

Winchester
City Council

Budget Statement 2018/19



2018/19 FINANCIAL MANAGEMENT

The Medium to Long Term view

-  Medium Term Financial Strategy (MTFS)

Operational income and expenditure

-  Housing Revenue Account (HRA) Budget

-  General Fund Budget

Capital investment

-  HRA Capital Strategy

-  General Fund Capital Strategy

Cash, debt and investment management

-  Treasury Strategy



THE CHALLENGE


 Deliver the outcomes in the Council's Strategy...

 Winchester District will be a premier business location

 Delivering quality housing options

 Improve the health and happiness of our community

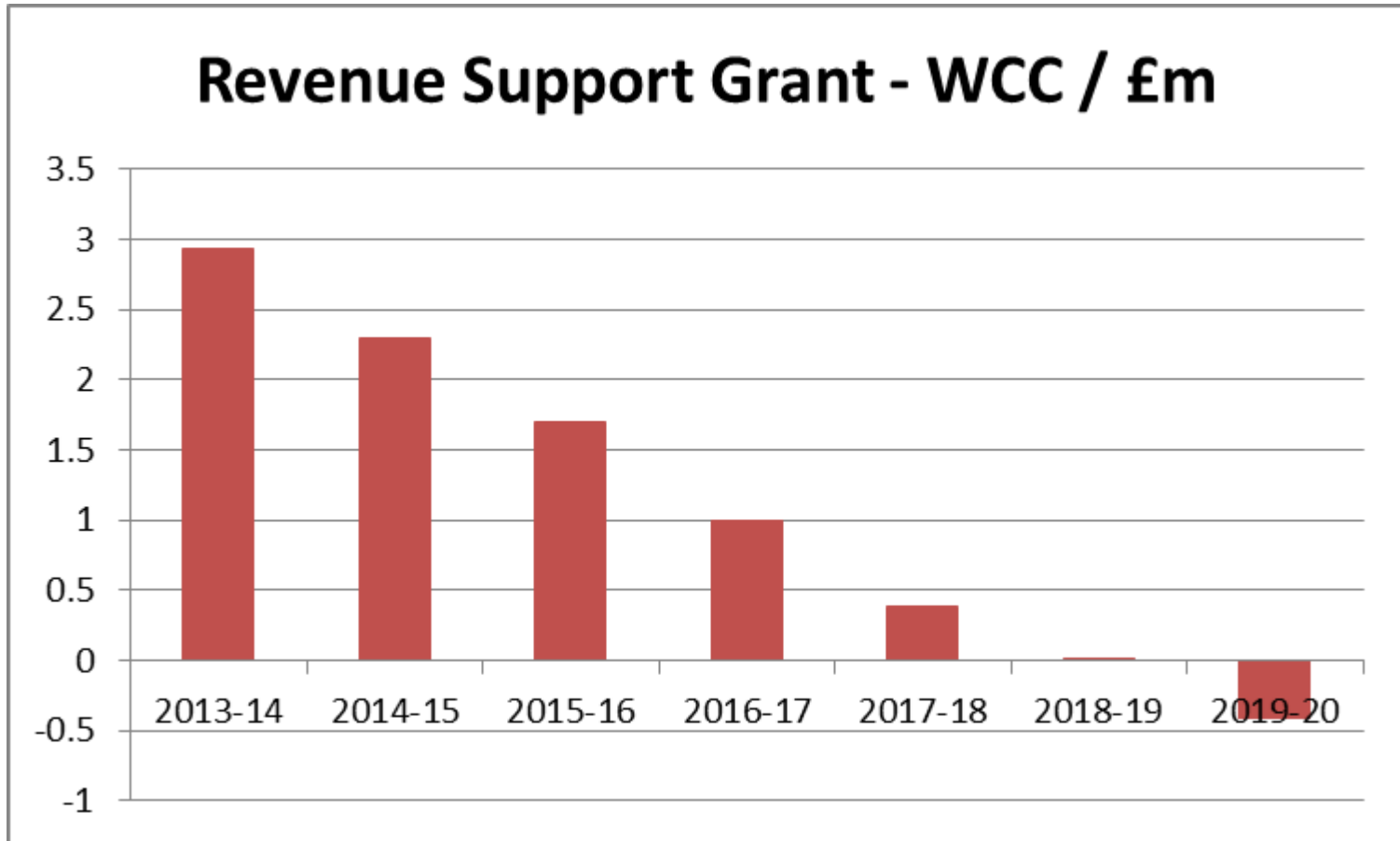
 Improving the quality of the District's environment

 Delivering an entrepreneurial approach to efficient public services

 ...in an environment of reducing government funding...



