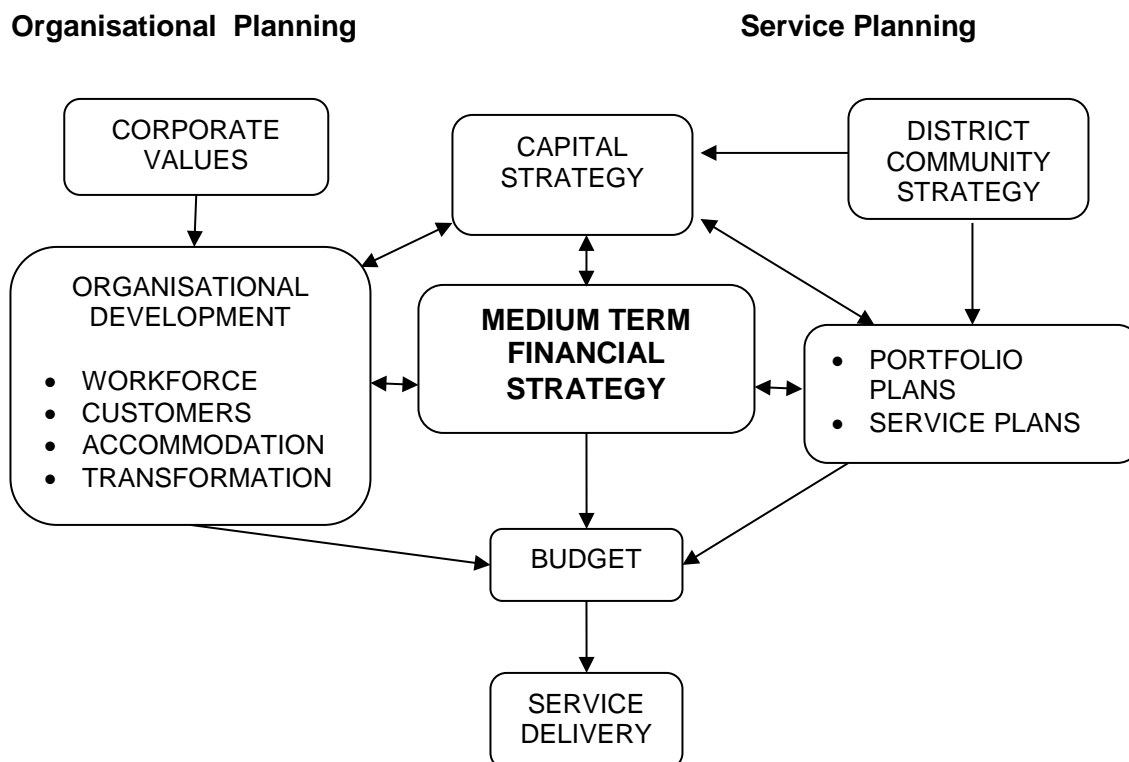
- 9.1 In managing risk it is important that risks are recognised and dealt with appropriately. There are various types and level of risk that have to be considered in the Medium Term Financial Strategy. The most obvious is that the resources available are insufficient to meet service needs of the Council. This must be addressed by either securing additional resources or reducing the cost, level or quantum of services provided. Recognising the lead time for implementing such changes it is essential that this is looked at over the medium term, and not just the annual budget year ahead.
- 9.2 Both financial and service based risks need to be reflected and considered as part of the financial strategy. The Council's risk management framework is used to support a comprehensive review of the financial risks for forecasting and scenario planning, and budget proposals are supported by a risk assessment. The Council's corporate risk register is used for the consideration of financial risks, which are recorded in the Council's performance management system - Covalent. This corporate financial risk assessment is then used as the basis for scenario planning, which in turn helps determine any specific or general reserve requirements.

10 **Consultation**

- 10.1 There will be consultation on the budget proposals with the business community, local strategic partners, parish and town councils, and the Winchester Town Forum.

11 The Council's Corporate Planning Framework

11.1 The Medium Term Financial Strategy is an integral part of the Council's Corporate Planning Framework, which is illustrated by the diagram below.



11.2 Our Organisational Planning, which shapes how we work and reflects our desire to be efficient and effective in all we do, is driven by our Corporate Values. The actions which help achieve our organisational aims are set out in key strategies on our workforce, customers and accommodation, and in our corporate transformation programme.

