

CABINET

8 February 2012

THE OVERVIEW & SCRUTINY COMMITTEE

13 February 2012

BUDGET AND COUNCIL TAX 2012/13

REPORT OF HEAD OF FINANCE

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RECENT REFERENCES:

[CAB2202: Financial Strategy 2012/13 to 2014/15, 6 July 2011](#)

[CAB2211: General Fund Revenue Budget – Revised Estimate 2011/12, 14 September 2011](#)

[CAB2249: Consultation draft: Change Plans 12/13, 9 November 2011](#)

[CAB2250: General Fund Budget Consultation 2012/13, 9 November 2011](#)

[CAB2254: Council Tax Base 2012/13, 7 December 2011](#)

[CL74: Adoption of Change Plans, 11 January 2012](#)

[CAB2283: Capital Programme 2011/12 to 2014/15, 18 January 2012](#)

[CAB2276: General Fund Budget Update 2012/13, 18 January 2012](#)

EXECUTIVE SUMMARY:

This report presents the General Fund Budget proposals for 2012/13 for approval, including proposals for growth and savings and movements in reserves. Members are asked to consider these and the level of Council Tax to be set for next year. The

current tax is £126.27 at Band D for City Council services, and it is proposed that this is frozen at the same amount for 2012/13. The Government has stipulated that a local authority which freezes council tax in 2012/13 will receive an additional one year only grant equivalent to them having set a 2.5 per cent increase on the 2011/12 level.

This report includes final growth and savings proposals identified as part of the work undertaken by officers, Corporate Management Team, and Cabinet and following consultation with The Overview and Scrutiny Committee, the Local Strategic Partnership, the business community and parish and town councils.

The Prudential Indicators covering affordability, prudence and capital expenditure which are required to be calculated by 31 March 2012 are reported elsewhere on this agenda (CAB2284).

A Council Tax of £61.32 is recommended for the Winchester Town Account (frozen at 2011/12 levels). Any increase in either the District or Town taxes would remove eligibility for the council tax freeze grant mentioned above.

RECOMMENDATIONS to Cabinet and Council:

1. That the virements to the Revised Estimate for 2011/12 as set out in paragraph 2 be approved.
2. That Members consider the level of General Fund Budget for 2012/13 and make recommendations for the following:

	<u>2012/13</u>
	<u>£</u>
General Fund Cost of Services	14,889,121
<u>Less</u>	
Financing & Investment Income & Expenditure	(9,400)
Statutory Adjustments (capital charges)	(2,100,561)
Transfers to /(from) Reserves	65,305
Council Tax surplus	(27,800)
Add: aggregate of local precepts	2,286,701
Net Budget Requirement (incl. Local Precepts)	15,103,366
<u>Less</u> non-ring fenced Government Grants	(5,841,989)
Council Tax Requirement (incl. Local Precepts)	9,261,377
Comprising:	
Aggregate of Special Expenses (Winchester Town)	872,826
Winchester City Council – General Expenses	6,101,850
Council Tax Requirement for billing authority	6,974,676
aggregate of local precepts	2,286,701
Council Tax Requirement (incl. Local Precepts)	9,261,377

2. That Members approve the changes proposed to the budget as set out in Appendices C and D.
3. That the capital programme set out in Appendices G and H be approved.
4. That the policy as previously agreed by the Council on 14 July 1999 (min 186 refers) is confirmed to treat all expenses of the Council as General Expenses other than those specifically identified and itemised in the Winchester Town Account. In consequence of which the sum of £872,826 be treated as Special Expenses under Section 35 of the Local Government Finance Act 1992 in respect of the Winchester Town area, Appendix K.
5. That the Council Tax for the Special Expenses in the Winchester Town area at Band D for 2012/13 to be frozen at 2010/11 levels; £61.32.
6. That the balance on the Collection Fund calculated at 16 January 2012 of zero for Council Tax, be approved.
7. That Members recommend the level of Council Tax at Band D for City Council services for 2012/13 to be frozen at 2010/11 levels; £126.27.
8. That Parish Council Taxes be noted as in Appendix L.

RECOMMENDATIONS to The Overview & Scrutiny Committee:

1. That The Overview & Scrutiny Committee considers any recommendations it wishes to make to the Council for its consideration of the Budget and Council Tax for 2012/13.

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REPORT OF HEAD OF FINANCE

1 Introduction

- 1.1 At its meeting in January the Council approved the adoption of the [Change Plans](#) as the Council's key commitments for 2012/13 subject to final confirmation of the budget. The proposed budget incorporating the Change Plans is now presented for approval.
- 1.2 The corporate planning cycle and budget preparation for 2012/13 began with the agreement of the Financial Strategy in July 2011, with consultation on the Revenue and Capital budgets during November 2011 through to January 2012.
- 1.3 The proposed budget growth and savings are summarised at Appendix D.
- 1.4 The capital programme that was considered in January (CAB2283 refers) has been slightly updated and the final proposed capital programme is reflected within this report. The "High Speed Broadband for Hampshire" requested contribution has now been quantified at £0.139m over three years, and is proposed to be part of the capital programme funded by the Major Investment Reserve. Also, following discussions at Cabinet in January the majority of the proposed ICT expenditure will now also be funded by the Major Investment Reserve rather than Capital Receipts.
- 1.5 A summary of the General Fund revenue budget is now presented for final consideration and Members are asked to consider the total level of General Fund Budget and the Council Tax for next year.
- 1.6 The summary service budgets are presented for approval as Appendix M. These do not include the impact of the growth and savings proposals in this report for consideration. When the budget is finalised – by Council on 23 February – any final adjustments will be made and published in the Budget Book.
- 1.7 This year there has been consultation of budget options with The Overview & Scrutiny Committee, the Town Forum, parish council chairmen, the business community, and the Local Strategic Partnership.

2 Changes to the Revised Estimate for 2011/12

- 2.1 A Revised Estimate was approved by Cabinet in September ([CAB2211](#)). Monthly monitoring since that time has identified that further virements between budgets will be required in order to ensure that the net budget remains balanced for the year. These are summarised below. In view of the ongoing budget pressures, officers have been asked to make all savings possible in the current year and to target an underspend wherever possible.
- 2.2 Further growth pressures of £380k have been identified, along with matching Savings. The most significant are detailed below:

Growth (Reduced Income / Increased Expenditure)

- Reduced Planning Fee Income (£180k)
- Potential provision for specific outstanding legal claims (£80k)
- Reduced Guildhall Income (£50k)

Savings (Increased Income)

- Increased MRF Recycling Income due to a significantly increased rate of return per tonne (£100k)
 - Environmental Services Contract rectification/dilapidation receipts with already assigned expenditure budgets (£160k)
 - Legal Fees (£40k)
 - Other (£10k)
- 2.3 The following budgets relate to specific projects that are no longer forecast to take place in 2011/12, and the budgets are proposed to be slipped to 2012/13:
- Avalon House revenue works (£273k)
 - Depot removal / fit out revenue budget (£100k)
 - The 2011/12 redundancy budget was originally set at £200k. The full year forecast costs have been reviewed with a revised forecast of c£100k, with the other £100k proposed to be part of the new £200k 2012/13 redundancy budget.

3 2012/13 Budget

- 3.1 The proposed net General Fund budget for cost of services, after the inclusion of proposed growth and savings, totals £14.889m. Summaries of service budgets are shown in Appendix M although these do not include the proposed growth and savings. Final figures, when approved, will be uploaded to the finance system and published in the Budget Book.

3.2 The proposed Budget includes the following assumptions:

- a) Growth pressures of £1.459m (listed in Appendix D).
- b) Savings totalling £0.606m (listed in Appendix D).
- c) A contingency budget amount of £0.150m.
- d) A contractual budget uplift of £0.350m, with an assumed uplift of 4% where the actual uplifts are not yet known.
- e) That there is no increase in Council Tax in 2012/13.
- f) The receipt of the new 2012/13 Council Tax Freeze grant of £174,000 of which £21,821 relates to the Winchester Town Account 'Special Expenses'.
- g) Net Interest receivable of £0.135m (Appendix F), set with a forecast average return on investments of 0.5%.
- h) Government Grants receivable relating to the first year 2 instalment of £0.607m for the 'New Homes Bonus', and the first Affordable Homes premium of £0.038m (see below).
- i) The '1team' baseline budget savings target (previously Vacancy Management / FRM) is being proposed at £0.100m for 2012/13 onwards (from £0.275m in 2011/12). This target has been reduced to reflect the reduced opportunities for turnover savings in the light of a shrinking establishment.
- j) Savings from further stages of the organisational change programme are assumed at £0.300m from 2013/14, with part-year savings totalling £0.200m in 2012/13. An allowance of £0.200m is proposed for any further redundancy costs; to be funded from the Major Investment Reserve.
- k) That the grants budget [see [WTF164](#)] is approved at £0.743 for 2012/13.