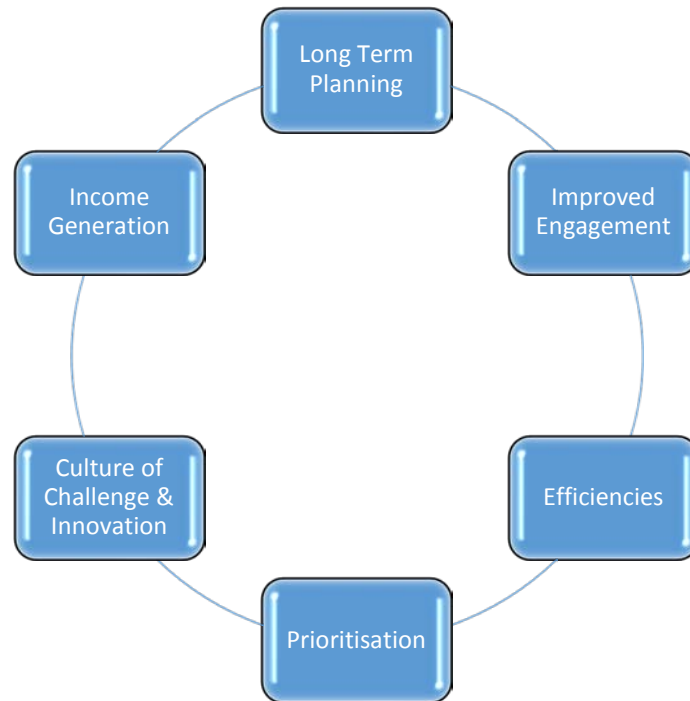
CENTRAL GOVERNMENT REVENUE SUPPORT



FUNDING PRESSURE





Facing increasing pressure on services with reducing central government funding...so

Outcome Based Budgeting:





INCOME, EFFICIENCY AND INVESTMENT




Examples of income generation

-  Partnered Home Purchase
-  Increasing P&R and Car Park utilisation
-  Transfer of garages to General Fund from HRA
-  Review of fees and charges

Examples of efficiencies

-  Digital action plan
-  Back-office savings (e.g. audit fee procurement)

Examples of investments

-  Sport & Leisure Centre
-  Bus Station
-  Car Park in Alresford



COUNCIL SERVICES

Housing provision

 5,000 social houses

 8,000 tenants

 Enabling new build

Environment

 Planning

 Waste

 Licensing

Health & Happiness

 Landscapes & spaces

 Culture

 Sport & Health

Business

 Economic growth

 Tourism

Estate Management

Legal & Democratic services

Benefits administration

 Universal Credit

Revenue collection

 Rates, council tax

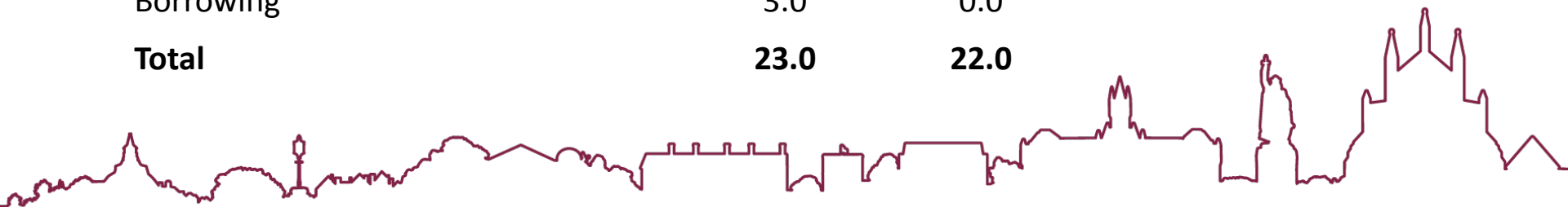
THE COST OF HOUSING SERVICES

Housing Revenue Account 2018/19 budget

£m	2017/18	2018/19
HRA Balance brought forward	9.0	6.0
Housing Management	(6.0)	(5.9)
Repairs	(4.8)	(5.0)
Depreciation	(6.0)	(6.0)
Interest	(5.2)	(5.2)
Rents and other income	27.8	27.6
Total income / (expense)	5.9	5.3
Capital expenditure	(8.9)	(5.6)
HRA Balance carried forward	6.0	5.7