11.3 Service Planning is led by the Winchester District Community Strategy, which identifies the key outcomes we aim to achieve: active communities, a prosperous economy, a high quality environment and our on specific outcome to be an efficient and effective council. Actions to help realise those outcomes are set out in Portfolio Plans and in individual teams' Service Plans.

11.4 Organisational and Service Planning helps shape the Medium Term Financial Strategy: it is driven by what the Council is seeking to achieve. However, this is an iterative process in that the Medium Term Financial Strategy also helps determine what are realistic and achievable ambitions for both our services and the organisation. These three inter-linked components of our corporate planning framework determine the Council's budget and shape our approach to delivery. Regular performance review offers feedback to develop further

both organisational and service planning, and so allows review of the Medium Term Financial Strategy.

12 **Conclusion**

- 12.1 The Medium Term Financial Strategy has been developed to support the delivery of corporate objectives and to provide a more effective integration between service and financial planning. It will continue to evolve. It recognises that there are constraints to achieving all the aspirations that Members and citizens have for their District, but sets out a framework for decisions on priorities to be made in the knowledge of the Council's ability to finance them.
-

General Fund Revenue Account - Indicative Projections	Original Budget	Working Budget	Changes	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
	2015/16	2015/16	2015/16	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost of Services (b/f) - baseline (recurring)	17,267	17,267	0	17,267	16,738	17,639	17,788	18,366	18,905
<u>Recurring Budgets</u>	0	(369)	(10)	(430)	457	(486)	27	(7)	0
Contractual Inflation (assumed at 2% per annum, in line with target CPI)					250	255	260	265	271
Employee Costs (Inflation assumed at +1% per annum)					331	316	291	281	261
Employee Costs - Removal of Employers' N.I. Discount					300				
Increased Income Proposals - Car Parking Income			(250)	(250)					
Reduced Income Proposals - MRF Recycling Income			100	100	(50)				
Approved Supplementaries (Magdalen Hill Cemetery Extension)					27				
Revenue Expenditure Consequences of the Capital Programme				51	(414)	64	0	0	0
Total Recurring budget changes	0	(369)	(160)	(529)	901	149	578	540	532
Cost of Services - baseline (recurring)	17,267	16,898	(160)	16,738	17,639	17,788	18,366	18,905	19,437
<u>One-off Budgets</u>	1,822	3,439	(921)	2,519	862	226	70	70	70
Increased Income Proposals - Planning Fee Income			(50)	(50)					
<u>Increased Expenditure Proposals:</u>									
Card Processing Fees			35	35					
External Audit Fees 2014/15			5	5					
<u>Reduced Expenditure Proposals:</u>									
1team / Vacancy Management Savings			(250)	(250)					
Revenues Savings			(35)	(35)					
Approved Supplementaries		120	0	120					
Total One-off Budgets	1,822	3,559	(1,216)	2,344	862	226	70	70	70
Cost of Services - TOTAL	19,089	20,457	(1,376)	19,081	18,500	18,014	18,435	18,975	19,507
Trading account (surplus) / deficit	424	424	0	424	424	424	424	424	424
Other Operating Income & Expenditure									
Payment of Parish Precepts	2,411	2,411	0	2,411	2,411	2,411	2,411	2,411	2,411
Council Tax Support grant to parishes	156	156	0	156	156	156	156	156	156
Financing & Investment Income & Expenditure									
Interest Payable & Receivable (net) *	(280)	(280)	(142)	(422)	(421)	(379)	(180)	(82)	(85)
Rental Income from Investment Properties	(3,166)	(2,700)	224	(2,476)	(2,449)	(2,392)	(2,392)	(2,392)	(2,392)
Direct operating expenses of Investment Properties	806	710	0	710	710	710	710	710	710
Taxation & Non-Specific Grant Income									
Non-Ringfenced Government Grants	(1,799)	(1,897)	0	(1,897)	(1,269)	(670)	(335)	0	0
Non-Domestic Rates Income and Expenditure	(3,865)	(3,865)	82	(3,783)	(3,888)	(3,888)	(3,888)	(3,888)	(3,888)
Capital Grants and Contributions	0	0	(1,000)	(1,000)	0	0	0	0	0
New and Affordable Homes Bonus	(2,830)	(2,830)	0	(2,830)	(3,697)	(4,375)	(5,295)	(6,019)	(6,703)
Council Tax Income (Including Parish Precepts)	(9,084)	(9,084)	(171)	(9,255)	(9,124)	(9,124)	(9,124)	(9,124)	(9,124)
(Surplus) / deficit on Provision of General Fund Services	1,862	3,501	(2,383)	1,119	1,355	888	924	1,172	1,017
Adjustments between Accounting basis and Funding basis under Regulations									
Minimum Revenue Provision (baseline)	335	335	(239)	96	96	96	199	199	199
Charges for depreciation & impairment of non-current assets	(2,679)	(2,679)	0	(2,679)	(2,679)	(2,679)	(2,679)	(2,679)	(2,679)
Business Rates Collection Fund Adjustment Account (to) / from GF Balance	(813)	(813)	(737)	(1,550)	3,840	0	0	0	0
Council Tax Collection Fund Adjustment Account (to) / from GF Balance	(120)	(120)	232	112	(171)				
Other planned Movements in Reserves									
Transfers to Major Investment Reserve	1,059	1,060	(360)	700	0	0	0	0	0
Transfers (from) Major Investment Reserve	(480)	(1,684)	(119)	(1,803)	(291)	(178)	(150)	(150)	(150)
Transfers to or (from) Earmarked Reserves	832	468	3,610	4,078	(2,148)	2,087	3,053	3,777	4,461
Transfers to or (from) Winchester Town Reserve	4	(67)	(5)	(72)	(59)	(60)	(85)	(107)	0
FORECAST DEFICIT / (SURPLUS) - Before revenue implications of the Capital Programme	0	0	0	0	(58)	154	1,262	2,212	2,848
In the Capital Programme but not yet approved:									
Revenue Expenditure Consequences of Capital Programme - not approved					0	143	163	(293)	(293)
Minimum Revenue Provision (not approved)					100	125	292	775	775
Interest (not approved)					262	532	1,015	1,196	1,338
Rental Income (not approved)					(240)	(240)	(784)	(2,239)	(2,239)
					0	122	560	685	(419)
FORECAST DEFICIT / (SURPLUS) - After revenue implications of the Capital Programme	0	64	714	1,947	1,651	2,428			