4 Capital Programme

- 4.1 The capital programme was considered by Cabinet in January (CAB2112 refers). The proposed Capital Programme is provided at Appendix G.
- 4.2 The "High Speed Broadband for Hampshire" requested contribution has now been quantified at £0.139m over three years, and is proposed to be part of the Capital Programme funded by the Major Investment Reserve.
- 4.3 Following discussions at Cabinet in January the majority of the proposed ICT expenditure will now also be funded by the Major Investment Reserve rather than Capital Receipts.
- 4.4 The financing assumptions for the proposed Capital Programme are provided in Appendix H.

- 4.5 The effect of this on the Revenue Budget has been reflected in the calculations for interest and capital financing (provided at Appendix F).
- 4.6 The Major Investment Reserve (MIR) is the principal reserve used for supporting the Budget; both Revenue and Capital. Although any deficit in the Revenue budget would have the first call on these funds, the financial strategy supports the use of this reserve to fund the capital programme. The forecasts for the MIR are included in the Table at Appendix J. There are also various specific earmarked reserves to fund the relevant elements of the Capital Programme (see below).
- 4.7 Appendix J also provides projections for the Capital Receipts Reserve, reflecting the proposed Capital Programme.
- 4.8 There are a number of projects and forward programmes that are not included in the proposed capital programme because of funding constraints. These have been listed in the Capital Programme report (CAB2112).

5 Non-ring fenced Government Grants

- 5.1 The local government finance settlement in England for 2012/13 is the second year of a two year settlement announced in 2010. The provisional Formula Grant figures previously reported, ([CAB2276](#), January 2012) have now been confirmed at £4.165m plus £0.173m Council Tax Freeze Funding (£4.338m in total). This brings the total reductions, from the adjusted 2010/11 grant of £5.532m, to just under 25% or £1.367m.
- 5.2 The current [Spending Review](#), first published in October 2010, was updated in the Autumn (2011) to extend the Government's debt reduction period by an additional two years to 2016/17. The plans for public spending in 2015/16 and 2016/17 are in line with the 2010 Spending Review with further real term reductions in total public expenditure of 0.9% per year.
- 5.3 Public Sector Pay Restraint – The Autumn 2011 Spending Review Update also set out the Government's intention to extend the period of Public Sector Pay Restraint by a further two years to the end of 2014/15. It is the Government's intention that in these two years following the current pay freeze, average public sector pay awards will be no more than 1% per annum. In Local Government, where Central Government does not control pay awards, the finance settlements will be adjusted on the assumption that this policy is followed.
- 5.4 There remains significant uncertainty over the impact of the final settlements for 2013/14 and 2014/15. There is the possibility that the Government could decide to reopen and increase the current savings targets, or that the total reduction for individual Authorities is greater than the average target. The current application of "floor damping" within the formula grant methodology results in a £0.667m reduction to the Council's settlement.
- 5.5 New & Affordable Homes Bonus – The baseline budget for 2012/13 is supported by the confirmed awards for 2011/12 (year 2) and 2012/13 (year 1) totalling

£1.140m (£0.496m 2011/12, £0.644m in 2012/13). Each of these awards will be received annually for a six year period. No further increases have been assumed in the projections for 2013/14 and 2014/15 as there is uncertainty over the impact of future awards on the formula grant, which is expected to be reduced to fund a certain element of the bonus payments.

- 5.6 Local Services Support Grant – The annual grant has been confirmed at £0.190m for 2012/13 and relates entirely to the Prevention of Homelessness. The National Homelessness Advisor post costs are covered by £0.075m of the grant, with the remainder allocated to Homelessness projects (and subject to specific Cabinet approvals). The level of funding has been forecast to remain at £0.190m in 2013/14 and 2014/15.
- 5.7 Council Tax Freeze Funding for 2012/13 is forecast to be £174,000 (including £21,821 relating to the Winchester Town Account ‘Special Expenses’), should taxes be frozen at 2011/12 levels.
- 5.8 The table below summarises the assumptions used for the projections:

Non-ring fenced Government Grants	2011/12	2012/13	2013/14	2014/15
	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>
<u>New & Affordable Homes Bonus</u>				
New Homes Bonus (NHB)	496	1,102	1,614	2,162
Affordable Homes Bonus (AHB)		38	66	94
NHB & AHB Formula Grant Adjustment*			(539)	(1,115)
	496	1,140	1,140	1,140
<u>Formula Grant</u>				
RSG & NNDR	4,638	4,165	3,815	3,515
Council Tax Freeze Grant (2011/12)	173	173	173	173
	4,811	4,338	3,988	3,688
Local Services Support Grant	190	190	190	190
Council Tax Freeze Grant (2012/13)	0	174	0	0
TOTAL	5,497	5,842	5,318	5,018

* Assumes that 2012/13 NHB & AHB funding levels will remain flat due to offsetting reduction in formula grant

6 Legislative Changes

- 6.1 The Localism Act contains a number of proposals promoted to give local authorities new freedoms and flexibility, including new rights and powers for communities and individuals, reform of housing and reform of the planning system. As a consequence there may be further implications on the Council’s finances, but these are currently unquantifiable.

- 6.2 The Government is currently consulting on or has proposals for, a range of initiatives that will impact on the Council over the medium term, the key items include: Business rates retention; Localising support for council tax; Housing benefit reforms; Planning reforms; Pension scheme review; Governance reforms, Public services white paper; Local authority resources review.
- 6.3 The Medium Term Financial Forecast makes no assumptions about the possible impact of these initiatives on the Council's budget. This is because there is currently a high amount of uncertainty. These areas will be kept under review as further information on their impact becomes available.

7 Collection Fund

- 7.1 Regulations require the Council to approve the Collection Fund balance at 31 March, calculated at 15 January preceding.
- 7.2 For Council Tax a surplus of £210,000 is estimated, shared between the County Council (£151,802), the Police Authority (£21,391), the Fire & Rescue Authority (£8,978) and this Council (£27,829). This must be credited to the Council Tax for the District for 2012/13. This is equivalent to £0.58 at Band D.
- 7.3 The budget can therefore be set including the £27,829 surplus.

8 Council Tax

- 8.1 The Government has confirmed that a local authority which freezes or reduces its Band D council tax in 2012/13 will receive an additional grant, for one year only, equivalent to them having set a 2.5 per cent increase from their 2011/12 level. The Parish Tax amounts are excluded from this grant, but Winchester Town is included.
- 8.2 The Government has also confirmed that the maximum Council Tax rise for 2012/13 before a local referendum is required is 3.5%.
- 8.3 Unlike the freeze funding for 2011/12 which ensured the grant paid to an authority for freezing or reducing its council tax in 2011/12 would be matched exactly in each subsequent year of the Spending Review to compensate for the income foregone for a freeze, the funding for a further freeze in 2012/13 will be for that single year only.
- 8.4 At present the projections reflect a freeze in Council Tax for the District and the Winchester Town Area. Any increase in either the District or Town taxes would remove eligibility for the council tax freeze grant included in the projections, and would also be subject to capping regulations. The effect of increasing District tax levels are shown below:

Council Tax Options	Annual Increase		Additional Council Tax	One-off freeze funding
			£000	£000
£126.27	0.00%	£0.00	0	152.6
£126.90	0.50%	£0.63	30.5	0
£127.53	1.00%	£1.26	61.0	0
£128.16	1.50%	£1.89	91.5	0
£128.80	2.00%	£2.53	122.1	0
£129.43	2.50%	£3.16	152.6	0
£130.06	3.00%	£3.79	183.1	0
£130.69	3.50%	£4.55	213.6	0

- 8.5 As the freeze funding for 2012/13 is for a single year only any freeze will have a long term impact on the tax base as highlighted by the below table:

Baseline Impact of Council Tax Freeze to 2014/15

2012/13 Council Tax Rise:	2012/13 £000	2013/14 £000	2014/15 £000	TOTAL £000
0.0%	152.6	0.0	0.0	152.6
0.5%	30.5	30.7	30.8	92.0
1.0%	61.0	61.6	62.3	184.9
1.5%	91.5	92.9	94.3	278.8
2.0%	122.1	124.5	127.0	373.6
2.5%	152.6	156.4	160.3	469.3
3.0%	183.1	188.6	194.2	565.9
3.5%	213.6	221.1	228.8	663.5

- 8.6 The current level of Tax for the District is £126.27.
- 8.7 In considering the level of District tax, regard has to be had to the Tax for the Town area in order to ensure that the overall increase does not exceed the capping regulations. Any increase in the Town tax levels would result in the whole of the Council Tax freeze funding being lost.
- 8.8 The current level of Tax for the Town is £61.32.
- 8.9 Appendix L shows the figures for Parish Council or Meeting taxes, including a comparison with the previous year's precept. The Council has no control over the levels of parish precepts.

- 8.10 The Taxes for the County Council, the Police Authority and the Fire Authority will be decided on 23, 14 and 9 February, respectively. It should be noted that the County Council will set its tax on the same day as the City Council. An update will be given to Council on the recommendations being made.

