

CABINET

11 February 2015

THE OVERVIEW & SCRUTINY COMMITTEE

16 February 2015

BUDGET AND COUNCIL TAX 2015/16

REPORT OF CHIEF FINANCE OFFICER

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RECENT REFERENCES:

CAB2610: Capital Strategy, 10 September 2014

CAB2606: Medium Term Financial Strategy 2015/16 to 2019/20, 22 October 2014

CAB2629: General Fund Budget 2015/16 – Capital and Revenue Considerations, 3 December 2014

CAB2633: Draft Portfolio Plans 2015/16, 3 December 2014

CAB2627: Transforming Winchester: A Council that Makes Things Happen, 3 December 2014

CL102: Portfolio Plans 2015/16, 7 January 2015

CAB2647: Budget & Council Tax 2015/16, 11 February 2015

This report replaces CAB2647 previously issued with the Cabinet Agenda.

EXECUTIVE SUMMARY:

This is a Revised Budget report reflecting the immediate impact of the findings of the Judicial Review of the Silver Hill scheme. It includes updated figures reflecting the impact on the revenue budget for 2015/16, the forward revenue projections, the capital programme, and the reserves forecasts. Further

information on the assumptions made is provided at paragraph 7. Only the immediate impact of not progressing the scheme as planned has been assessed. Clearly, whatever future action the Council determines to take will need to be brought forward in its own right for consideration.

The Prudential Indicators contained in the Treasury Management Strategy being considered elsewhere on this agenda have also been revised.

This report presents the General Fund Budget and Council Tax proposals for 2015/16; including proposed growth and savings; movements in reserves, and the proposed Capital Programme for the period to 2019/20.

The General Fund Budget, both Capital and Revenue considerations, were consulted on with The Overview and Scrutiny Committee, the business community and parish and town councils during December, and in finalising these proposals consideration has been given to all comments received.

It is proposed that Council Tax should once again be frozen at 2010/11 levels; £126.27 at Band D for City Council services, and £61.32 for Winchester Town.

The Prudential Indicators covering affordability, prudence and sustainability of capital expenditure plans, are being considered elsewhere on this agenda (Treasury Management Strategy, CAB2648 (**Revised**)).

RECOMMENDATIONS to Cabinet and Council:

1. That the update on the 2014/15 budget as set out in paragraph 2 be noted.
2. That Members consider the level of General Fund Budget for 2015/16 and make recommendations for the following:

	<u>2015/16</u>
	<u>£</u>
General Fund Cost of Services	19,089,167
(Surplus) / Deficit on trading accounts	424,385
Other Operating Income & Expenditure (Local Precepts)	2,411,417
Financing & Investment Income & Expenditure	(2,640,315)
Adjustments between accounting basis & funding basis under regulations	(2,344,175)
Appropriations to / (from) other earmarked reserves	1,417,117
Collection Fund deficit / (surplus)	(933,371)
Council Tax Support Grant to Parishes	155,712
Net Budget Requirement (incl. Local Precepts)	17,579,937
<u>Less</u> non-ring fenced Government Grants	(8,494,217)
Council Tax Requirement (incl. Local Precepts)	9,085,720

Comprising:

Aggregate of Special Expenses (Winchester Town)	809,014
Winchester City Council – General Expenses	5,865,289
Council Tax Requirement for billing authority	6,674,303
aggregate of local precepts	2,411,417
Council Tax Requirement (incl. Local Precepts)	9,085,720

2. That Members approve the changes proposed to the budget, as set out in Appendix D.
3. That Members approve the capital programme and financing for 2014/15 to 2019/20, as set out in Appendices E and G.
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 £809,014 be treated as Special Expenses under Section 35 of the Local Government Finance Act 1992 in respect of the Winchester Town area, Appendix J.
5. That the Council Tax for the Special Expenses in the Winchester Town area at Band D for 2015/16 be frozen at 2010/11 levels; £61.32.
6. That the balance on the Collection Fund for distribution to this Council, calculated at 15 January 2015 of £120,249 for Council Tax, be approved.
7. That the balance on the Collection Fund for distribution to this Council in 2015/16, calculated at 31 January 2015, of £813k for Business Rates be noted.
8. That Members recommend the level of Council Tax at Band D for City Council services for 2015/16 to be frozen at 2010/11 levels; £126.27.
9. That Parish Council Taxes be noted as in Appendix K.

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 2015/16.

CABINET

11 February 2015

THE OVERVIEW & SCRUTINY COMMITTEE

16 February 2015

BUDGET AND COUNCIL TAX 2015/16

REPORT OF CHIEF FINANCE OFFICER

1 Introduction

- 1.1 At its meeting in January the Council approved the Portfolio Plans for 2015/16 (Reports CAB2633 and CL102 refer). The proposed budget supporting these plans is now presented for approval.
- 1.2 The budget preparation for 2015/16 began with the agreement of the Capital Strategy in September 2014 followed by the Medium Term Financial Strategy in October 2014. Capital and Revenue budget considerations were consulted on with The Overview & Scrutiny Committee, the business community, and parish council representatives during December 2014. The feedback received from this consultation has been fully reflected in finalising these proposals. The Overview and Scrutiny minutes can be found on the Council's [website](#). The Parish Councillors welcomed the proposals for the Council to continue to provide Council Tax Support grants to parishes. The Business discussion centred around some of the Council's projects in its capital programme, including Broadband and Hampshire Community Bank.
- 1.3 **Since the Budget and Council Tax report was issued, the findings of the Judicial Review on the Silver Hill scheme have been announced, with the ruling against the Council. In the light of this, the immediate financial implications have been considered and the figures have been fully revised. Further detail is provided in section 7 below. At this stage it is not possible to consider the financial implications of however the Council decides to proceed. The Prudential Indicators contained in the Treasury Management Strategy being considered elsewhere on this agenda have also been revised.**
- 1.4 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 2015/16. The proposed revenue budget growth and savings are summarised at Appendix D.
- 1.5 The proposed Capital Programme is included at Appendix E; the Revenue consequences (which are reflected in the budget projections at Appendix C) are provided at Appendix F, and the proposed financing of the capital programme is provided at Appendix G.

- 1.6 The summary service budgets are presented for approval at Appendix L. These do not yet include the impact of the growth and savings proposals in this report for consideration. When the budget is finalised – by Council on 20 February – any final adjustments will be made and published in the Budget Book.