* Estimated Interest receivable rates
* Estimated Interest payable rates

0.90%	1.35%	1.70%	2.05%	2.05%	2.05%
	3.50%	3.50%	3.50%	3.50%	3.50%

GENERAL FUND CAPITAL PROGRAMME 2015/16 to 2020/21

	2015/16						2016/17	2017/18	2018/19	2019/20	2020/21	TOTAL
	Original Budget	Working Budget	Growth / (Savings)	(Slippage)	Virement	Revised Total	Revised Forecast	Revised Forecast	Revised Forecast	Revised Forecast	Revised Forecast	Forecast
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000		£000
GENERAL FUND												
<u>Spending and Committed</u>												
Abbey Mill	-	6	-	-	20	26	-	-	-	-	-	26
Avalon House	-	19	-	-	-	19	-	-	-	-	-	19
Broadband for Hampshire	46	46	-	-	-	46	-	-	-	-	-	46
Capital Grants - Chesil theatre	60	60	-	-	-	60	-	-	-	-	-	60
Carfax Land Purchase	2,470	2,605	(160)	-	-	2,445	-	-	-	-	-	2,445
Car Parks	197	321	-	-	-	321	140	180	180	180	180	1,181
Depot	-	61	-	-	-	61	-	-	-	-	-	61
Disabled Facility Grants	500	705	-	-	-	705	500	500	500	500	500	3,205
Flood Prevention Works	100	100	-	-	125	225	-	-	-	-	-	225
Guildhall Heating System	-	-	-	-	27	27	-	-	-	-	-	27
IMT Property Plant and Equipment	181	265	-	(80)	-	185	160	193	122	130	116	906
IMT Intangible Assets	-	64	-	-	-	64	-	-	30	-	-	94
Magdalen Hill Cemetery - Extension	135	135	105	-	-	240	-	-	-	-	-	240
Meadowside Car Park Lighting	-	24	-	-	-	24	-	-	-	-	-	24
Old Chesil Rectory	30	34	-	-	-	34	-	-	-	-	-	34
Open Spaces and Recreation Facilities	-	120	-	-	-	120	-	-	-	-	-	120
Repair and Renew Grants	-	-	172	-	-	172	-	-	-	-	-	172
River Itchen Maintenance	-	133	-	-	-	133	-	-	-	-	-	133
Wickham Toilet Works	-	50	(18)	-	-	32	-	-	-	-	-	32
Winchester Cathedral Roof	25	25	-	-	-	25	25	-	-	-	-	50
Total Spending and Committed	3,744	4,773	99	(80)	172	4,964	825	873	832	810	796	9,100
<u>Approved* - Not Committed</u>												
Abbey Gardens - environmental improvements	-	78	(33)	-	(20)	25	-	-	-	-	-	25
Hampshire Community Bank	-	250	-	(63)	-	187	63	-	-	-	-	250
St Clement's Surgery	3,000	3,000	-	(2,970)	-	30	3,645	601	-	-	-	4,276
Total Approved* - Not Committed	3,000	3,328	(33)	(3,033)	(20)	242	3,708	601	-	-	-	4,551