9 Winchester Town Charge – Section 35

- 9.1 In accordance with Section 35 of the Local Government Finance Act 1992 the Council has taken the decision in previous years to treat all expenses of the Council as general expenses other than those identified as special expenses. The Council endorsed this policy on 24 February 2011 (minute 793.4 refers).
- 9.2 Special expenses are costs incurred for the provision of an amenity or service that is primarily for the benefit of one locality. In the Winchester District these expenses are levied by the Council to cover the costs of local services in the Winchester Town area which elsewhere would be dealt with by parish councils.
- 9.3 The services currently covered by special expenses are listed in Appendix K.
- 9.4 It is recommended that the policy as previously agreed by the Council on 14 July 1999 (minute 186), and confirmed in the budget and council tax report for 2011/12 (CAB2125, 9 February 2011) is endorsed again. That is to treat all expenses of the Council as General Expenses other than those specifically identified and itemised in the Winchester Town Account. In consequence of which the sum of £872,826 will be treated as Special Expenses under Section 35 of the Local Government Finance Act, 1992 in respect of the Winchester Town area, summarised in Appendix K.
- 9.5 The Winchester Town Forum met on 25 January 2012 and recommended the Budget as set out in Appendix K and a Council Tax freeze for 2012/13.

10 Reserves

- 10.1 A summary of reserves is included at Appendix J. There remain some specific Earmarked Reserves, the most significant of which are itemised in the Appendix. These have all been reviewed as part of the budget process and the levels are considered to be appropriate.
- 10.2 The Major Investment Reserve is a revenue funded reserve that supports the delivery of the Council's priorities; both capital and revenue. The Reserve has been almost fully committed by the end of 2014/15, against both capital and revenue projects. The Major Investment Reserve has historically been funded by one-off grants and revenue underspends; however with the substantial pressures from both the Government Spending Review and the Economic Environment as a whole, there are no indications that the continuation of this policy will provide significant future contributions to this Reserve. It is therefore proposed that the current strategy for contributions to the Major Investment Reserve is reviewed in 2012/13 with the aim of including a baseline annual revenue contribution in next

year's budget setting, in line with the contributions already included in 10.3, to ensure funds are available to support the delivery of future projects.

- 10.3 The 2011/12 budget setting recognised the substantial depletion of both capital and revenue reserves; set against an ongoing requirement for capital and revenue expenditure (both one-off and recurring) to support the delivery of the Council's priorities. For 2012/13 onwards the following revenue contributions to Earmarked Reserves are supporting major capital and revenue projects/works that are annually recurring in nature. This policy supports the strategy that in order to sustainably support expenditure that is annually recurring in nature; the identified source of funding should in the first instance be sought based on assumptions that are also annually recurring in nature.

<u>Revenue Contributions to Earmarked Reserves</u>			
	Revenue Contributions		
	2012/13	2013/14	2014/15
Supported Earmarked Reserve:	£000	£000	£000
Property Reserve (Asset Management Plans)	300	300	300
Car Parks Property Maintenance	180	180	180
Disabled Facility Grants	100	122	122
ICT Strategy	60	60	60
TOTAL REVENUE CONTRIBUTIONS	640	662	662

11 General Fund Working Balance

- 11.1 The General Fund working balance stands at £2m. As has been reported previously, the level of this balance needs to be considered in the light of a number of factors concerning the Council's level of exposure to changes in income and expenditure.
- 11.2 Overall, the provision of £2m as a General Reserve is considered to be sufficient and the forward projections assume that this level is retained. This will be kept under review.

12 Members' Allowances

- 12.1 Cabinet considered and approved proposals for Members Allowances for 2012/13 ([CAB2277](#), January 2012 refers). The proposed Budget reflects the changes approved. This is subject to Council approving Cabinet's recommendations on CAB2277 at the budget meeting on 23 February 2012.

13 Looking Ahead

- 13.1 In considering its budget each year the Council is required to look further ahead than the year under detailed consideration to ensure that the impact and affordability of proposals is assessed for future years. The forward projections in Appendix C give an indication of the Council's position for the next three years.
- 13.2 Over recent years, the Council has achieved significant savings and efficiencies and continues to work hard to ensure that ongoing savings are delivered. It is assumed that this process will continue into the future and that the budget setting process for next year will identify further savings to balance the budget.
- 13.3 A summary Budget risk assessment, linked to the Corporate Risk Register, has been included at Appendix A.

14 Adequacy of Reserves and Robustness of Estimates

- 14.1 There are specific requirements under Section 25 of the Local Government Act, 2003, for the Chief Finance Officer to provide a positive assurance statement about the adequacy of proposed financial reserves and the robustness of estimates made for the purposes of the Budget calculation.
- 14.2 Reserves are detailed in this report and specific comment is made on the most significant balances. The General Fund working balance is discussed above and is considered to be adequate. The Major Investment Reserve is available to support specific projects, both revenue and capital, and a balance remains throughout the Strategy period. The Usable Capital Receipts Reserve has been fully allocated to the Capital Programme.
- 14.3 The Head of Finance is able to provide positive assurance about the adequacy of reserves bearing in mind the commentary about the need to identify funding for future projects that are not yet included within current programmes.
- 14.4 When considering the robustness of estimates for the budget calculation for the current year savings and increased income proposals included in the budget must be considered to be achievable. Considerable savings have been achieved to date, and the recent experience has been that compensating savings have been found to cover unforeseen growth pressures. Given the complex nature of the organisation, the significant turnover, the cautious approach to budgeting and the sensitivity to income, these variations are to be expected. The purpose of reserves, in particular the General Fund working balance, is to provide a cushion for these variations.
- 14.5 Within the context of the overall budget and reserve levels, the Head of Finance is able to provide positive assurance on the robustness of the estimates made for the purposes of the budget calculation for next year.

15 Prudential Code

- 15.1 Local authorities determine their own programmes for capital investment in fixed assets that are central to the delivery of quality public services. The Prudential Code has been developed as a professional code of practice to support local authorities in taking their decisions. They are required by Regulation to have regard to the Prudential Code when carrying out their duties under Part 1 of the Local Government Act 2003.
- 15.2 The key objectives of the Prudential Code are to ensure, within a clear framework, that the capital investment plans of local authorities are affordable, prudent and sustainable. A further key objective is to ensure that treasury management decisions are taken in accordance with good professional practice and in a manner that supports prudence, affordability and sustainability.
- 15.3 To demonstrate that local authorities have fulfilled these objectives, the Prudential Code sets out indicators that must be used and factors that must be taken into account. These indicators are designed to support and record local decision making in a manner that is publicly accountable.
- 15.4 The indicators are purely for internal use by the Council and are not intended to be used as comparators with other authorities, as any comparisons will be meaningless. In addition the indicators should not be taken individually; rather the benefit from monitoring will arise from following the movement in indicators over time and the year on year changes.
- 15.5 All of the indicators in respect of treasury management covering affordability, prudence, capital expenditure, borrowing and investment have been included in report CAB2284 elsewhere on this agenda.

OTHER CONSIDERATIONS:

16 SUSTAINABLE COMMUNITY STRATEGY AND CHANGE PLANS (RELEVANCE TO):

- 16.1 The Financial Strategy and the budget process should accord with the objectives of the Sustainable Community Strategy and Change Plans whilst proposals in the Strategy must be linked to resource allocation and availability. The Budget is vital to the achievement of Sustainable Community Strategy and the Change Plans.

17 RESOURCE IMPLICATIONS:

- 17.1 These are contained in the body of the report.

18 RISK

- 18.1 The Budget for next year and the forward projections will be influenced significantly by various factors that cannot be quantified or assessed fully at this stage; some external and outside of the control of the Council; and others that relate to factors

and aspirations within the Council's control. The sensitivity to key assumptions is explained within the report and a risk assessment is also provided at Appendix A.

19 EQUALITIES

- 19.1 The Budget supports the Council's Change Plans, and the Sustainable Community Strategy, which sits above the Change Plans, was subjected to an equalities impact assessment. It is anticipated that the Council's new integrated assessment model will be used for each Change Plan project as it is developed.