HOUSING CAPITAL PROGRAM

£m	2017/18	2018/19
Major external works	(3.4)	(4.2)
Major internal works	(3.6)	(1.9)
Improvements & conversions	(0.7)	(0.4)
Disabled adaptations & other	(1.0)	(0.9)
New Build	(14.3)	(14.6)
Total	(23.0)	(22.0)
<i>funded by:</i>		
HRA Revenue Account	8.9	5.6
Right-to-buy & new build sales	3.5	8.2
Grants and S.106	1.6	2.9
Repairs reserve	6.0	5.3
Borrowing	3.0	0.0
Total	23.0	22.0



THE COST OF GENERAL SERVICES

The General Fund 2018/19 budget

£m	2017/18 Net	2018/19 Income	2018/19 Expenditure	2018/19 Net
Housing (General fund)	(1.3)	0.2	(1.5)	= (1.3)
Environment	(2.0)	10.0	(11.9)	= (1.9)
Health & happiness	(2.4)	0.4	(2.8)	= (2.4)
Business	(1.7)	0.2	(2.0)	= (1.8)
Estates, Revenue, benefits, projects	(5.7)	2.7	(8.3)	= (5.6)
Mgt, Financial, Tech, Legal, Democratic	(5.4)	0.5	(5.9)	= (5.4)
Investment income (non-treasury)	2.3	3.0	(0.3)	= 2.7
Total income / (expense)	(16.2)	17.0	(32.7)	= (15.7)