2 Current Year Budget update (2014/15)

- 2.1 A General Fund Revised Budget was approved by Cabinet in October (CAB2606). This identified a number of key items of variance, mostly favourable, for which the budget was adjusted. The trends identified have continued; for example there have been further savings in employee costs and higher interest earned. Overall, the outturn position is forecast to be more favourable than the Revised Estimate; and after allowing for carry forward requirements, it is also expected that earmarked reserves will be increased to cover identified future risks. **The impact of the Silver Hill finding on the current year is that the Council is likely to incur its share of the legal costs, estimated at a further £50k, resulting in a lower transfer to the Major Investment Reserve.**

3 2015/16 Budget

- 3.1 The proposed net General Fund budget for cost of services, after the inclusion of proposed growth and savings, totals **£19.089m**. Summaries of service budgets are shown in Appendix L (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 In line with the guiding principles included in the Medium Term Financial Strategy, the proposed Budget includes the following assumptions:
- That there is no increase in Council Tax in 2015/16
 - That there are no reductions to frontline services in 2015/16 (Grants to the Voluntary Sector and Council Tax Support Grants to Parishes have also been maintained at the same levels as 2014/15)
 - That diversity of income is maintained
 - That a programme of capital projects is supported
 - That the forecast New Homes Bonus to support the baseline budget is capped at below 10% of expenditure (£2.830m is assumed for New Homes and Affordable Homes Bonus as per the Provisional allocations notified by CLG in December 2014).
- 3.3 Non- Ring fenced Government Grants

The budget has been set based on the provisional local government finance Settlement Funding Assessment of £3,752k for 2015/16. This includes:

- Homelessness Prevention Funding of £224,872
- Council Tax Freeze funding of £313,405
- Rural Services Delivery Funding £8,862
- Total Revenue Support Grant of £1,728k and a Baseline Funding Level (for Business Rates retention) of £2,024k

3.4 Business Rates Retention

- (i) On 1 April 2013 a new system of business rates retention began in England whereby local authorities retain a local share of up to half of the business rate growth in their area. This gives financial incentives to councils to grow their local economy but also creates more risk. For this Council, based on the current formula and levy rate, this equates to retentions of circa 20% of any business rates growth over the baseline set.
- (ii) The Council's share of the forecast retention of Business Rates growth for 2015/16 amounts to £1.3m.
- (iii) The forecast Collection Fund surplus, for previous years (2013/14 outturn adjustment and 2014/15 Revised Estimate), for distribution in 2015/16 has been calculated at £813k, at 31 January 2015 (NNDR1).
- (iv) The localisation of the Business Rate Retention scheme increased the Council's exposure to financial risks including those relating to business rate appeals. To provide against this risk an earmarked reserve of £1m was created in 2014/15. As with all reserves, this will be kept under review.
- (v) The Chancellor's Autumn Statement 2014 contained a range of announcements on local taxation including:
 - Time limits on backdating changes to the Rating Lists, with effect from 1 April 2015, and
 - A review of the future structure of Business Rates to report by Budget 2016.

It is not currently possible to predict what the implications of this might be; whilst the time limits on backdating should reduce the amount of risk, the review of the future structure could worsen the Council's income. It is not considered prudent therefore to change the amount of Business Rates Reserve until more information is available.

4 Members' Allowances

- 4.1 At its meeting on 7 January 2015 the Council accepted the recommendations of the Independent Remuneration Panel, but did not apply the general inflation

increase for 2015/16. Any change in HMRC mileage rate will be applied in 2015/16. As a consequence there is no change in the Members Allowances base budget for 2015/16. Reports CAB2635 and CL104 refer.

5 The Capital Programme

- 5.1 The Capital Strategy (CAB2610) was approved by Cabinet in September 2014, followed by a Revised Capital Estimate, approved in October (CAB2606), and the report on the General Fund Budget – capital and revenue considerations (CAB2629 – December) included capital budget options and the estimated revenue consequences.
- 5.2 The updated proposed Capital Programme for the current and the next 5 years is provided at Appendix E with changes to the current approved programme identified in bold. More detail on the Housing Revenue Account capital expenditure is included in the HRA Budget & Business Plan 2015/16 report (CAB2652 (HSG) refers).
- 5.3 The associated financing of the capital programme is provided at Appendix G. This identifies significant unfunded expenditure i.e. Capital Financing Requirements (CFR), which will, lead to external borrowing. The planned CFR has been matched against specific assets. These are generally those assets for which the financial appraisal is expected to demonstrate value for money in terms that the financial benefits outweigh the financing costs (including the Minimum Revenue Provision).
- 5.4 Individual schemes in the Capital Programme require appropriate approval by Cabinet or under the scheme of delegation involving Portfolio Holders in accordance with Financial Procedure Rules before any expenditure is committed. Substantial amounts of unfinanced expenditure are being proposed, and it will be essential that full options appraisals are undertaken, on a whole life costing basis, before any significant expenditure is committed. Effective monitoring will also be key, to manage the risks that the assumed financial costs and benefits are not actually achieved so that corrective action can be taken as necessary.
- 5.5 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.
- 5.6 The forecasts for the MIR are included at Appendix H. There are also various specific earmarked reserves to fund the relevant elements of the Capital Programme. Appendix H also provides projections for the Useable Capital Receipts Reserve, reflecting the proposed Capital Programme. The programme for asset sales remains under review although there is still limited opportunity for sales in the current economic climate.

6 Future Potential Capital Projects

- 6.1 The Capital Strategy identifies that there will be further capital spending requirements which are not yet in the programme. These will need to be brought forward and prioritised in due course and financing identified, taking into account compliance with the Council's Treasury Management Strategy, The Prudential Code and the Council's risk appetite.
- 6.2 These are (as previously reported in the Capital Strategy report):
- The development of a replacement depot was completed in 2013 and which enabled the previous Bar End Depot to be released for redevelopment. An assessment of potential options for this development is ongoing and will need to take account of any decisions made by the Council in due course on River Park Leisure Centre.
 - Consideration is also being given to the future of River Park Leisure Centre and this is focusing on future need and whether this can be met by either the refurbishment of the existing premises, or the development of new premises and this will depend upon the cost assessment and feasibility work.
 - The City Offices behind the Guildhall which house a large number of the City Council's staff are reaching the stage when substantial investment will be required to keep them fit for purpose. This may be better undertaken as part of a redevelopment proposal. Consideration is being given to this and a proposal may be brought forward in due course.