BACKGROUND DOCUMENTS:

[Spending Review Autumn 2011 Update](#)

[Local Government Finance Settlement 2011/12](#)

APPENDICES:

Appendix A	Summary Risk Assessment
Appendix B	General Fund Budget & Council Tax Requirements
Appendix C	General Fund Revenue Projections 2011/12 to 2014/15
Appendix D	Proposed Budget Growth & Savings
Appendix F	Financing Transactions
Appendix G	Capital Programme
Appendix H	Capital Programme Financing
Appendix J	Summary of Reserves projections
Appendix K	Council Tax on Winchester Town Area
Appendix L	Parish Council Precepts and Council Taxes 2012/13
Appendix M	General Fund - Summary Service Budgets 2012/13

SUMMARY RISK ASSESSMENT

No.	Corporate Risk Register Number	Risk area identified	Potential Impact of Risk	Mitigation / Change Plans reference
1		The Localism Act	The Localism Act contains a number of proposals promoted to give local authorities new freedoms and flexibility, including new rights and powers for communities and individuals, reform of housing and reform of the planning system. As a consequence there may be further implications on the Council's finances, but these are currently unquantifiable.	Flexible Resource Management, Contingency budget and maintain adequate General Fund Working Balance
2		Government Resource Review	The Government is currently consulting on / has proposals for a number of initiatives that may impact on the Council over the current planning period, the major items include: Business rates retention; Localising support for Council Tax; Housing Benefit reforms; Planning Fee reforms; and Local authority resources review.	Monitor Government consultation on future proposals. Maintain adequate General Fund working balance.
3	CR5002	Silver Hill development proposals	Obstacles to the making of a CPO leading to delays in regeneration resulting in deterioration of Council assets and lost opportunity.	Revised redevelopment plan
4	CR5003	Asset Management	Asset Management Plan not fit for purpose leading to non housing property assets falling into disrepair resulting in unforeseen expenditure and inability to maximise income or capital receipts.	Property Repairs and Renewals earmarked reserve.
5		Car Parking Income	A small percentage deviation in parking income would have a significant impact on budgets	Robust monitoring of income levels, on a monthly basis
6	CR5004	Planning Fee Income	Reduction in level of income due to reduction in number of planning applications received	Budgets have been set at a reduced level to reflect the current Economic conditions Robust monitoring of income levels, on a monthly basis
7	CR5005	Housing Finance Reform	General Fund resource requirements are greater than assumed in HRA budget resulting in under resourced Treasury Management function or inadequate development of accounting, monitoring and reporting.	Keep progress under review and if necessary seek additional recharges from Housing Revenue Account.
8	CR5006	Business Changes and Workforce Planning	Lack of skills and flexibility within the Council leading to the Transforming Winchester Programme not being implemented resulting in non delivery of change plans and loss of opportunity.	Change Plans Transforming Winchester Programme
9	CR5008	Equality Assessment	Ineffective service Equality Impact Assessments (EIAs), leading to a successful challenge on grounds of discrimination resulting in financial penalty imposed on the Council.	Equality Impact Assessments & Equality Framework EIA programme / schedule
10	CR5012	Shared Services (Including IMT)	Weak governance or breakdown of consensus between authorities, leading to wasted resource time resulting in less efficient service delivery and loss of opportunity IMT - Budget provision for Core infrastructure data processing hardware is based on the IMT Asset Plan shared proposals. A breakdown of consensus between authorities would require significantly increased budget provision.	Shared Service project plans
11	CR5013	Environmental Services Contract	Weak partnership governance, including contract monitoring leading to an unforeseeable breach of contract resulting in an interruption in service provision.	Resourced contract monitoring

GENERAL FUND BUDGET SUMMARY

	2011/12 Original Estimate £	2011/12 Revised Estimate £	2012/13 Original Estimate £
General Fund Cost of Services	14,152,971	15,335,517	14,889,121
<i>(Less) / plus</i>			
Financing & Investment Income & Expenditure	(113,294)	(103,000)	(9,400)
Statutory Adjustments (Capital Charges)	(1,512,999)	(2,336,000)	(2,100,561)
Movement in Reserves	(240,347)	(473,339)	65,305
Council Tax Surplus			(27,800)
<u>Add:</u> Aggregate of Local Precepts	2,202,595	2,202,595	2,286,701
Net Budget Requirement (including Local Precepts)	14,488,926	14,625,773	15,103,366
Less: Non-ringfenced Government Grants	(5,359,673)	(5,496,520)	(5,841,989)
Council Tax Requirement (including Local Precepts)	9,129,253	9,129,253	9,261,377
Aggregate of Special Expenses (Winchester Town)	868,165	868,165	872,826
Winchester City Council - General Expenses	6,058,493	6,058,493	6,101,850
Council Tax Requirement for billing authority	6,926,658	6,926,658	6,974,676



GENERAL FUND REVENUE MEDIUM TERM PROJECTIONS 2011/12 - 2014/15

Notes	2011/12		2012/13	2012/13	2013/14	2014/15
	CAB2211	Revised Estimate	July Forecast	Original Estimate	Forecast	Forecast
	£000	£000	£000	£000	£000	£000
Cost of Services b/f	14,258	14,258	14,473	14,473	14,889	13,990
One-off budgets & Stepped Growth / Savings	428	538	(2,286)	(2,220)	(167)	60
Capital Financing Adjustment		823		588		
LABGI - City Centre Retail Promotion				30	(30)	
Homelessness Prevention (Preventing Homelessness Govt. Grant)		190		190		
Avalon House revenue works		(273)		273	(273)	
Depot removal/revenue costs		(100)		100	(100)	
Contractual commitments - Inflation	1		322	350	350	362
Employee Costs (0% 12/13, 1% 13/14 & 14/15)	2		200	200	330	330
Redundancy Provision		(100)		200	(200)	
Contingency			150	150		
Appendix E:						
Proposed Growth in Expenditure / Reduced Income				1,459	(842)	(0)
Proposed Reduced Expenditure / Increased Income				(606)	41	0
Specific Cabinet Papers:						
Contracts (toilet & office cleaning)				(90)		
CAB2170 Car Park Charges	15			(150)		
CAB2123 Preventing Homelessness Fund	130		(130)	(130)		
CAB2285 Car Parks Major Works				72	(8)	18
Cost of Services	14,830	15,336	12,730	14,889	13,990	14,760
Other Operating Income & Expenditure						
Payment of Parish Precepts	2,203	2,203	2,203	2,287	2,287	2,287
Financing & Investment Income & Expenditure	(184)	(198)	(153)	(135)	(103)	(73)
Minimum Revenue Provision & Voluntary Revenue Provision	70	95	315	126	284	284
Taxation & Non-Specific Grants						
Council Tax	3	(6,927)	(6,927)	(6,975)	(6,975)	(6,975)
Council Tax Surplus				(28)		
Parish Precepts		(2,203)	(2,203)	(2,287)	(2,287)	(2,287)
Non-ringfenced Government Grants	4	(5,307)	(5,497)	(5,842)	(5,318)	(5,018)
Provision of Services	(12,348)	(12,526)	(11,750)	(12,854)	(12,112)	(11,782)
Statutory Adjustments						
Capital Charges	(1,513)	(2,336)	(1,513)	(2,101)	(2,101)	(2,101)
(Surplus) / Deficit before Reserves	969	474	(533)	(65)	(223)	877
Movement in Reserves						
Transfers to or (from) Major Investment Reserve	5	(516)	(343)	123	(57)	0
Transfers to or (from) Earmarked Reserves		(458)	(126)	316	53	480
Transfers to or (from) Winchester Town Reserve		5	(5)	93	69	0
General Fund Deficit / (Surplus)	-	-	(0)	0	258	1,419

Notes:

1	Contractual Inflation Forecasts			4%	3%	3%
2	Employee Inflation Forecasts			0%	1%	1%
3	Council Tax Baseline assumed to be flat in this forecast					
4	Assumes Council Tax freeze funding of £174k one-off in 12/13			£174k	0	0
	Assumes New & Affordable Homes Bonus funding will remain flat at 12/13 levels					
	Forecast net reduction in Formula Grant of £350k in 13/14 and £300k in 14/15					
5	Redundancy budget of £200k funded by Major Investment Reserve					

	Net Budget (Saving) / Cost		
	2012/13	2013/14	2014/15
	£000	£000	£000
<u>Active Communities</u>			
Reallocation of stepped increase in Commissioning budgets	(125)	(125)	(125)
Increase in Grants budgets - funded by Commissioning	82	82	82
Winchester Town - increase in grants budgets	28	28	28
Disabled Facilities Grants - revenue contribution to capital	100	122	122
Equalities - annual consultancy budget required	15	15	15
<u>Prosperous Economy</u>			
Business Rate Relief - increase required to support the current policy	22	22	22
Winchester Town - Night Bus Contribution	10	10	10
<u>High Quality Environment</u>			
Glass collection - delay this option a further year	(166)	-	-
Planning Fees - reduced budgets to reflect the current economic uncertainty	55	105	105
Localising Planning Fees - a further delay in implementation	500	-	-
Environmental Services Contingency - reduction of contingency to £125k	(25)	(25)	(25)
Silver Hill - consultancy budget required for 2012/13	25		
Tree Survey Officer - growth required to support recommendations of ISG EN109 (50% Town)	36	36	36
HCC Agency receipts - notification received for a further reduction of 8% for Traffic Management and Planning Control	17	17	17
Winchester Town - HQE Growth	24	8	8
Building Control - Fee Reduction	85	85	85
<u>Efficient & Effective</u>			
<u>Organisational Development:</u>			
Target OD Savings (part year for 2012/13)	(200)	(300)	(300)
IMT shared services target savings	(50)	(75)	(75)
1 team - reduction in savings target to reflect reduced workforce and lower turnover	130	130	130
Financial Services restructure - net Growth recharged to HRA (HRA reform)	50	50	50
General Income Uplifts	(40)	(40)	(40)
Guildhall - staffing growth and reduction in income budgets to reflect the current economic uncertainty	100	-	-
Avalon House rental income	226	-	-
Corporate Legal Costs - to provide a contingency budget for various Legal / Court Fees within Planning / Community Safety etc	25	25	25
Local Elections - creation of an Earmarked Reserve to support annual fluctuations in required budget depending on type of election	12	(13)	(13)
Members Allowances	5	5	5
Car Mileage Savings not achieved	12	12	12
Total	953	174	174
<i>Comprising:</i>			
Savings (Reduced Expenditure / Increased Income)	(606)	(565)	(565)
Growth (Increased Expenditure / Reduced Income)	1,459	617	617
Reserves	100	122	122
	953	174	174
Expenditure	(102)	(102)	(102)
Income	955	154	154
Reserves	100	122	122
	953	174	174