SIGNIFICANT INITIATIVES

 Estates

 Housing

 Environment


 Professional Services

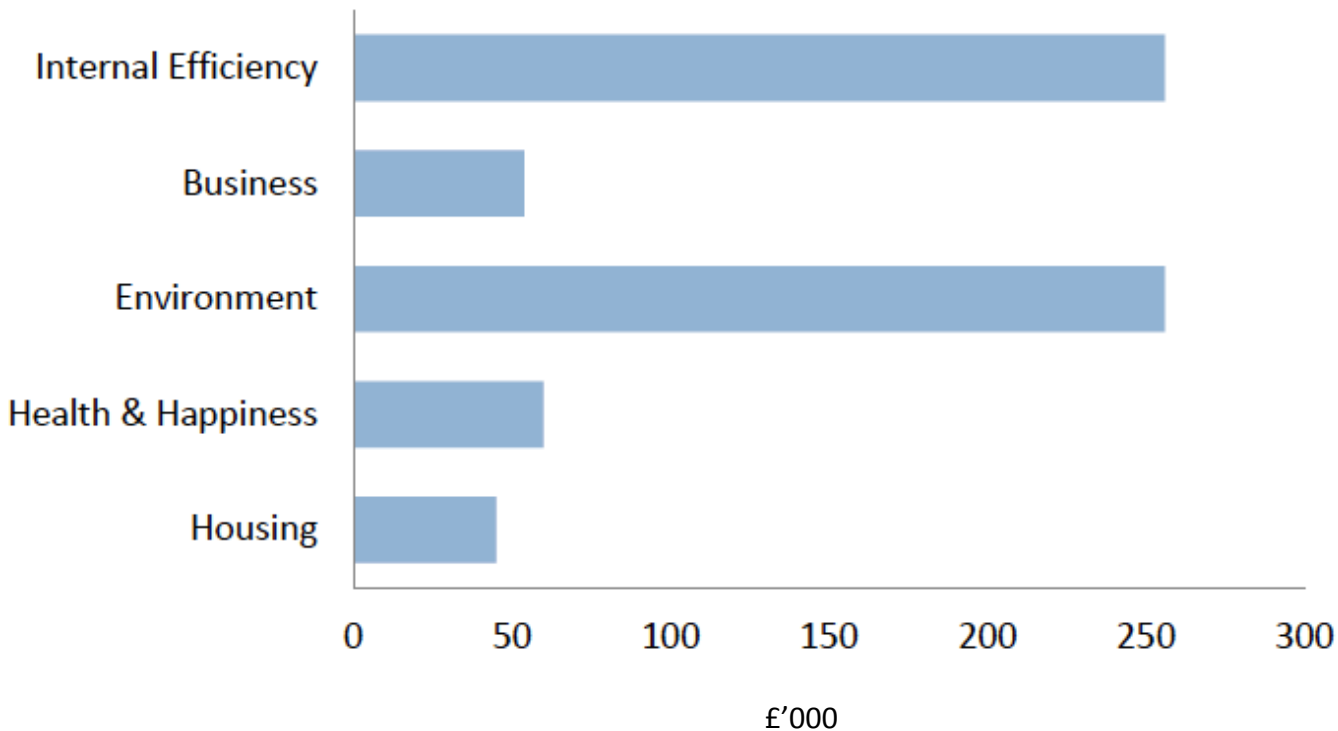
 Built Environment

 Health & Wellbeing

 Business Partnerships