7 Silver Hill – financial implications of Judicial Review

- 7.1 **Only the immediate impact of not progressing the scheme as planned has been assessed. Clearly, whatever future action the Council determines to take will need to be brought forward in its own right for consideration.**
- 7.2 **The Capital Programme has been revised to exclude the planned purchase of the car park in the scheme, assumed at £2.1m in 2017/18 (it is assumed that the relocation of the Doctors' Surgery, St Clements, would still be required).**
- 7.3 **The Capital Receipts arising when the scheme goes unconditional are assumed to be no longer receivable; this relates to a "put option" amounting to £5m and s106 receipts of £700k (other potential capital receipts arising from the Development Agreement, were never included in budget projections because of their uncertainty).**
- 7.4 **The Revenue consequences relating to the above are now included in the Revised Projections in the Appendices.**
- 7.5 **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 in 2015/16, compensated by a release from the Income Equalisation Reserve.

- 7.6 **A project budget of £200k is also requested to enable any initial work to be undertaken e.g. independent review and assessment of options for the Silver Hill project. It is not possible currently to estimate the costs of any alternative courses of action. Whatever is proposed will need to be brought forward in due course for consideration and possibly supplementary budgets to be set.**

8 Community Infrastructure Levy (CIL)

- 8.1 The Community Infrastructure Levy (CIL) is a mechanism for raising funds for essential infrastructure from development, adopted by the Council on the 8 January 2014 and brought into effect from April 2014.
- 8.2 As 2014/15 was the first year operating CIL neither an income nor an expenditure budget was set for that year. It is planned that spending proposals will be brought forward as and when sufficient receipts are available. Spending is more likely to occur in 2016/17. Therefore no income or expenditure budget has been set for 2015/16.

9 The Prudential Code

- 9.1 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.
- 9.2 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.
- 9.3 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.
- 9.4 All of the indicators in respect of treasury management covering affordability, prudence, capital expenditure, borrowing and investment have been included in report CAB2648 which is being considered elsewhere on this agenda.

10 Collection Fund

- 10.1 **Council Tax** - Regulations require the Council to approve the Collection Fund balance at 31 March, calculated at 15 January preceding. For Council Tax a surplus of £900,000 is estimated, shared between the County Council (£645,613), the Police & Crime Commission (£95,957), the Fire & Rescue Authority (£38,181) and this Council (£120,249). This must be credited to the Council Tax for the District for 2015/16. The City Council's budget for 2015/16 can therefore be set including the £120,249 surplus.
- 10.2 **Business Rates** – In relation to Business Rates the budget set for 2015/16 will include the distribution of the Council's share of adjustments as follows:
- (i) For 2013/14 – a deficit of £37k being the difference between the Revised Estimate (per NNDR1 in Feb. 2014) and the final outturn (audited NNDR3),
 - (ii) For 2014/15 – a surplus of £850k being the difference between the Original Estimate (NNDR1 Feb. 2014) and the Revised Estimate (NNDR1 Feb. 2015)

11 Council Tax

- 11.1 The Government has confirmed that a local authority which freezes or reduces its Band D council tax in 2015/16 will receive an additional grant equivalent to having set a one per cent increase over the 2014/15 level. The indicative amount of this is £71,274. The Parish precept amounts are excluded from this grant, but Winchester Town (£8k) is included.
- 11.2 The Government has also confirmed that the maximum Council Tax rise for 2015/16 before a local referendum is required is 2%.
- 11.3 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	
			District	Town Account
			£000	£000
£126.27	0.00%	£0.00	0	0
£126.90	0.50%	£0.63	29	4
£127.53	1.00%	£1.26	58	8
£128.16	1.50%	£1.89	87	12
£128.80	2.00%	£2.53	116	16

- 11.4 The current level of Tax for the District is £126.27.
- 11.5 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.
- 11.6 The current level of Tax for the Town is £61.32.
- 11.7 Appendix K shows the figures for Parish Council precepts, including a comparison with the previous year's precept. The Council has no control over the levels of parish precepts. **(Please note this has also been revised since the original CAB2647 report was issued – to correct an error in the calculations in the final column relating to % year on year increases).**
- 11.8 The Taxes for the County Council and the Fire and Rescue Authority will be decided on 19 and 20 February, respectively. The Police and Crime Panel for Hampshire do not have a formal meeting but intends to set its precept during February. 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.
- 12 Winchester Town Charge – Section 35
- 12.1 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 20 February 2014.
- 12.2 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.

- 12.3 The services currently covered by special expenses are listed in Appendix J.
- 12.4 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 2014/15 (CAB2555, 12 February 2014) 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 £809,014 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 J.
- 12.5 The Winchester Town Forum met on 21 January 2015 and recommended the Budget as set out in Appendix J and a Council Tax freeze for 2015/16.

13 Reserves

- 13.1 A summary of earmarked reserves is included at Appendix H. These have all been reviewed as part of the budget process and the levels are considered to be appropriate.
- 13.2 The Major Investment Reserve is a revenue funded reserve that supports the delivery of the Council's priorities; both capital and revenue. The Major Investment Reserve has historically been funded by one-off grants and revenue underspends and from 2013/14 planned annual contributions of £100,000 have been budgeted for the support the delivery of future projects. However, this reserve would be the first call for future any revenue deficits that are not resolved by transformational savings. The balance on this reserve is forecast to be **£2.5m** at 31 March 2016, reducing to £2.3m by the end of the strategy period. This is before making any provision for the forecast deficits of **£348k** in 2016/17 rising to **£2,523k** (cumulative amount **£6,410k**) at the end of the strategy period. The delivery of savings from 2016/17 is therefore essential.
- 13.3 The proposed baseline budget for 2015/16 also includes fixed annual contributions to various earmarked reserves including: Property Repairs and Renewals (Asset Management Plan) £300k; Car Parks Property £400k, and IMT Strategy £215k.
- 13.4 An Organisational Development earmarked reserve was proposed in the Revised Estimate for 2014/15 (CAB2606) to be credited by the amount of any employee cost savings at the year end and increased in 2015/16 to £1m to cover any costs in relation to the planned pay review.
- 13.5 As proposed in the budget consultation paper the 2015/16 budget includes the creation of an Income Equalisation reserve to offset fluctuations in major income streams such as rents. This is proposed to be set at £1m to cover the potential reduction in income due to void periods in non-operational property lettings or delays in delivery of the major investment programme, such as might result from

the judicial review of the Silver Hill development. **It is assumed that annual amounts of £113k will be released from this to offset a possible c.25% loss of rental income for the area.**

14 General Fund Working Balance

- 14.1 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.
- 14.2 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.