FINANCING TRANSACTIONS

	Original 2011/12 £000	Revised 2011/12 £000	Forecast 2012/13 £000	Forecast 2013/14 £000	Forecast 2014/15 £000
<u>Capital Financing</u>					
Charge to GF services	1,513	2,336	2,101	2,101	2,101
Minimum Revenue Provision / VRC	51	95	126	284	284
Total General Fund Charge	1,564	2,431	2,227	2,385	2,385
<u>Interest</u>					
Interest payable	10	22	10	10	10
Investment income	(150)	(213)	(67)	(63)	(63)
Net external interest	(140)	(191)	(57)	(53)	(53)
Reserve interest payable	22	25	11	10	9
Net Interest receivable	(118)	(165)	(46)	(43)	(43)
Interest recoverable from HRA	(66)	(72)	(90)	(60)	(30)
Total Net Interest (receivable)/payable	(184)	(237)	(135)	(103)	(73)
Reverse capital charges in reserves	(1,513)	(2,336)	(2,101)	(2,101)	(2,101)
Total Financing Transactions	(133)	(142)	(9)	181	211
Notes:					
Capital financing charges are the charges made to operational budgets for capital investment through the capital programme, and include depreciation.					
Average interest rate on investments	0.90%	0.96%	0.50%	0.50%	0.50%

CAPITAL PROGRAMME 2011/12 TO 2014/15								
	Funding *	2011/12			2012/13	2013/14	2014/15	TOTAL
		CAB2251	Timing Adjustment / Growth or Saving	TOTAL				
		£000	£000	£000	£000	£000	£000	£000
GENERAL FUND								
ACTIVE COMMUNITIES								
Affordable Housing / Regeneration	CR - H	211		211	-	-	1,000	1,211
Affordable Hsg funded by Developers' contributions	EF	942		942	200	400	-	1,542
Capital Grants	MIR	99		99	-	-	-	99
CCTV	EF	167		167	-	-	-	167
Changing Pavilions (Town A/C)	EF / ER			-	57	51	54	162
Disabled Facility Grants (Mandatory) - Original	EF/MIR/RCC	604		604	378	378	378	1,738
Disabled Facility Grants (Mandatory)	ER / RCC			-	122	122	122	366
Home Improvement Grants (Discretionary)	MIR	12		12	-	-	-	12
North Winchester Youth & Community Action	MIR		300	300	-	-	-	300
River Park Leisure Centre - Essential Repairs	CR	498		498	-	-	-	498
Whiteley Community Facility	ER	50		50	-	-	-	50
		2,583	300	2,883	757	951	1,554	6,145
PROSPEROUS ECONOMY								
Village Community Shop Grants	ER	6	(3)	3	-	-	-	3
		6	(3)	3	-	-	-	3
HIGH QUALITY ENVIRONMENT								
High Speed Broadband for Hampshire	MIR				46	46	46	139
Car Parks	ER	106	(49)	57	219	80	180	536
Footway Lighting at North Walls (Town A/C)	ER (Town)				45	-	-	45
Hockley Viaduct	CR/MIR/EF	110	(35)	75	1,024	-	-	1,099
Kerbside Glass Collection - Recycling Containers	MIR	-		-	-	200	-	200
Magdalen Hill Cemetery - Extension	MIR (Town)	30		30	170	-	-	200
Market Lane Toilet Works	CR			-	45	-	-	45
Open Space & Recreation Facilities	EF	70		70	40	35	45	190
River Itchen Maintenance	CR / CR - H			-	60	40	75	175
Street Care Equipment	MIR	45		45	-	-	-	45
Tower Street	CR	26		26	-	-	-	26
Wet Shelter	ER			-	-	50	-	50
Winchester High Street Improvements - Furniture	MIR	30		30	-	-	-	30
The Square, Winchester	ER	150		150	-	-	-	150
Winnall Moors Project	MIR	10		10	10	-	-	20
		577	(84)	493	1,659	451	346	2,950
EFFICIENT & EFFECTIVE								
Abbey House	ER	66		66	-	-	-	66
Abbey House - Thermal Upgrading	RCC				21	-	-	21
Abbey Mill	ER / CFR	104		104	725	-	-	829
Archaeology Store	CFR			-	600	-	-	600
Asset Management Plans	RCC	161		161	-	148	30	339
Avalon House	CFR	696		696	-	-	-	696
Car Parking Server / Pay on Foot	MIR	0		0	139	-	-	139
City Offices	CR	150	(50)	100	50	-	-	150
City Offices & Annexe Works	CR / RCC				182	70	170	422
Depot	CFR	1,402		1,402	500	-	-	1,902
Guildhall Community Facilities/Bapsy Bequest	CFR	7		7	-	-	-	7
Guildhall 'Secret Rooms'	CR	60		60	-	-	-	60
Guildhall staff office to changing rooms	CR	50	(50)	-	50	-	-	50
Guildhall Toilets	CR		50	50	-	-	-	50

CAPITAL PROGRAMME 2011/12 TO 2014/15								
	Funding *	2011/12			2012/13	2013/14	2014/15	TOTAL
		CAB2251	Timing Adjustment / Growth or Saving	TOTAL				
		£000	£000	£000	£000	£000	£000	£000
Hyde	CFR	1,681	(200)	1,481	350	-	-	1,831
ICT E-govt	CR	15		15	-	-	-	15
ICT Equipment	CR / ER	178		178	60	60	60	358
ICT EDRMS	MIR			-	100	-	-	100
ICT Hardware	MIR			-	130	52	5	187
ICT Software	CR / MIR			-	30	48	16	94
ICT Telephony	MIR			-	115	-	-	115
ICT Microsoft Software (CAB2188)	MIR	195		195	-	-	-	195
Old Chesil Rectory	CR	38		38	-	-	-	38
Property Acquisition & Development	CFR	1,000		1,000	3,895	-	-	4,895
Urgent Property Works	ER	48		48	-	-	-	48
West Wing Lift	RCC			-	-	20	-	20
West Wing / City Offices Heating Works	ER	50		50	-	-	-	50
		5,901	(250)	5,651	6,947	398	281	13,277
Total General Fund		9,067	(37)	9,030	9,363	1,800	2,181	22,375
HOUSING REVENUE ACCOUNT								
ACTIVE COMMUNITIES								
Major repairs		3,943	672	4,615	6,050	6,050	5,050	21,765
Re-investment in stock condition		587	(587)	-	-	-	1,000	1,000
New Build / Stock Adaptation					3,200	3,200	3,200	9,600
Sheltered Housing Improvements					200	200	200	600
Estate Improvements					250	250	250	750
Disabled Adaptations					800	800	800	2,400
Orchard Upgrade	ER	64	(20)	44	20	-	-	64
Asset Management Solution	ER	80		80	-	-	-	80
Sewage Treatment Works	CR - H	262	(97)	165	100	100	100	465
Harris Bequest *	EF				* Amount to be determined			
Total Housing Revenue Account		4,936	(32)	4,904	10,620	10,600	10,600	36,724
Grand Total		14,002	(69)	13,933	19,983	12,400	12,781	59,098

* Key - Funding

Capital Financing Requirement	CFR
Capital Receipts	CR
Capital Receipts - Housing	CR - H
Earmarked Reserves	ER
External Funding	EF
Major Investment Reserve	MIR
Revenue Contribution to Capital	RCC
Rechargeable to the Town A/C	MIR (Town)