OUTCOME BASED BUDGETING PROPOSALS

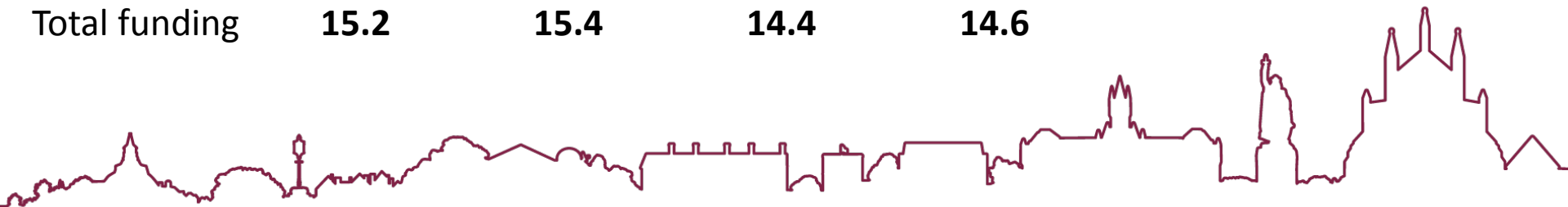
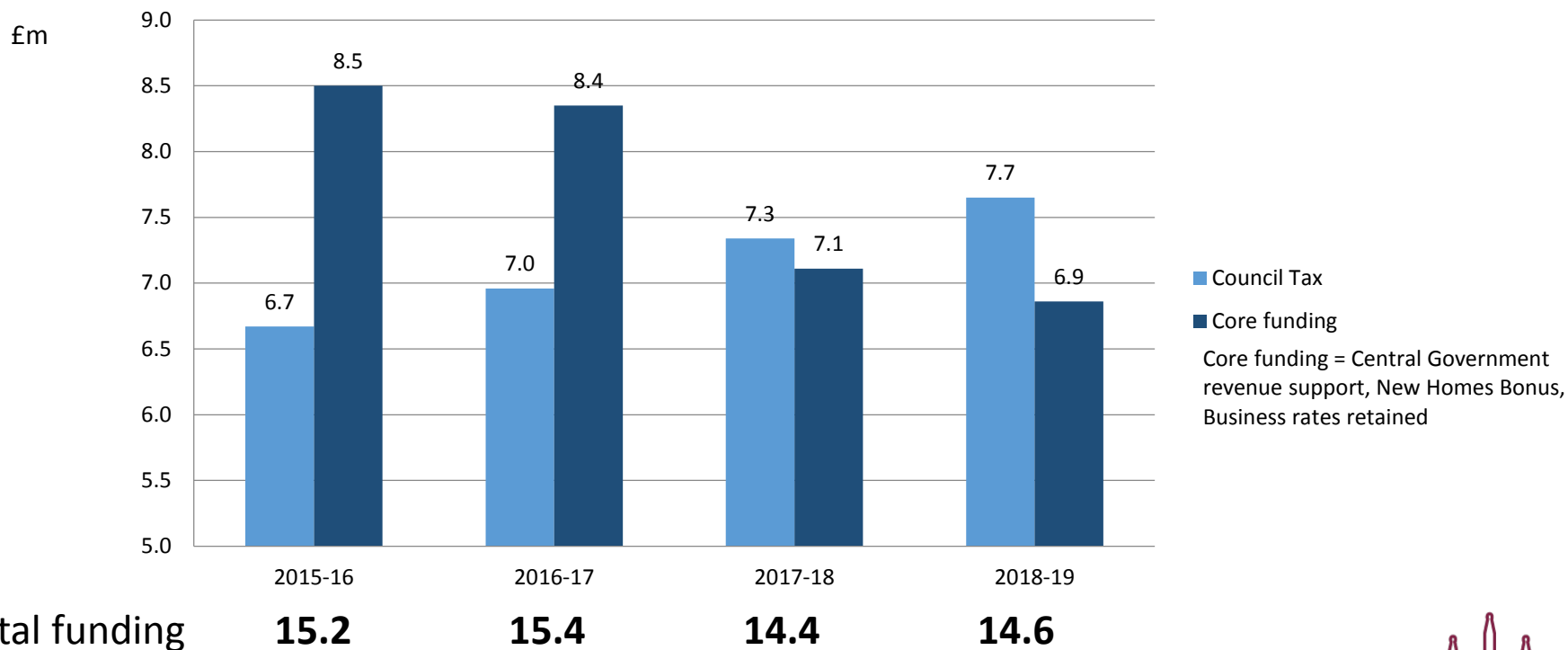
 The total savings are £1.1m, less investments of £0.4m, giving net total savings of £0.7m