GENERAL FUND CAPITAL PROGRAMME 2015/16 to 2020/21

	2015/16						2016/17	2017/18	2018/19	2019/20	2020/21	TOTAL
	Original Budget	Working Budget	Growth / (Savings)	(Slippage)	Virement	Revised Total	Revised Forecast	Revised Forecast	Revised Forecast	Revised Forecast	Revised Forecast	Forecast
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000		£000
<u>Programmed But Not Yet Approved*</u>												
2-3 Bridge St	100	100	-	-	-	100	-	-	-	-	-	100
153 High Street	-	-	-	-	-	-	-	400	-	-	-	400
Abbey House	-	59	-	-	-	59	40	51	50	50	-	250
Abbey Mill - hydro	149	149	-	(139)	-	10	139	-	-	-	-	149
Asset Management Plan	30	50	-	-	(27)	23	-	149	150	150	200	672
Casson Block	-	-	-	-	-	-	150	-	-	-	-	150
Changing Pavilions (Town A/C)	457	457	-	(457)	-	-	457	-	-	-	-	457
Chesil Multi Storey car park	200	200	-	(50)	-	150	250	200	200	200	-	1,000
City Offices & Annexe Works	170	572	-	(322)	-	250	322	-	-	-	-	572
Enterprise Centre managed workspace	1,000	1,000	-	(960)	-	40	960	-	-	-	-	1,000
Market Lane Toilet Works	44	44	-	(44)	-	-	44	-	-	-	-	44
Matley's Yard	500	500	-	(490)	-	10	490	-	-	-	-	500
New Streetcare/Pest Control Depot	200	200	-	(190)	-	10	190	-	-	-	-	200
Property Acquisition & Development	-	4,000	-	-	-	4,000	-	-	-	-	-	4,000
Redevelopment of Old Bar End Depot Site	2,500	2,500	-	(2,400)	-	100	2,400	2,500	-	-	-	5,000
River Park Leisure Centre - Essential Repairs	4,190	4,190	-	(3,190)	-	1,000	2,000	1,190	-	-	-	4,190
Station Approach - Carfax	1,000	1,000	-	(1,000)	-	-	1,000	14,000	14,000	-	-	29,000
Station Approach - Cattlemarket	-	-	-	-	-	-	-	-	1,000	4,500	4,500	10,000
Winchester Town Access Plan	-	-	-	-	-	-	-	-	-	-	-	0
Total Programmed But Not Yet Approved*	10,540	15,021	-	(9,242)	(27)	5,752	8,442	18,490	15,400	4,900	4,700	57,684
Total General Fund	17,284	23,122	66	(12,355)	125	10,958	12,975	19,964	16,232	5,710	5,496	71,335

Note: bold denotes a project where the budget and/or forecast timing has been revised.

* Under the Council's Financial Procedure Rule 6.4, 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.

REVENUE CONSEQUENCES OF GF REVISED CAPITAL BUDGET 2015/16 to 2020/21

Notes:

Revenue consequences are estimates and are subject to change. More detailed analysis is carried out prior to actual expenditure being approved.