CAPITAL PROGRAMME FINANCING						
		2011/12	2012/13	2013/14	2014/15	Total
		£000	£000	£000	£000	£000
General Fund						
EXTERNALLY FUNDED						
Government Grants						
Capital Grant (DFG)	CG	378	378	378	378	1,512
Total Government grants		378	378	378	378	1,512
External contributions						
Developers' contributions	DC	1,109	200	400	-	1,709
Hockley Viaduct		26	579	-	-	605
Homelessness		-	-	50	-	50
Open Space Fund	OS	70	53	48	70	241
Total External Contributions		1,205	832	498	70	2,605
TOTAL EXTERNALLY FUNDED		1,583	1,210	876	448	4,117
Earmarked Reserves						
Car Park Property	ER	57	219	80	180	536
IT Equipment	ER	60	60	60	60	240
Property Fund	ER	413	21	238	200	872
Other	ER	40	22	-	-	62
LABGI	LABGI	203	-	-	-	203
Winchester Town Account	WTA	-	89	38	29	156
Total Earmarked Reserves		772	411	416	469	2,068
Capital Receipts Excluding Housing	CR	893	832	140	45	1,910
Total Capital Receipts		893	832	140	45	1,910
Capital Financing Requirement		4,586	6,070	-	-	10,656
Major Investment Reserve	MIR	984	740	246	62	2,033
Revenue Growth Bids			100	122	122	344
Total General Fund excluding Housing		8,818	9,363	1,800	1,146	21,128
Housing						
Government Grants						
Major Repairs Reserve	MRR	4,380	3,881	3,881	3,881	16,023
Revenue Contribution to Capital	RCC	359	6,052	6,619	5,619	18,649
Capital Receipts	CR - H	165	100	100	135	500
Housing Revenue Account	HRA					-
Disposal of dwellings	CR - H	211	587		2,000	2,798
Total Housing Revenue Account		5,115	10,620	10,600	11,635	37,970
Total Financing of Capital Programme		13,933	19,983	12,400	12,781	59,098

EARMARKED GENERAL FUND RESERVES		2011/12	2012/13	2013/14	2014/15
Description	Bal. @ 01/04/11	FORECAST Closing Bal.	FORECAST Closing Bal.	FORECAST Closing Bal.	FORECAST Closing Bal.
Choice Based Lettings Contributions	(83)	(83)	(83)	(83)	(83)
Arts & Health Project	(15)				
L.A. Business Growth Incentive (LABGI)	(512)	(185)			
Community Grants	(30)	(9)	(9)	(9)	(9)
Museums Acquisition	(14)	(14)	(14)	(14)	(14)
Museums Publications	(37)	(37)	(37)	(37)	(37)
Car Parks Property Maintenance	(136)	(212)	(109)	(127)	(127)
Property Repairs	(65)	(65)	(65)	(65)	(65)
Property Repairs & Renewals (AMP)	(531)	(97)	(38)		
Insurance Reserve	(41)	(41)	(41)	(41)	(41)
Local Development Framework (LDF)	(173)	(173)	(173)	(173)	(173)
Sewage Work Replacement	(11)	(11)	(11)	(11)	(11)
Community Safety Partnerships	(50)	(21)	(21)	(21)	(21)
Homelessness Prevention	(210)	(80)	(80)	(80)	(80)
Disabled Facilities Grants		(22)			
ICT Strategy					
Municipal Mutual Insurance	(185)	(185)	(185)	(185)	(185)
Planning Open Spaces Reserve (Interest)	(396)	(396)	(396)	(396)	(396)
Major Investment Reserve	(2,729)	(1,403)	(605)	(358)	(296)
Winchester Town Reserve	(122)	(118)	(97)	(59)	(11)
FORECAST BALANCES	(5,340)	(3,150)	(1,963)	(1,659)	(1,549)

Forecast Movement in Reserves Statement

	Earmarked General Fund Reserves ***				Housing Revenue Account	Major Repairs Reserve	Earmarked Housing Revenue Account Reserves	Capital Grants Unapplied	Capital Receipts Reserve		Total Usable Reserves (Excl. General Fund Balance)
	Major Investment Reserve	Other Earmarked GF Reserves							Housing*	General Fund**	
		Local Authority Business Growth Incentive	Property Repairs & Renewals	Other							
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
Balance at 31 March 2011	2,730	512	531	1,567	1,289	808	70	127	1,197	1,754	10,584
Transfer to/(from) Earmarked Reserves (Revenue)	(343)	(124)	(21)	56	179						(253)
Transfer to Earmarked Reserves (Capital)						3,572			250	160	3,982
Transfer (from) Earmarked Reserves (Capital)	(984)	(203)	(413)	(157)	(359)	(4,380)			(384)	(893)	(7,772)
Forecast Balance at 31 March 2012	1,403	185	97	1,466	1,109	0	70	127	1,063	1,021	6,541
Transfer to/(from) Earmarked Reserves (Revenue)	(57)	(185)	(38)	345	6,229	3,881					10,175
Transfer to Earmarked Reserves (Capital)									250		250
Transfer (from) Earmarked Reserves (Capital)	(740)		(21)	(490)	(6,052)	(3,881)			(687)	(832)	(12,703)
Forecast Balance at 31 March 2013	605	0	38	1,321	1,286	0	70	127	626	189	4,263
Transfer to/(from) Earmarked Reserves (Revenue)	0		200	280	6,619	3,881					10,980
Transfer to Earmarked Reserves (Capital)	-								250	-	250
Transfer (from) Earmarked Reserves (Capital)	(246)		(238)	(300)	(6,619)	(3,881)			(100)	(140)	(11,524)
Forecast Balance at 31 March 2014	358	0	0	1,301	1,286	0	70	127	776	49	3,968
Transfer to/(from) Earmarked Reserves (Revenue)	0		200	343	5,619	3,881					10,043
Transfer to Earmarked Reserves (Capital)	-								2,250	-	2,250
Transfer (from) Earmarked Reserves (Capital)	(62)		(200)	(391)	(5,619)	(3,881)			(2,135)	(45)	(12,333)
Forecast Balance at 31 March 2015	296	0	0	1,253	1,286	0	70	127	891	4	3,928

* Assumes Right to Buy net receipts of £250k retained per annum

** Assumes no future capital receipts from 2012/13 onwards

*** See Appendix I for further breakdown

WINCHESTER TOWN ACCOUNT - REVENUE PROJECTIONS 2011/12 - 2014/15

	Per CAB2175	Per CAB2125	Per CAB2211			
	2010/2011	2011/2012	2011/2012	2012/13	2013/14	2014/15
	Outturn	Original	Revised	Original	Forecast	Forecast
Tax Base	14,081.66	14,157.94	14,157.94	14,233.95	14,233.95	14,233.95
Expenditure	2010/2011	2011/2012	2011/2012	2012/13	2013/14	2014/15
	Outturn	Original Budget	Revised	Forecast	Forecast	Forecast
	£	£	£	£	£	£
Recreation Grounds & Open Spaces	522,792	586,386	583,925	547,302	606,011	620,431
Maintenance Work to Council Owned Bridges	8,726	15,000	29,882	0	0	0
Support Costs to Council Owned Bridges	0	1,000	1,000	0	0	0
Cemeteries	21,254	71,081	24,206	10,034	13,611	17,566
Community Wardens (Contribution)	45,000	45,000	45,000	45,000	45,000	45,000
Grants	27,813	41,813	65,813	31,813	31,813	31,813
Footway Lighting	32,836	26,275	29,797	27,970	28,302	28,651
Bus Shelter Cleaning & Maintenance	4,476	10,970	10,970	10,970	10,970	10,970
Town Forum Support	4,798	5,595	4,798	4,798	4,798	4,798
Christmas Lights	13,899	14,640	14,740	15,155	15,155	15,155
Allotments	(1,454)	(1,624)	(1,365)	(1,646)	(1,646)	(1,646)
Public Conveniences (Contribution)	50,000	50,000	50,000	50,000	50,000	50,000
Theatre Royal (Contribution)	20,000	20,000	20,000	20,000	20,000	20,000
20mph Speed Limit	0	10,000	10,000	0	0	0
Urban Neighbourhood Plans	1,500	0	0	0	0	0
Grit Bins	0	2,000	6,000	2,000	2,000	2,000
Revised Forecast Environmental Contract Savings		(40,000)				
Total Baseline Expenditure	751,640	858,136	894,766	763,396	826,014	844,738
Recurring Growth Proposals				69,487	69,487	69,487
Total recurring Expenditure				832,883	895,501	914,225
One-off Growth Proposals				16,000		
TOTAL NET EXPENDITURE				848,883	895,501	914,225
Funding						
Proceeds of Council Tax	(863,506)	(868,165)	(868,165)	(872,826)	(872,826)	(872,826)
Council Tax Freeze Funding (2.5%)		(21,704)	(21,704)	(43,525)	(21,704)	(21,704)
Interest on Balances	(101)	(224)	(224)	(1,408)	(975)	(595)
Total Funding	(863,607)	(890,093)	(890,093)	(917,759)	(895,505)	(895,125)
Reserves						
(Surplus added to Reserves) / Deficit taken from Reserves	(111,967)	(31,957)	4,673	(68,876)	(4)	19,100
Capital Expenditure funded by Town Reserve				89,000	38,000	29,000
Opening Fund Balance (at 1st April)	(10,313)	(22,366)	(122,280)	(117,606)	(97,483)	(59,486)
Closing Fund Balance (carried forward)	(122,280)	(54,323)	(117,606)	(97,483)	(59,486)	(11,386)
Closing Reserves forecast as % of net expenditure	16%	6%	13%	13%	7%	1%
TAX						
Tax at Band D	£61.32	£61.32	£61.32	£61.32	£61.32	£61.32
Increase over previous year (£)				£0.00	£0.00	£0.00