15 Looking Ahead

- 15.1 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 five years.
- 15.2 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.
- 15.3 However, there are a number of known future changes for which the timing or impact is uncertain that are not yet included in the forward projections at Appendix C. These include:
- (i) Procurement / contracts
 - Insurance (April 2015)
 - Park & Ride (April 2016)
 - Public conveniences cleaning contract (2015)
 - External Audit
 - Living wage for contractors
 - Provision of services to South East Employers (2015)
 - (ii) Universal credit
 - (iii) Land charges transfer to the Land Registry (2017)
 - (iv) Major projects

- Silver Hill delay
- slippage of other planned capital projects
- Office accommodation review
- Leisure provision review

(v) Electoral review

(vi) Change of Government or change of Government policy

15.4 A summary Budget risk assessment, linked to the Corporate Risk Register, has been included at Appendix A.

16 Adequacy of Reserves and Robustness of Estimates

16.1 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.

16.2 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 forecast balance remains throughout the Strategy period (assuming the forecast deficits are covered by savings). There is a forecast balance on the Usable Capital Receipts Reserve although future receipts have not been presumed/applied in the allocations to the General Fund Capital Programme.

16.3 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.

16.4 Within the context of the overall budget and reserve levels, the Chief Finance Officer is able to provide positive assurance on the robustness of the estimates made for the purposes of the budget calculation for next year.

OTHER CONSIDERATIONS:17 COMMUNITY STRATEGY AND PORTFOLIO PLANS (RELEVANCE TO):

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

18 RESOURCE IMPLICATIONS:

18.1 These are contained in the body of the report.

19 RISK

19.1 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.

BACKGROUND DOCUMENTS:[Council Tax Base 2015/16](#)

As detailed in the Appendices.

APPENDICES:

Appendix A	Summary Budget Risk Assessment
Appendix B	General Fund Budget & Council Tax Requirements
Appendix C	General Fund Revenue Projections 2014/15 to 2019/20
Appendix D	Proposed Growth & Savings
Appendix E	Proposed Capital Programme 2014/15 to 2019/20
Appendix F	Revenue Consequences of Capital Expenditure Programme
Appendix G	Capital Programme Financing
Appendix H	Summary of Reserves projections
Appendix J	Winchester Town Account – Revenue Projections 2014/15 to 2019/20
Appendix K	Parish Council Precepts and Council Taxes 2015/16
Appendix L	General Fund - Summary Service Budgets 2015/16

BUDGET – SUMMARY FINANCIAL RISK ASSESSMENT

CAB2647 (Revised)

Appendix A

A Financial Risk assessment linked to the Council's Corporate risk register was included in Cabinet Report CAB2629 (December 2014) General Fund Budget 2015/16 – capital and revenue considerations. This is not repeated in this report. Below is a summary of the key financial risks identified and taken into consideration when preparing this budget.

Corporate risk	Potential financial issue	Financial Mitigation
Silver Hill [CR5002]	Delay to scheme – resulting in loss of income and costs	Income Equalisation Reserve (£1m) Business Rates Earmarked Reserve (£1m) GF Balance (£2m)
Financial Strategy [CR5004]	Unforeseen Income losses / expenditure increases Increased Borrowing reqts. Future year's forecast deficit Reliance on New Homes Bonus to support baseline Business Rates Retentions lower, higher appeals or bad debts, or fewer businesses Government change / Policy change	Prudent baseline assumptions. Treasury Mgt Strategy MIR balance, GF balance & transformation plans. NHB supporting the baseline capped at 10% Business Rates Earmarked reserve (£1m) MTFS to reduce reliance on Government Grant
Workforce [CR5006]	Lack of skills and capacity to deliver plans	Organisational Development reserve (£1m)
Programme mgt [CR5007]	Significant delays in delivery of capital projects, increasing financing costs and delaying benefits	Enhanced in year monitoring and link to cashflow management. GF Balance (£2m)
Shared services [CR5012]	Failure to deliver planned savings from shared service arrangements	Enhanced monitoring GF Balance (£2m)

GENERAL FUND BUDGET SUMMARY

2014/15 Original Estimate £	2014/15 Revised Estimate £	2015/16 Original Estimate £
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General Fund Cost of Services	17,389,033	17,867,903	19,089,167
(Surplus) / Deficit on trading accounts	426,000	424,000	424,385
Other Operating Income & Expenditure (Local Precepts)	2,272,657	2,272,657	2,411,417
Financing & Investment Income & Expenditure	(2,336,458)	(2,197,000)	(2,640,315)
Adjustments between accounting basis & funding basis under regulations	(2,022,043)	(2,077,000)	(2,344,175)
Appropriations to(+)/ from(-) other earmarked financial reserves	497,168	1,166,044	1,417,117
Collection Fund deficit (+) / surplus (-)	(34,664)	367,000	(933,371)
Council Tax Support Grant to Parishes	150,000	150,000	155,712
Net Budget Requirement (including Local Precepts)	16,341,693	17,973,604	17,579,937
Less: Non-ringfenced Government Grants	(7,495,411)	(9,127,323)	(8,494,217)
Council Tax Requirement (including Local Precepts)	8,846,282	8,846,282	9,085,720
Aggregate of Special Expenses (Winchester Town)	795,261	795,261	809,014
Winchester City Council - General Expenses	5,778,364	5,778,364	5,865,289
Council Tax Requirement for Billing Authority	6,573,625	6,573,625	6,674,303