To be consistent with the presentation in the published financial statements, negative figures (in brackets) represent income or savings.

* Under the Council's Financial Procedure Rule 6.4, 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	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
	£000	£000	£000	£000	£000	£000	£000
<u>Spending and committed</u>							
Income	(33)	(57)	-	-	-	-	-
Expenditure	5	19	(2)	(2)	(2)	1	(2)
Net Cost of services	(28)	(38)	(2)	(2)	(2)	1	(2)
<u>Financing & Investment Income & Expenditure</u>							
Rental Income	-	-	-	-	-	-	-
Interest payable	-	-	-	-	-	-	-
(Surplus)/ deficit on Provision of Services	(28)	(38)	(2)	(2)	(2)	1	(2)
<u>Adjustments between accounting basis and funding basis under regulations</u>							
Minimum Revenue Provision	-	-	-	-	-	-	-
Revenue Contribution to Capital	-	-	-	-	-	-	-
(Surplus)/Deficit - spending and committed	(28)	(38)	(2)	(2)	(2)	1	(2)

<u>Approved* - not committed</u>							
Income	-	21	(362)	(290)	(290)	(290)	(290)
Expenditure	91	30	(1)	(9)	(9)	(9)	(9)
Net Cost of services	91	51	(363)	(299)	(299)	(299)	(299)
<u>Financing & Investment Income & Expenditure</u>							
Rental Income	-	-	-	-	-	-	-
Interest payable	-	144	142	141	139	137	135
(Surplus)/ deficit on Provision of Services	91	195	(221)	(158)	(160)	(162)	(164)
<u>Adjustments between accounting basis and funding basis under regulations</u>							
Minimum Revenue Provision	-	-	-	103	103	103	103
Revenue Contribution to Capital	-	-	150	-	-	-	-
(Surplus)/Deficit - approved* not committed	91	195	(71)	(55)	(57)	(59)	(61)

<u>Programmed but not yet approved*</u>							
Income	-	-	123	8	(287)	(287)	(287)
Expenditure	455	-	20	155	(6)	(6)	(6)
Net Cost of services	455	-	143	163	(293)	(293)	(293)
<u>Financing & Investment Income & Expenditure</u>							
Rental Income	-	(240)	(240)	(784)	(2,239)	(2,239)	(3,732)
Interest payable	-	262	532	1,015	1,196	1,338	1,320
(Surplus)/ deficit on Provision of Services	455	22	435	394	(1,336)	(1,194)	(2,705)
<u>Adjustments between accounting basis and funding basis under regulations</u>							
Minimum Revenue Provision	-	100	125	292	775	775	1,025
Revenue Contribution to Capital	-	-	-	-	-	-	-
(Surplus)/Deficit - programmed but not yet approved*	455	122	560	686	(561)	(419)	(1,680)

TOTAL (SURPLUS)/DEFICIT	518	279	487	629	(620)	(477)	(1,743)
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Impact on (Surplus)/Deficit by project (nil impact excluded)	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
	£000	£000	£000	£000	£000	£000	£001
<u>Spending and committed</u>							
Carfax Land purchase	(28)	(49)	-	-	-	-	-
Car Parks	-	(16)	(29)	(29)	(29)	(26)	(29)
Magdalen Cemetery	-	27	27	27	27	27	27
(Surplus)/Deficit - spending and committed	(28)	(38)	(2)	(2)	(2)	1	(2)
<u>Approved* - not committed</u>							
St Clement's Surgery	91	195	(71)	(55)	(57)	(59)	(61)
(Surplus)/Deficit - approved* not committed	91	195	(71)	(55)	(57)	(59)	(61)
<u>Programmed but not yet approved*</u>							
Casson Block	10	-	-	-	-	-	-
Enterprise Centre	-	35	(16)	(16)	(16)	(17)	(17)
Matley's Yard	-	-	34	34	34	34	34
Redevelopment of Old Bar End Depot Site	-	87	172	(223)	(226)	(230)	(234)
River Park Leisure Centre - Essential Repairs	250	-	-	-	-	-	-
Station Approach - Carfax	195	-	370	741	(586)	(594)	(603)
Station Approach - Cattlemarket	-	-	-	150	233	388	(860)
(Surplus)/Deficit - programmed but not yet approved*	455	122	560	686	(561)	(419)	(1,680)
TOTAL (SURPLUS)/DEFICIT	518	279	487	629	(620)	(477)	(1,743)