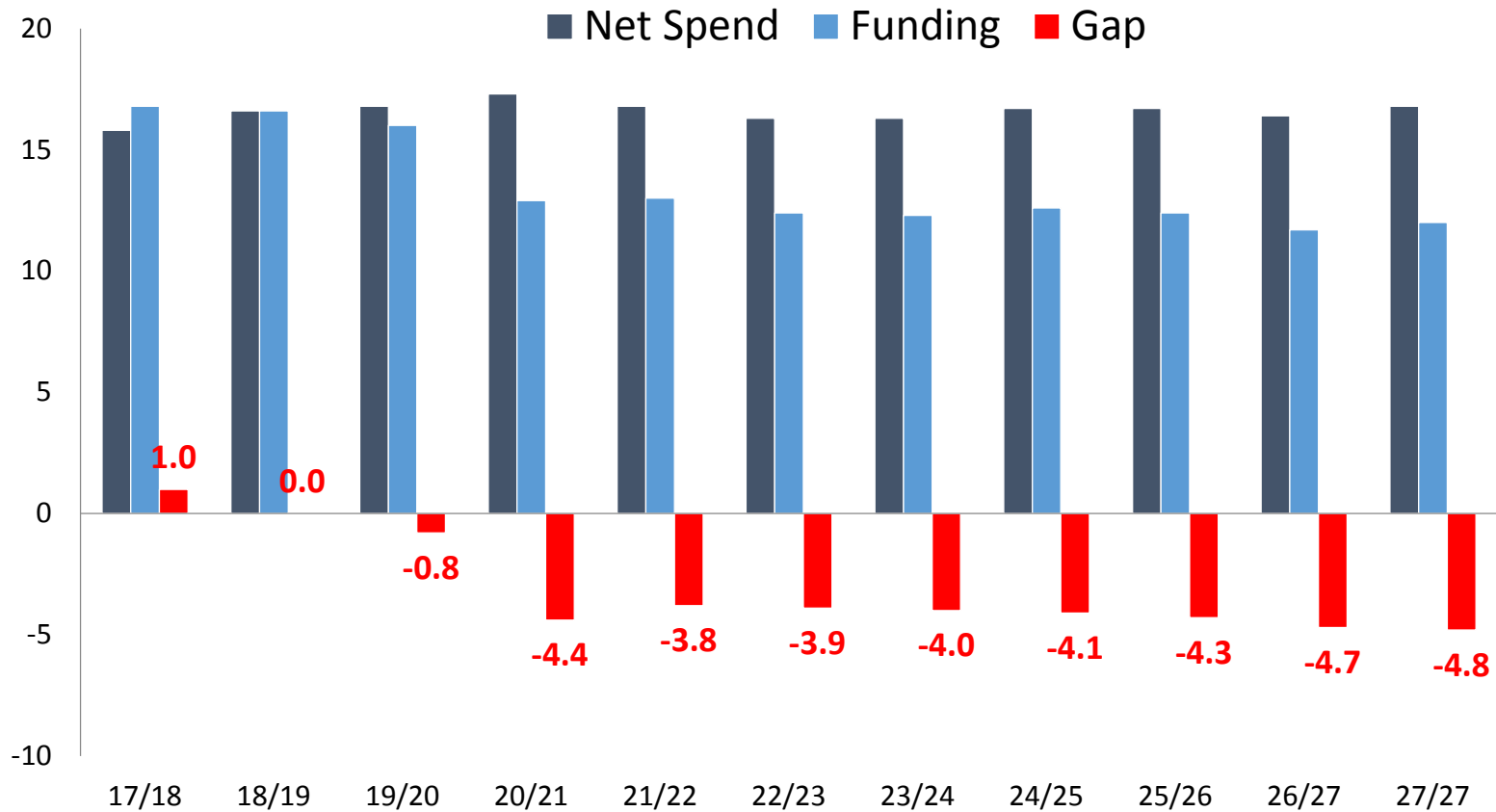
THE SOURCES OF GENERAL FUNDS

Council tax + “Core funding”

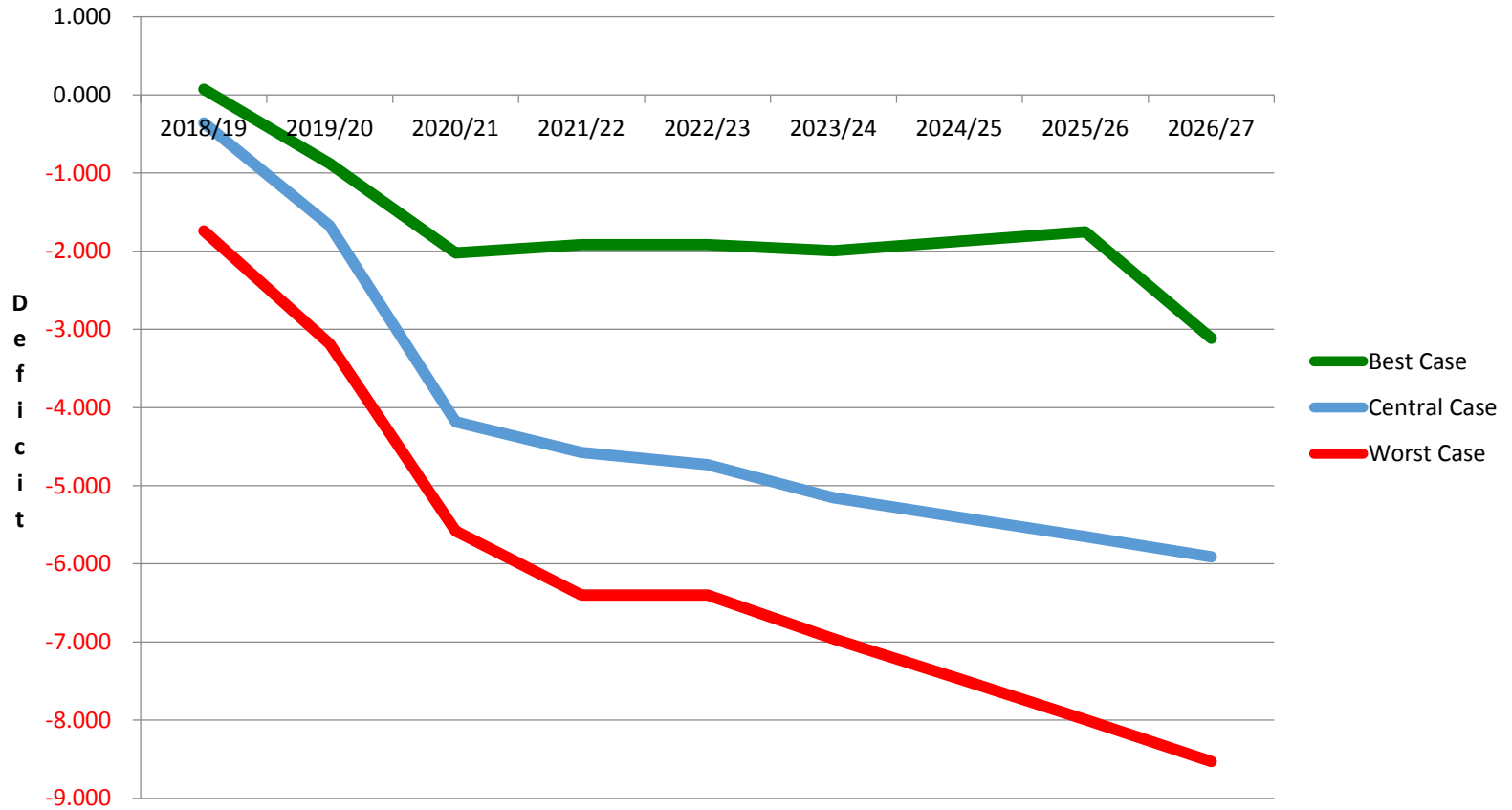
2018/19 Council tax increase: 2.9%, (e.g. Band D from £134.99 up to £138.92 p.a.)