	Original Budget	Revised Budget	Forecast	Forecast	Forecast	Forecast	Forecast
	2014/15	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost of Services (b/f)	17,099	18,385	17,870	19,089	18,807	19,585	19,900
One-off budgets & Stepped Growth / Savings		(530)	(351)	(1,439)	(7)	(38)	(7)
Contractual commitments inflation (c.2% pa)			225	281	286	292	298
Employee Costs (+2.2% wef 1 Jan 2015, +2% p.a. thereafter)			365	781	481	481	481
Recurring Budget Proposals (Appendix C)		14	245	274	(102)	(261)	0
One-off Budget Proposals (Appendix C)			221	(200)			
Increase in Depreciation			372				
Revenue Expenditure Consequences of Capital Programme			144	21	120	(159)	0
Cost of Services (c/f)			19,089	18,807	19,585	19,900	20,672
Trading account (surplus) / deficit	426	424	424	424	424	424	424
Other Operating Income & Expenditure							
Payment of Parish Precepts	2,273	2,273	2,411	2,411	2,411	2,411	2,411
Council Tax Support grant to parishes	150	150	156	156	156	156	156
Financing & Investment Income & Expenditure							
Interest	(70)	(197)	(280)	(128)	299	545	601
Rental Income from Investment Properties	(2,813)	(2,796)	(3,166)	(3,282)	(4,316)	(5,407)	(5,780)
Direct operating expenses of Investment Properties	897	796	806	806	806	806	806
Taxation & Non-Specific Grant Income							
Non-ringfenced Government Grants	(5,398)	(7,029)	(5,664)	(4,905)	(4,276)	(3,983)	(3,691)
New & Affordable Homes Bonus	(2,098)	(2,098)	(2,830)	(2,830)	(2,830)	(2,830)	(2,830)
Council Tax Income	(8,882)	(8,847)	(9,086)	(9,086)	(9,086)	(9,086)	(9,086)
(Surplus) / deficit on Provision of General Fund Services	1,584	545	1,860	2,373	3,174	2,937	3,684
Adjustments between Accounting basis and Funding basis under Regulations							
Minimum Revenue Provision	264	209	335	355	604	990	990
Charges for depreciation & impairment of non-current assets	(2,286)	(2,286)	(2,679)	(2,679)	(2,679)	(2,679)	(2,679)
Reversal of items relating to retirement benefits (IAS19)							
Collection Fund Adjustment Account (to) / from GF Balance		367	(933)				
Other planned Movements in Reserves							
Transfers to or (from) Major Investment Reserve	(348)	(658)	581	(50)	(50)	(50)	(50)
Transfers to or (from) Earmarked Reserves	795	1,904	832	298	660	578	578
Transfers to or (from) Winchester Town Reserve	(9)	(80)	4	51	55	0	0
FORECAST DEFICIT / (SURPLUS)	0	0	(0)	348	1,764	1,775	2,523

	Expenditure Increase / (Reduction) & (Increase) / Reduction					Income
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
	£000	£000	£000	£000	£000	£000
<u>Active Communities</u>						
River Park Leisure Centre - reduction in profit share income	14	14	14	14	14	14
Affordable Housing Contributions - s106 applied to cover admin costs (up to 5%)		(37)	(37)	(37)	(37)	(37)
Hampshire Cultural Trust - additional pension and other costs		11	11	40	10	10
Cycle Café (TOWN A/C) - pump prime funding for the Cycle Café project		1				
<u>Prosperous Economy</u>						
Accountable Body for Fieldfare Leader 2015-2021- Admin costs (re CAB2622, Oct. 2014)		25	25	25	25	25
<u>High Quality Environment</u>						
Car Parking Income		120	395	264	33	33
Car Parking Expenditure - reduction in business rates payable		(58)	(58)	(58)	(58)	(58)
Environmental Services Contract - Service Changes:						
Street Cleaning Improvements		16	16	16	16	16
Grass & Hedge Cutting - reclassification of areas		11	11	11	11	11
Additional 10th Grass cut, Variation orders and fencelines strimming frequency		14	14	14	14	14
Litter Bin replacement		11	11	11	11	11
Leaf clearance hit squad		10	10	10	10	10
Environmental Services Contract - reduction in Furniture & Equipment & Publicity budgets		(29)	(29)	(29)	(29)	(29)
Tree Care (TOWN A/C) - one-off budget to respond to the legacy of the 2013/14 floods		12				
Tree Planting & Maintenance (TOWN A/C) - for the replacement of lost trees		5	5	5	5	5
Community Speed Watch (TOWN A/C)		1	1	1	1	1
Solar PV Survey (TOWN A/C) - survey work on public buildings		8	-	-	-	-
Neighbourhood Plans (TOWN A/C)		(2)	(2)	(2)	(2)	(2)
Grit Bins (TOWN A/C) - reduction in maintenance budget as a lower number to maintain Silver Hill		(1)	(1)	(1)	(1)	(1)
		200				
<u>Efficient & Effective</u>						
External funding changes						
Planning & Highways - 12% reduction in HCC funded agency expenditure		25	25	25	25	25
Planning - South Downs National Park 3% reduction		14	14	14	14	14
Housing Revenue Account staffing reductions arising from HCC removal of Supporting People grant resulting in greater proportion of support service costs being borne by the GF		30	30	30	30	30
Employee Training Budget - increase to 1.5% of basic salary		18	18	19	19	19
IMT - Increased annual revenue contribution to earmarked reserve reflecting centralisation of software upgrade costs etc		80	80	80	80	80
Reduction in Audit Fees		(17)	(17)	(17)	(17)	(17)
Total	14	480	535	433	173	173
Comprising: Recurring						
General Fund (excluding Town)	14	256	530	429	168	168
Town Account		3	3	3	3	3
Housing Revenue Account		1	2	2	2	2
	14	260	535	433	173	173
<u>One off</u>						
General Fund (excluding Town)	-	200	-	-	-	-
Town Account		21	-	-	-	-
Housing Revenue Account		-	-	-	-	-
	-	221	-	-	-	-