GENERAL FUND EARMARKED RESERVES		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
	Bal. @ 01/04/2015	FORECAST Closing Bal.	FORECAST Closing Bal.	FORECAST Closing Bal.	FORECAST Closing Bal.	FORECAST Closing Bal.	FORECAST Closing Bal.
	£000	£000	£000	£000	£000	£000	£000
Building Control							
Business Rates Retention	(1,000)	(3,840)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)
Car Parks Property	(1,178)	(1,029)	(999)	(1,019)	(1,039)	(1,059)	(1,279)
Community Grants	(11)	(11)	(11)	(11)	(11)	(11)	(11)
Developer Contributions	(6)	(306)	(306)	(306)	(306)	(306)	(306)
Flood Support Schemes	(105)	(85)					
Homelessness Gold Standard	(1,006)	(527)	(66)				
Homelessness Prevention	(484)	(432)	(373)	(311)	(311)	(311)	(311)
Income Equalisation	(244)	(1,000)	(887)	(774)	(661)	(548)	(435)
Information Management and Technology	(215)	(190)	(143)	(63)	(54)	(37)	(34)
Insurance	(40)	(40)	(40)	(40)	(40)	(40)	(40)
Local Development Framework (LDF)	(173)	(101)					
Local Elections	(30)	(30)		(70)	(58)	(46)	(34)
Municipal Mutual Insurance	(157)	(157)	(157)	(157)	(157)	(157)	(157)
Museums Acquisitions	(8)	(8)	(8)	(8)	(8)	(8)	(8)
Museums Publications	(38)						
New Homes Bonus			(867)	(2,412)	(4,877)	(8,066)	(11,939)
Organisational Development	(432)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)
Planning Deposits (Interest)	(91)	(91)	(91)	(91)	(91)	(91)	(91)
Property Repairs	(1,938)	(1,456)	(961)	(561)	(561)	(561)	(561)
Winchester Town Reserve	(298)	(196)	(60)	(1)	84	191	319
Total General Fund Earmarked Reserves *	(7,454)	(10,499)	(6,970)	(7,824)	(10,090)	(13,050)	(16,888)
General Fund Balance	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)

* Major Investment Reserve is shown in Appendix G

Major Investment Reserve & Usable Capital Receipts Forecasts

MAJOR INVESTMENT RESERVE	2015/16 FORECAST £000	2016/17 FORECAST £000	2017/18 FORECAST £000	2018/19 FORECAST £000	2019/20 FORECAST £000	2020/21 FORECAST £000
Opening Balance	(9,057)	(4,976)	(3,250)	(1,882)	(1,702)	(1,552)
Transfers (to)	(700)					
REVENUE Transfers from	1,803	291	178	150	150	150
CAPITAL Transfers from	2,978	1,435	1,190	30		
Forecast Closing Balance	(4,976)	(3,250)	(1,882)	(1,702)	(1,552)	(1,402)
Revenue Implications of the Capital Programme Programmed but not yet approved - (to) / from		122	560	685	(561)	(419)
Forecast Closing Balance	(4,976)	(3,128)	(1,322)	(1,017)	(2,114)	(1,822)
(Surplus) / Deficit - Appendix C		(58)	154	1,262	2,212	2,848
Forecast Closing Balance	(4,976)	(3,186)	(1,226)	341	1,457	4,596

CAPITAL RECEIPTS RESERVE	2015/16 FORECAST £000	2016/17 FORECAST £000	2017/18 FORECAST £000	2018/19 FORECAST £000	2019/20 FORECAST £000	2020/21 FORECAST £000
Opening Balance	(2,766)	(5,737)	(4,658)	(4,919)	(5,186)	(5,459)
Forecast Receipts	(9,614)	(1,309)	(8,996)	(322)	(328)	(337)
Forecast Utilisation	6,643	2,388	8,735	55	55	55
Forecast Closing Balance	(5,737)	(4,658)	(4,919)	(5,186)	(5,459)	(5,741)