GENERAL FUND: MEDIUM TERM VIEW




SENSITIVITY / SCENARIO PLANNING (£M)





THE IMPORTANCE OF CAPITAL SPEND

- Investing in capital projects to support the Council Strategy
- Strategic Asset Purchases – focussing on ‘double-win’ for the Council
 - Progress towards Council’s strategic aims
 - Financial return to support Council’s services
- Using Treasury Management Strategy to support our objectives and ensure strong stewardship of funds


INVESTING IN THE DISTRICT'S INFRASTRUCTURE


 **Sport & Leisure Park** – improving the health and happiness of our residents

 **Central Winchester Regeneration** – creating a new, dynamic mixed use quarter in tune with the city

 **Station Approach** – support business demand for Grade A office space and for job opportunities in the district

 **Bishop's Waltham units** – develop new industrial space for our market town economy

 **Tourist Information Centre** – enhanced facility to showcase the city and district

 **Smart city** –WiFi for city centre apps to support tourism and business

 **Parking enhancements** – Friarsgate development and improvements to Chesil Street

 **The Dean, Alresford** - investing in parking to support the market town



GENERAL FUND CAPITAL STRATEGY

Approved investments:

£m	2017/18	2018/19
Strategic Asset Purchases	-	15.7
Garages from HRA	-	3.1
Partnered Home Purchase	-	2.0
Disabled facility grants	1.0	1.0
Replacement surgery	0.1	3.8
Bus Station	4.3	-
The Dean Car Park	-	1.0
Enterprise centre	-	1.5
Flood prevention	0.1	0.7
Leisure Centre	0.8	-
Other	2.1	1.7
Total	8.8	30.5

Subject to appraisal:

£m	2018/19
Sport & Leisure Centre	7.5
Housing company	0.3
Station approach project	1.2
Bishops Waltham Depot	1.0
Parking facilities	1.5
Guildhall / Abbey House	1.0
Pavilions (North Walls & KGV)	0.3
Estate improvements / repairs	0.5
Other	0.5
Total	13.8

GENERAL FUND CAPITAL FINANCING

£m	2017/18	2018/19
Approved	8.8	30.5
Subject to appraisal	na	13.8
Total	8.8	44.3
<i>funded by:</i>		
Government and other grants	1.3	3.3
Reserves	1.4	3.8
Capital receipts	1.3	2.1
Capital financing requirements	4.8	35.1
Total	8.8	44.3


TREASURY MANAGEMENT STRATEGY

Investment activity in 2017/18


	Asset value 30/11/17 £m	Average yield %
Short term investments	39.7	0.45
Long term investments	11.0	0.76
High Yield investments	7.0	4.65
Total	57.1	1.03


SUMMARY

 We will deliver the outcomes in the Council's Strategy...

 Winchester District will be a premier business location

 Delivering quality housing options

 Improve the health and happiness of our community

 Improving the quality of the District's environment

 Using an entrepreneurial approach to efficient public services


 ...in an environment of reducing government funding...

 Government grants will reduce to zero or negative

 We will become a financially self-reliant and sustainable Council

 ...so the focus is on medium to long term sustainability

 Identifying opportunities to be more efficient

 Investing to meet strategic objectives and generate returns

 Creating opportunities for income generation

NEXT STEPS

- Reports due to Overview & Scrutiny on the 29th Jan.
- Cabinet consider any responses on the 14th Feb.
- Full Council makes the final decision on the 22nd Feb.

QUESTIONS?