CAPITAL PROGRAMME 2014/15 to 2019/20

	2014/15			2015/16	2016/17	2017/18	2018/19	2019/20	TOTAL	Comments
	Original Estimate	Adjustments	Revised Estimate	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	
	£000	£000	£000	£000	£000	£000	£000	£000	£000	
GENERAL FUND										
ACTIVE COMMUNITIES										
Capital Grants - Chesil theatre	60	(60)	-	60	-	-	-	-	60	Planning delays - expected now in 2015/16.
Changing Pavilions (Town A/C)	457	(457)	-	457	-	-	-	-	457	Dependent on Leisure Centre decision, as possible site.
Disabled Facility Grants	500	206	706	500	500	500	500	500	3,206	Brought forward from 2013/14.
River Park Leisure Centre - Essential Repairs	4,190	(4,190)	-	4,190	-	-	-	-	4,190	No expenditure expected in 2014/15.
Portable Event Space	5	15	20	-	-	-	-	-	20	Brought forward from 2013/14.
Total Active Communities	5,212	(4,486)	726	5,207	500	500	500	500	7,933	
PROSPEROUS ECONOMY										
Enterprise Centre managed workspace	6,000	(6,000)	-	1,000	-	-	-	-	1,000	Revised estimate for art and business units.
Hampshire Community Bank	-	250	250	-	-	-	-	-	250	Additional budget approved in CAB 2594.
Broadband for Hampshire	46	-	46	46	-	-	-	-	92	
Winchester Cathedral Roof	25	25	50	25	25	-	-	-	100	Brought forward from 2013/14.
Total Prosperous Economy	6,071	(5,725)	346	1,071	25	-	-	-	1,442	
HIGH QUALITY ENVIRONMENT										
Car Parks	326	(125)	201	197	140	180	180	180	1,078	Brought forward from 2013/14 and projects delayed to 2015/16.
Chesil Multi Storey car park	-	-	-	200	200	200	200	200	1,000	Essential works to protect the building structure.
Hockley Viaduct	-	7	7	-	-	-	-	-	7	Project complete.
Magdalen Hill Cemetery - Extension	135	(135)	-	135	-	-	-	-	135	Delayed - expected now in 2015/16.
Market Lane Toilet Works	-	-	-	44	-	-	-	-	44	Delayed - expected now in 2015/16.
North Walls Skate Park	330	(6)	324	-	-	-	-	-	324	Brought forward from 2013/14.
River Itchen Maintenance	75	58	133	-	-	-	-	-	133	Brought forward from 2013/14.
Wet Shelter	50	(50)	-	-	-	-	-	-	0	No longer required.
Wickham Toilet Works	-	50	50	-	-	-	-	-	50	Brought forward from 2013/14.
Total High Quality Environment	916	(201)	715	576	340	380	380	380	2,771	
EFFICIENT & EFFECTIVE										
ASSET MANAGEMENT										
Abbey Gardens - environmental improvements	150	-	150	-	-	-	-	-	150	
Abbey House	-	59	59	-	-	-	-	-	59	Brought forward from 2013/14
Abbey Mill	166	124	290	-	-	-	-	-	290	£66k brought forward from 2013/14 and £58k increased budget (£24k due to flood works and to be covered by insurance.
Abbey Mill - hydro	100	(99)	1	149	-	-	-	-	150	Brought fwd from 2013/14 and main works delayed to 2015/16.
Archaeological Storage Facility	500	(500)	-	-	-	-	-	-	0	Replaced by Matley's Yard and New Streetcare/Pest Control.
Asset Management Plans	-	44	44	30	40	200	200	200	714	Brought forward from 2013/14.
Avalon House	741	497	1,238	-	-	-	-	-	1,238	Brought forward from 2013/14 and to complete in 2014/15.
Avalon House - tenant fit out	559	(559)	-	-	-	-	-	-	0	Agency arrangement and therefore not capital expenditure.
2-3 Bridge St	100	(100)	-	100	-	-	-	-	100	Delayed - expected now in 2015/16.
Carfax	2,361	(2,225)	136	2,470	-	-	-	-	2,606	B/ fwd from 2013/14 and main purchase delayed to 2015/16.
Carfax Subsequent Works	-	-	-	1,000	16,000	12,000	-	-	29,000	Estimated budget.
Cattlemarket	-	-	-	-	-	1,250	5,000	3,750	10,000	Estimated budget.
City Museum Lift	-	20	20	-	-	-	-	-	20	Vired from Asset Management Plans budget
City Offices & Annexe Works	332	70	402	170	-	-	-	-	572	Brought forward from 2013/14.
Depot	-	70	70	-	-	-	-	-	70	Brought forward from 2013/14.
Flood Prevention Works	-	-	-	100	-	-	-	-	100	Estimate for various projects in the District.

CAPITAL PROGRAMME 2014/15 to 2019/20

	2014/15			2015/16	2016/17	2017/18	2018/19	2019/20	TOTAL	Comments
	Original Estimate	Adjustments	Revised Estimate	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	
	£000	£000	£000	£000	£000	£000	£000	£000	£000	
Guildhall Toilets	-	71	71	-	-	-	-	-	71	Brought forward from 13/14 and additional budget of £4k reqd.
Matley's Yard	-	-	-	500	-	-	-	-	500	For relocation of the Council's storage and element for letting.
New Streetcare/Pest Control Depot	-	-	-	200	-	-	-	-	200	To develop alternative site for WCC following F2 transfer.
Old Chesil Rectory	-	6	6	30	-	-	-	-	36	Brought forward from 13/14 and main works delayed to 15/16.
Property Acquisition & Development	4,000	-	4,000	-	-	-	-	-	4,000	
Redevelopment of Old Bar End Depot Site	-	-	-	2,500	2,500	-	-	-	5,000	Dependent on Leisure Centre decision as possible site.
St Clement's Surgery	-	-	-	3,000	1,100	-	-	-	4,100	Revised estimate for St Clement's Surgery.
Silver Hill associated development	7,000	(7,000)	-	-	-	-	-	-	0	For surgery and car park - revised estimates above.
Winchester Town Access Plan	-	-	-	-	150	-	-	-	150	Revised timing of expenditure.
Total Asset Management Plan	16,009	(9,522)	6,487	10,249	19,790	13,450	5,200	3,950	59,126	
IMT ASSET MANAGEMENT										
Equipment (server & desktop refresh)	43	29	72	106	60	20	20	20	298	Brought forward from 2013/14 and revised budget estimates.
Electronic Document System & SharePoint	11	48	59	-	-	-	-	-	59	Brought forward from 2013/14.
Guildhall Wireless	-	-	-	15	-	-	-	10	25	Public wireless broadband facilities.
Hardware (Corporate Network)	5	42	47	-	-	125	-	-	172	Brought forward from 2013/14 and revised budget estimates.
Infrastructure (SAN)	109	-	109	-	-	-	-	90	199	Planned replacement in 2019/20.
Multi Functional Device (MFD) replacement	-	-	-	-	-	-	60	-	60	Planned replacement in 2018/19.
New Wireless Network (West Wing)	-	-	-	30	-	-	-	-	30	Corporate wireless infrastructure.
Remote Working Investments (West Wing)	-	-	-	30	-	-	-	-	30	Upgrade to secure remote access.
Software	226	(115)	111	-	-	-	30	-	141	Brought forward from 2013/14 and revised budget estimates.
Tape Library Upgrade	-	-	-	-	-	-	12	-	12	Replacement & management software upgrade (Arcserve).
Telephony replacement	-	-	-	-	-	-	30	-	30	Planned replacement in 2018/19.
Uninterruptable Power Supply (UPS)	-	-	-	-	20	-	-	-	20	Planned replacement in 2016/17.
Total IMT Asset Management	394	4	398	181	80	145	152	120	1,076	
Total General Fund	28,602	(19,930)	8,672	17,284	20,735	14,475	6,232	4,950	72,348	
HOUSING REVENUE ACCOUNT										
ACTIVE COMMUNITIES										
Major repairs	7,474	(1,250)	6,224	7,979	6,552	6,729	6,911	7,109	41,504	
Stock Condition Survey	-	-	-	-	-	-	-	-	0	Now incorporated in other budget lines
New Build	7,310	(5,357)	1,953	13,037	14,266	9,679	5,810	5,970	50,715	
Improvements and Loft Conversions	1,414	(523)	891	1,193	906	933	962	989	5,874	
Disabled Adaptations	715	-	715	731	750	772	795	819	4,582	
Other Capital Spend	139	24	163	136	108	111	114	117	749	
Total Housing Revenue Account	17,052	(7,106)	9,946	23,076	22,582	18,224	14,592	15,004	103,424	
Grand Total	45,654	(27,036)	18,618	40,360	43,317	32,699	20,824	19,954	175,772	