DISTRICT, TOWN & PARISH COUNCIL PRECEPTS

	2011/12			2012/13			Council Tax Increase / (reduction)
	Tax Base	Precepts £	Council Tax Band D (£)	Tax Base	Precepts £	Council Tax Band D (£)	
BILLING AUTHORITY							
WINCHESTER	47,980.46	6,058,493	126.27	48,323.83	6,101,850	126.27	0.0%
SPECIAL AREAS							
(BILLING AUTHORITY)							
WINCHESTER TOWN	14,157.94	868,165	61.32	14,233.95	872,826	61.32	0.0%
PARISHES							
BADGER FARM	983.86	27,900	28.36	989.17	28,400	28.71	1.2%
BEAUWORTH	57.13	-	0.00	53.14	-	0.00	0.0%
BIGHTON	169.29	3,000	17.72	172.24	3,500	20.32	14.7%
BISHOPS SUTTON	218.91	3,540	16.17	217.95	4,000	18.35	13.5%
BISHOPS WALTHAM	2,720.88	335,304	123.23	2,730.68	335,776	122.96	(0.2%)
BOARHUNT	246.66	15,000	60.81	243.77	14,000	57.43	(5.6%)
BRAMDEAN & HINTON AMPNER	216.25	5,000	23.12	219.48	6,000	27.34	18.3%
CHERITON	308.12	9,000	29.21	313.65	9,000	28.69	(1.8%)
CHILCOMB	56.87	-	0.00	59.90	-	0.00	0.0%
COLDEN COMMON	1,587.56	132,000	83.15	1,592.07	132,340	83.12	(0.0%)
COMPTON & SHAWFORD	831.30	27,170	32.68	838.57	27,170	32.40	(0.9%)
CORHAMPTON & MEONSTOKE	389.93	9,800	25.13	392.31	9,800	24.98	(0.6%)
CRAWLEY	220.79	13,000	58.88	220.07	13,000	59.07	0.3%
CURDRIDGE	633.74	22,000	34.71	637.36	25,000	39.22	13.0%
DENMEAD	2,783.52	335,665	120.59	2,815.52	340,700	121.01	0.3%
DROXFORD	332.24	10,000	30.10	337.09	11,500	34.12	13.4%
DURLEY	472.94	17,500	37.00	473.95	17,750	37.45	1.2%
EXTON	128.48	675	5.25	127.45	675	5.30	1.0%
HAMBLEDON	510.03	20,000	39.21	499.10	14,000	28.05	(28.5%)
HEADBOURNE WORTHY	230.84	3,850	16.68	233.79	4,350	18.61	11.6%
HURSLEY	422.19	29,000	68.69	424.56	17,000	40.04	(41.7%)
ITCHEN STOKE & OVINGTON	125.77	2,200	17.49	123.25	2,500	20.28	16.0%
ITCHEN VALLEY	726.27	14,250	19.62	729.29	14,962	20.52	4.6%
KILMESTON	133.00	3,600	27.07	137.91	3,600	26.10	(3.6%)
KINGS WORTHY	1,827.02	111,845	61.22	1,852.43	111,845	60.38	(1.4%)
LITTLETON & HARESTOCK	1,520.13	58,750	38.65	1,521.67	60,288	39.62	2.5%
MICHELDEVER	625.07	43,000	68.79	638.18	45,000	70.51	2.5%
NEW ALRESFORD	2,314.40	246,000	106.29	2,326.62	248,000	106.59	0.3%
NORTHINGTON	125.65	3,380	26.90	126.79	3,380	26.66	(0.9%)
OLD ALRESFORD	261.51	9,450	36.14	256.37	9,828	38.34	6.1%
OLIVERS BATTERY	755.24	24,600	32.57	762.61	25,300	33.18	1.9%
OTTERBOURNE	694.54	29,227	42.08	707.49	30,276	42.79	1.7%
OWSLEBURY	380.22	18,000	47.34	389.68	20,000	51.32	8.4%
SHEDFIELD	1,639.01	85,701	52.29	1,652.78	74,923	45.33	(13.3%)
SOBERTON	824.80	27,000	32.74	827.75	27,000	32.62	(0.4%)
SOUTH WONSTON	1,178.88	67,626	57.36	1,199.37	71,626	59.72	4.1%
SOUTHWICK & WIDLEY	282.36	12,700	44.98	289.38	13,700	47.34	5.2%
SPARSHOLT	304.30	12,750	41.90	309.05	13,388	43.32	3.4%
SWANMORE	1,306.63	113,000	86.48	1,321.20	161,000	121.86	40.9%
TICHBORNE	85.95	3,500	40.72	87.43	3,500	40.03	(1.7%)
TWYFORD	722.91	50,000	69.16	734.73	50,000	68.05	(1.6%)
UPHAM	321.27	14,000	43.58	321.19	15,500	48.26	10.7%
WARNFORD	110.88	950	8.57	110.66	950	8.58	0.1%
WEST MEON	380.34	21,320	56.06	383.69	21,320	55.57	(0.9%)
WHITELEY	1,287.34	75,929	58.98	1,286.07	95,164	74.00	25.5%
WICKHAM	1,770.41	108,413	61.24	1,791.69	114,690	64.01	4.5%
WONSTON	597.09	26,000	43.54	610.78	35,000	57.30	31.6%
TOTAL/AVERAGE	47,980.46	3,070,760	64.00	48,323.83	3,159,527	65.38	2.2%
PARISH TOTAL	33,822.52	2,202,595	65.12	34,089.88	2,286,701	67.08	
WINCHESTER TOWN	14,157.94	868,165	61.32	14,233.95	872,826	61.32	
TOTAL	47,980.46	3,070,760	64.00	48,323.83	3,159,527	65.38	

2012/13	Subjective	Original Estimate*
		£000
Expenditure	aa - Employees	13,927
	ab - Premises	4,104
	ac - Transport	600
	ad - Supplies & services	4,767
	ae - Third party payments	6,269
	af - Transfer payments	33,262
	ag - Depreciation Impairment Costs	2,101
	ai - Support Services	(1,671)
Expenditure Total		63,360
Income	ba - External income	(49,279)
	bc - Internal Charges	(315)
Income Total		(49,594)
Grand Total		13,767

* To note these figures represent the baseline position before any growth or savings

2012/13			
Outcome		Subjective	£000
A - Efficient and Effective	Expenditure	aa - Employees	6,916
		ab - Premises	1,286
		ac - Transport	269
		ad - Supplies & services	2,227
		ae - Third party payments	874
		af - Transfer payments	33,262
		ag - Depreciation Impairment Costs	619
		ai - Support Services	(4,326)
		Expenditure Total	41,126
	Income	ba - External income	(37,342)
		Income Total	(37,342)
A - Efficient and Effective Total			3,784
B - High Quality Environment	Expenditure	aa - Employees	4,217
		ab - Premises	2,027
		ac - Transport	153
		ad - Supplies & services	1,202
		ae - Third party payments	3,952
		ag - Depreciation Impairment Costs	530
		ai - Support Services	1,745
		Expenditure Total	13,825
	Income	ba - External income	(9,147)
		bc - Internal Charges	
		Income Total	(9,147)
B - High Quality Environment Total			4,678
C - Prosperous Economy	Expenditure	aa - Employees	1,553
		ab - Premises	504
		ac - Transport	72
		ad - Supplies & services	1,091
		ae - Third party payments	590
		ag - Depreciation Impairment Costs	246
		ai - Support Services	442
		Expenditure Total	4,498
	Income	ba - External income	(2,476)
		bc - Internal Charges	(315)
		Income Total	(2,791)
C - Prosperous Economy Total			1,707
D - Active Communities	Expenditure	aa - Employees	1,242
		ab - Premises	288
		ac - Transport	106
		ad - Supplies & services	248
		ae - Third party payments	854
		ag - Depreciation Impairment Costs	705
		ai - Support Services	468
		Expenditure Total	3,911
	Income	ba - External income	(314)
		Income Total	(314)
D - Active Communities Total			3,598
Grand Total			13,767

