

CABINET**8 February 2017****Minute Extract****608. MEDIUM TERM FINANCIAL STRATEGY, BUDGET AND COUNCIL TAX 2017/18**

(Report CAB2896 refers)

Councillor Godfrey highlighted that Government Grants were reducing by approximately £1.4m in 2017/18, which was approximately 5.5% of the Council's total General Fund revenue budget. He emphasised that careful financial planning for this reduction had mitigated the impact. However, in order to continue to deliver the Council's services and to ensure a balanced budget for 2017/18, an increase in Council Tax of £4.34 at Band D was proposed.

At the invitation of the Chairman, Councillor Thompson addressed Cabinet and in summary raised concerns about the lack of detail contained with the Report regarding proposed changes to Council services or attempts to increase revenue or reduce costs. She believed that the Council had received a significantly lower level of grant than average which offered a bad deal for the local taxpayer and suggested that the Leader lobby Government to address this. Councillor Thompson also expressed concern about the over-reliance on an unrealistic capital programme which she believed relied on the sale of high value homes on the Station Approach site. Local residents and Ward Councillors believed that any development of Station Approach should be at a lower density than currently proposed.

Councillor Godfrey responded that there was a great deal of information available in support of the budget proposals, but it was not appropriate to go into too great a level of detail within this Report. He highlighted that in 2018/19 the Council would not receive any Government grant and the proposals in the Capital Strategy were essential in order to address this shortfall. Each project would have its own detailed project business case. In addition he emphasised that the Council had, in conjunction with the Audit Committee, developed a new Risk Management Strategy which would assist in future decisions.

Councillor Godfrey highlighted that there were significant differences between Government settlements between rural Districts (such as Winchester) and those in urban areas and he did not believe Winchester had been treated any differently by the Government than other similar authorities.

In response to questions, Councillor Godfrey stated that there remained a great deal of uncertainty regarding Business Rates Retention and therefore an amount of £1.0m is set aside within the business rates reserve for any

unexpected fluctuations in retained business rates, for example appeals in excess of those already provided for.

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

RECOMMENDED:

1. THAT THE LEVEL OF GENERAL FUND BUDGET FOR 2017/18 BE AGREED AS SET OUT IN THE SUMMARY AT APPENDIX A TO THE REPORT.

2. THAT THE POLICY AS PREVIOUSLY AGREED BY THE COUNCIL ON 14 JULY 1999 (MIN 186 REFERS) BE CONFIRMED TO TREAT ALL EXPENSES OF THE COUNCIL AS GENERAL EXPENSES OTHER THAN THOSE SPECIFICALLY IDENTIFIED AND ITEMISED IN THE WINCHESTER TOWN ACCOUNT, AND IN CONSEQUENCE OF WHICH THE SUM OF £888,242 BE TREATED AS SPECIAL EXPENSES UNDER SECTION 35 OF THE LOCAL GOVERNMENT FINANCE ACT 1992 IN RESPECT OF THE WINCHESTER TOWN AREA, APPENDIX G.

3. THAT THE COUNCIL TAX FOR THE SPECIAL EXPENSES IN THE WINCHESTER TOWN AREA AT BAND D FOR 2017/18 BE INCREASED TO £65.21.

4. THAT THE BALANCE ON THE COLLECTION FUND FOR DISTRIBUTION TO THIS COUNCIL, CALCULATED IN JANUARY 2017 OF £149,824 FOR COUNCIL TAX, BE APPROVED.

5. THAT THE LEVEL OF COUNCIL TAX AT BAND D FOR CITY COUNCIL SERVICES FOR 2017/18 BE INCREASED TO £134.99.

6. THAT PARISH COUNCIL TAXES BE NOTED AS SET OUT IN APPENDIX H TO THE REPORT.

7. THAT THE CAPITAL PROGRAMME AND CAPITAL PROGRAMME FINANCING (APPENDICES C AND D TO THE REPORT, WHICH HAVE BEEN UPDATED FROM CAB2889 CAPITAL PROGRAMME AND STRATEGY, DUE TO CHANGES RESULTING FROM CAB2893(HSG)) BE APPROVED.

8. THAT IN RELATION TO MEMBERS' ALLOWANCES:
 (A) THE GENERAL INFLATION INDEX IN THE MEMBERS' ALLOWANCES SCHEME BE NOT APPLIED FOR 2017/18.
 (B) THE INFLATION INDEX FOR 2017/18 FOR COUNCILLOR MILEAGE RATES BE APPLIED, SO AS TO CONTINUE THE

LINK TO HMRC MILEAGE RATES, SHOULD HMRC MAKE ANY ADJUSTMENTS.

- (C) AN INDEPENDENT REMUNERATION PANEL BE APPOINTED TO UNDERTAKE A REVIEW OF THE COUNCIL'S MEMBERS ALLOWANCES SCHEME IN AUTUMN 2017, SO AS TO ALLOW ANY CHANGES TO BE INCLUDED IN THE BUDGET FOR 2018/19.**

9. THAT THE COUNCIL'S CONTINUING NEED TO PROMOTE CHANGE IN HOW IT DOES THINGS AND DRIVE TO REPLACE LOST CENTRAL GOVERNMENT GRANT WITH NEW FUNDING STREAMS, BE RECOGNISED AND SUPPORTED.