REVENUE CONSEQUENCES OF CAPITAL PROGRAMME 2014/15 TO 2019/20

GENERAL FUND	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
	£000	£000	£000	£000	£000	£000	£000
Income	-	17	134	14	(176)	(176)	(176)
Expenditure	20	244	15	135	(24)	(24)	(21)
Net Cost of services	20	261	149	149	(200)	(200)	(197)
<u>Financing & Investment Income & Expenditure</u>							
Rental Income	(314)	(689)	(919)	(1,963)	(3,054)	(3,427)	(4,547)
Interest payments	139	462	810	1,294	1,659	1,834	1,909
(Surplus)/ deficit on Provision of Services	(155)	34	40	(520)	(1,595)	(1,793)	(2,835)
<u>Adjustments between accounting basis and funding basis under regulations</u>							
Minimum Revenue Provision	209	335	355	604	990	990	1,190
Revenue Contribution to Capital	-	-	-	-	-	-	-
Net effect	54	369	395	84	(605)	(803)	(1,645)
Capital consultancy and resource budget	-	150	150	150	150	150	150
Total net effect	54	519	545	234	(455)	(653)	(1,495)

Net effect by project (excludes nil impact)							
Silver Hill acquisition	170	170	170	170	170	170	170
River Park Leisure Centre - Essential Repairs	-	250	-	-	-	-	-
Enterprise Centre	-	20	(23)	(23)	(23)	(23)	(23)
Car Parks	-	2	(15)	(15)	(15)	(15)	(12)
Abbey Mill	(20)	(13)	(13)	(13)	(13)	(13)	(13)
Avalon House	(41)	(124)	(124)	(124)	(124)	(124)	(124)
Carfax subsequent works	-	(2)	242	122	(574)	(574)	(574)
Cattlemarket	-	-	-	183	190	(7)	(853)
Depot	(55)	(55)	(55)	(55)	(55)	(55)	(55)
Matley's Yard	-	-	34	34	34	34	34
Redevelop old Bar End Depot site	-	50	150	(192)	(192)	(192)	(192)
Silver Hill St Clements	-	71	29	(3)	(3)	(3)	(3)
Net effect	54	369	395	84	(605)	(803)	(1,645)
Capital consultancy and resource budget	-	150	150	150	150	150	150
Total net effect	54	519	545	234	(455)	(653)	(1,495)

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

CAPITAL PROGRAMME FINANCING 2014/15 to 2019/20							
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	Total
	£000	£000	£000	£000	£000	£000	£000
General Fund							
Externally Funded							
Government Grants	390	445	445	445	445	445	2,615
External Contributions							
King George V and Skate Park grants	160	200	0	0	0	0	360
Open Space Fund	164	180	0	0	0	0	344
Total Externally Funded	714	825	445	445	445	445	3,319
Earmarked Reserves							
Car park property	201	397	340	380	380	380	2,078
IMT Strategy	153	181	80	145	122	120	801
Property Repairs (Asset Management Plan)	541	493	190	200	200	200	1,824
Winchester Town	0	77	0	0	0	0	77
Total Earmarked Reserves	895	1,148	610	725	702	700	4,780
Major Investment Reserve	386	5,336	25	0	30	0	5,777
Capital Receipts	1,079	3,475	8,735	55	55	55	13,454
Revenue Contributions to Capital	24	0	0	0	0	0	24
Capital Financing Requirement	5,574	6,500	10,920	13,250	5,000	3,750	44,994
Total General Fund	8,672	17,284	20,735	14,475	6,232	4,950	72,348
Housing							
Revenue Contributions to Capital	3,036	10,362	7,552	7,008	7,131	7,514	42,603
Capital Grants and Contributions	174	2,055	1,825	0	0	0	4,054
Capital Receipts	803	3,382	2,344	1,885	797	628	9,839
Major Repairs Reserve	5,933	6,152	6,121	6,431	6,664	6,862	38,163
Harris Bequest	0	605	0	0	0	0	605
Capital Financing Requirement	0	520	4,740	2,900	0	0	8,160
Total Housing Revenue Account	9,946	23,076	22,582	18,224	14,592	15,004	103,424
Total Financing of Capital Programme	18,618	40,360	43,317	32,699	20,824	19,954	175,772