Team		Subjective	£000
Access & Infrastructure	Expenditure	aa - Employees	1,305
		ab - Premises	1,321
		ac - Transport	(159)
		ad - Supplies & services	787
		ae - Third party payments	1,043
		ag - Depreciation Impairment Costs	243
	ai - Support Services	43	
	Expenditure Total		4,584
	Income	ba - External income	(5,607)
		bc - Internal Charges	
	Income Total		(5,607)
Access & Infrastructure Total			(1,023)
AD Active Communities	Expenditure	aa - Employees	69
		ab - Premises	1
		ac - Transport	8
		ad - Supplies & services	23
		ae - Third party payments	751
		ag - Depreciation Impairment Costs	
	ai - Support Services	(192)	
	Expenditure Total		660
	Income	ba - External income	
	Income Total		
AD Active Communities Total			660
AD Economic Prosperity	Expenditure	aa - Employees	91
		ab - Premises	
		ac - Transport	5
		ad - Supplies & services	10
	ae - Third party payments	100	
ai - Support Services	(203)		
	Expenditure Total		2
	Income Total		2
AD Economic Prosperity Total			2
AD Environment	Expenditure	aa - Employees	71
		ab - Premises	
		ac - Transport	4
		ad - Supplies & services	13
		ae - Third party payments	91
	ai - Support Services	(153)	
	Expenditure Total		26
AD Environment Total			26
Building Control	Expenditure	aa - Employees	463
		ab - Premises	
		ac - Transport	41
		ad - Supplies & services	113
		ai - Support Services	176
		Expenditure Total	
	Income	ba - External income	(639)
	Income Total		(639)
Building Control Total			154
CMT / Corporate	Expenditure	aa - Employees	380
		ab - Premises	51
		ac - Transport	
		ad - Supplies & services	57
		ae - Third party payments	405
		ag - Depreciation Impairment Costs	
	ai - Support Services	710	
	Expenditure Total		1,603
	Income	ba - External income	
	Income Total		
CMT Total			1,603
Communications	Expenditure	aa - Employees	202
		ac - Transport	6
		ad - Supplies & services	82
		ae - Third party payments	
	ai - Support Services	(288)	
	Expenditure Total		2
	Income	ba - External income	(2)
	Income Total		(2)
Communications Total			(0)
Community Safety	Expenditure	aa - Employees	213
		ab - Premises	
		ac - Transport	24
		ad - Supplies & services	5
		ae - Third party payments	
	ai - Support Services	52	
	Expenditure Total		294
	Income	ba - External income	
	Income Total		
Community Safety Total			294
Community Wellbeing	Expenditure	aa - Employees	98
		ab - Premises	1
		ac - Transport	5

		ad - Supplies & services	3
		ae - Third party payments	21
		ag - Depreciation Impairment Costs	
		ai - Support Services	26
		Expenditure Total	153
	Income	ba - External income	(33)
		Income Total	(33)
Community Wellbeing Total			121
Customer Services	Expenditure	aa - Employees	572
		ab - Premises	1
		ac - Transport	8
		ad - Supplies & services	122
		ae - Third party payments	10
		ag - Depreciation Impairment Costs	4
		ai - Support Services	(645)
		Expenditure Total	71
	Income	ba - External income	(54)
		Income Total	(54)
Customer Services Total			17
Democratic Services	Expenditure	aa - Employees	499
		ab - Premises	88
		ac - Transport	55
		ad - Supplies & services	568
		ae - Third party payments	24
		ag - Depreciation Impairment Costs	33
		ai - Support Services	936
		Expenditure Total	2,202
	Income	ba - External income	(6)
		Income Total	(6)
Democratic Services Total			2,196
Economy & Arts	Expenditure	aa - Employees	136
		ab - Premises	5
		ac - Transport	11
		ad - Supplies & services	123
		ae - Third party payments	375
		ag - Depreciation Impairment Costs	2
		ai - Support Services	50
		Expenditure Total	702
	Income	ba - External income	(414)
		Income Total	(414)
Economy & Arts Total			288
Environment Protection	Expenditure	aa - Employees	459
		ab - Premises	8
		ac - Transport	73
		ad - Supplies & services	93
		ae - Third party payments	
		ag - Depreciation Impairment Costs	8
		ai - Support Services	92
		Expenditure Total	733
	Income	ba - External income	(95)
		Income Total	(95)
Environment Protection Total			638
Estates	Expenditure	aa - Employees	858
		ab - Premises	1,486
		ac - Transport	40
		ad - Supplies & services	761
		ae - Third party payments	1
		ag - Depreciation Impairment Costs	458
		ai - Support Services	(1,134)
		Expenditure Total	2,470
	Income	ba - External income	(4,156)
		bc - Internal Charges	(315)
		Income Total	(4,471)
Estates Total			(2,001)
Financial Services / Corporate	Expenditure	aa - Employees	1,465
		ab - Premises	2
		ac - Transport	28
		ad - Supplies & services	286
		ae - Third party payments	22
		ah - Capital financing Charges	
		ai - Support Services	(922)
		aj - Precepts and Levies	
		Expenditure Total	881
	Income	ba - External income	(27)
		Income Total	(27)
Finance Total			854
Health Protection	Expenditure	aa - Employees	283
		ab - Premises	1
		ac - Transport	28
		ad - Supplies & services	8
		ai - Support Services	59
		Expenditure Total	379
	Income	ba - External income	(7)

	Income Total		(7)
Health Protection Total			372
Historic Environment	Expenditure	aa - Employees	180
		ab - Premises	
		ac - Transport	14
		ad - Supplies & services	1
		ag - Depreciation Impairment Costs	6
		ai - Support Services	(128)
	Expenditure Total		73
	Income	ba - External income	(8)
	Income Total		(8)
Historic Environment Total			65
IMT	Expenditure	aa - Employees	498
		ab - Premises	9
		ac - Transport	21
		ad - Supplies & services	708
		ae - Third party payments	122
		ag - Depreciation Impairment Costs	308
		ai - Support Services	(1,632)
	Expenditure Total		36
	Income	ba - External income	(37)
	Income Total		(37)
IMT Total			(1)
Landscape & Open Spaces	Expenditure	aa - Employees	282
		ab - Premises	565
		ac - Transport	46
		ad - Supplies & services	55
		ae - Third party payments	86
		ag - Depreciation Impairment Costs	183
		ai - Support Services	(77)
	Expenditure Total		1,139
	Income	ba - External income	(389)
	Income Total		(389)
Landscape & Open Spaces Total			750
Legal	Expenditure	aa - Employees	570
		ab - Premises	67
		ac - Transport	39
		ad - Supplies & services	128
		ae - Third party payments	7
		ag - Depreciation Impairment Costs	9
		ai - Support Services	(230)
	Expenditure Total		590
	Income	ba - External income	(683)
	Income Total		(683)
Legal Total			(93)
Museums	Expenditure	aa - Employees	309
		ab - Premises	80
		ac - Transport	13
		ad - Supplies & services	75
		ae - Third party payments	23
		ag - Depreciation Impairment Costs	48
		ai - Support Services	130
	Expenditure Total		679
	Income	ba - External income	(90)
	Income Total		(90)
Museums Total			589
Organisation Development	Expenditure	aa - Employees	601
		ab - Premises	3
		ac - Transport	15
		ad - Supplies & services	15
		ai - Support Services	(630)
	Expenditure Total		5
	Income	ba - External income	(5)
	Income Total		(5)
Organisation Development Total			(0)
Planning Management	Expenditure	aa - Employees	1,345
		ab - Premises	11
		ac - Transport	112
		ad - Supplies & services	167
		ae - Third party payments	
		ag - Depreciation Impairment Costs	7
		ah - Capital financing Charges	
		ai - Support Services	1,336
	Expenditure Total		2,977
	Income	ba - External income	(1,921)
	Income Total		(1,921)
Planning Management Total			1,056
Policy	Expenditure	aa - Employees	73
		ac - Transport	4
		ad - Supplies & services	2
		ai - Support Services	(80)
	Expenditure Total		
	Income	ba - External income	

	Income Total		
Policy Total			
Project Office	Expenditure	aa - Employees ab - Premises ac - Transport ai - Support Services	109 17
	Expenditure Total		126
Project Office etc Total			
126			
Revenues	Expenditure	aa - Employees ac - Transport ad - Supplies & services af - Transfer payments ag - Depreciation Impairment Costs ai - Support Services	1,342 47 164 33,262 3 540
	Expenditure Total		35,358
	Income	ba - External income	(34,294)
	Income Total		(34,294)
Revenues Total			
1,064			
Sport & Physical Activity	Expenditure	aa - Employees ab - Premises ac - Transport ad - Supplies & services ae - Third party payments ag - Depreciation Impairment Costs ai - Support Services	148 58 10 27 61 635 85
	Expenditure Total		1,024
	Income	ba - External income	(49)
	Income Total		(49)
Sport & Physical Activity Total			
976			
Strategic Housing	Expenditure	aa - Employees ab - Premises ac - Transport ad - Supplies & services ae - Third party payments ag - Depreciation Impairment Costs ai - Support Services	783 66 21 195 27 238
	Expenditure Total		1,330
	Income	ba - External income	(201)
	Income Total		(201)
Strategic Housing Total			
1,129			
Strategic Planning	Expenditure	aa - Employees ab - Premises ac - Transport ad - Supplies & services ai - Support Services	211 1 16 87 (75)
	Expenditure Total		240
	Income	ba - External income	
	Income Total		
Strategic Planning Total			
240			
Tourism	Expenditure	aa - Employees ab - Premises ac - Transport ad - Supplies & services ag - Depreciation Impairment Costs ai - Support Services	233 55 9 114 4 98
	Expenditure Total		513
	Income	ba - External income	(148)
	Income Total		(148)
Tourism Total			
365			
Waste & Environment	Expenditure	aa - Employees ab - Premises ac - Transport ad - Supplies & services ae - Third party payments ag - Depreciation Impairment Costs ai - Support Services	81 289 13 148 2,933 123 128
	Expenditure Total		3,715
	Income	ba - External income	(414)
	Income Total		(414)
Waste & Environment Total			
3,301			
Grand Total			13,767