RESERVES		2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
	Bal. @ 01/04/2014	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
General Fund Earmarked Reserves							
Building Control	(16)	(16)	(16)	(16)	(16)	(16)	(16)
Business Rates Retention		(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)
Car Parks Property	(545)	(739)	(544)	(342)	(362)	(382)	(402)
Community Grants	(11)	(11)	(11)	(11)	(11)	(11)	(11)
Flood Support Schemes	(130)						
Homelessness Gold Standard	(810)	(997)					
Homelessness Prevention	(360)	(284)	(146)	(146)	(146)	(146)	(146)
IMT Strategy	(122)	(172)	(94)	(117)	(75)	(56)	(39)
Income Equalisation			(887)	(774)	(661)	(548)	(435)
Insurance	(41)	(41)	(41)	(41)	(41)	(41)	(41)
Land Charges - New Burdens	(34)						
Local Development Framework (LDF)	(173)	(117)	(17)	(17)	(17)	(17)	(17)
Local Elections	(15)	(30)	(30)		(70)	(58)	(46)
Major Investment Reserve *	(8,339)	(7,295)	(2,540)	(2,465)	(2,415)	(2,335)	(2,285)
Municipal Mutual Insurance	(157)	(157)	(157)	(157)	(157)	(157)	(157)
Museums Acquisitions	(11)	(11)	(11)	(11)	(11)	(11)	(11)
Museums Publications	(30)	(30)	(30)	(30)	(30)	(30)	(30)
Organisational Development		(300)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)
Planning Deposits (Interest)	(144)	(144)	(144)	(144)	(144)	(144)	(144)
Property Repairs (Asset Management Plan)	(968)	(527)	(209)	(219)	(219)	(219)	(219)
Winchester Town Reserve	(277)	(198)	(101)	(97)	(76)	(31)	
Total General Fund Earmarked Reserves	(12,183)	(12,067)	(6,977)	(6,586)	(6,450)	(6,201)	(5,998)
General Fund Balance	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)
Usable Capital Receipts Reserve	(2,682)	(3,062)	(1,905)	(2,025)	(2,283)	(2,544)	(2,808)

WINCHESTER TOWN ACCOUNT - Financial Projections 2014/15 - 2019/20

	2014/15 Original	2014/15 Forecast	2015/16 Forecast	2016/17 Forecast	2017/18 Forecast	2018/19 Forecast	2019/20 Forecast
	£	£	£	£	£	£	£
Expenditure							
Recreation Grounds & Open Spaces	588,551	597,011	599,324	607,114	615,080	623,226	631,558
Maintenance Work to Council Owned Bridges	5,500	9,000	5,500	5,500	5,500	5,500	5,500
Cemeteries	32,039	22,980	29,376	30,940	32,549	34,205	35,908
Community Wardens (Contribution)	45,000	45,000	45,000	45,000	45,000	45,000	45,000
Grants	60,000	90,000	60,000	60,000	60,000	60,000	60,000
Support Costs for Grant Scheme	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Footway Lighting	29,371	29,210	28,964	29,377	29,810	30,265	30,743
Bus Shelter Cleaning / Maintenance / New Provision	7,600	7,600	7,600	7,600	7,600	7,600	7,600
Town Forum Support	4,798	4,798	4,798	4,798	4,798	4,798	4,798
Christmas Lights	15,189	10,480	10,549	10,796	11,051	11,313	11,583
Allotments	(1,646)	(1,299)	(1,646)	(1,646)	(1,646)	(1,646)	(1,646)
Public Conveniences (Contribution)	50,000	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	20,000
20mph Speed Limit	0	3,389	0	0	0	0	0
Neighbourhood Plans	2,000	9,000	2,000	2,000	2,000	2,000	2,000
Grit Bins	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Night Bus Contribution	13,390	13,390	13,390	13,792	14,205	14,632	15,071
St Maurice's Covert	10,000	20,000	10,000	10,000	0	0	0
Historic Environment Projects Officer	22,500	22,500	17,236	0	0	0	0
Community Speed Watch	500	500	500	500	500	500	500
Proposed Growth & Savings							
a) Tree Care		26,500	12,000	0	0	0	0
b) Tree Planting & Maintenance			5,000	5,000	5,000	5,000	5,000
c) Community Speed Watch			500	500	500	500	500
d) Cycle Café			1,000				
e) Solar PV Survey			7,500				
f) Neighbourhood Plans			(2,000)	(2,000)	(2,000)	(2,000)	(2,000)
g) Grit Bins			(1,000)	(1,000)	(1,000)	(1,000)	(1,000)
Total NET Expenditure	908,792	984,059	929,592	902,271	902,947	913,893	925,115
Funding							
Proceeds of Council Tax	(795,261)	(795,261)	(809,014)	(809,014)	(809,014)	(809,014)	(809,014)
Council Tax Support Funding	(68,943)	(68,943)	(55,154)	(44,124)	(35,299)	(28,239)	(22,591)
Council Tax Freeze Funding 2011/12 - 2014/15			(36,536)	(35,701)	(28,561)	(22,849)	(18,279)
Council Tax Freeze Funding 2015/16 (1.0%)			(8,090)				
Council Tax Freeze Funding (Forecast)				(8,090)	(8,090)	(8,090)	(8,090)
Interest on Balances	(1,561)	(2,771)	(1,487)	(986)	(859)	(529)	59
Total Funding	(903,345)	(904,555)	(910,282)	(897,915)	(881,823)	(868,721)	(857,915)
Reserves							
(Surplus added to Reserves) / Deficit taken from Reserves	9,447	79,503	19,310	4,356	21,124	45,171	67,199
Capital Expenditure funded by Town Reserve	44,000		77,000				
Opening Fund Balance (at 1st April)	(156,073)	(277,086)	(197,583)	(101,273)	(96,917)	(75,792)	(30,621)
Closing Fund Balance (carried forward)	(102,626)	(197,583)	(101,273)	(96,917)	(75,792)	(30,621)	36,578
Closing Reserves as % of net expenditure (Target 10%)	11%	20%	11%	11%	8%	3%	-4%
TAX							
Tax at Band D	£61.32	£61.32	£61.32	£61.32	£61.32	£61.32	£61.32
Increase over previous year (£)	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00

DISTRICT, TOWN & PARISH COUNCIL PRECEPTS

	2014/15				2015/16				Council Tax Increase
	Tax Base	CTS Grant £	Precepts £	Council Tax Band D (£)	Tax Base	CTS Grant £	Precepts £	Council Tax Band D (£)	
BILLING AUTHORITY									
WINCHESTER	45,761.97	0	5,778,364	126.27	46,450.38	0	5,865,289	126.27	0.0%
SPECIAL AREAS									
(BILLING AUTHORITY)									
WINCHESTER TOWN	12,969.03	68,943	795,261	61.32	13,193.31	55,154	809,014	61.32	0.0%
PARISHES									
BADGER FARM	972.59	860	31,640	32.53	964.85	1,189	35,750	37.05	13.9%
BEAUWORTH	57.80	-	-	0.00	57.55	-	-	0.00	0.0%
BIGHTON	162.70	139	3,711	22.81	164.93	154	3,696	22.41	(1.8%)
BISHOPS SUTTON	204.31	211	4,389	21.48	205.39	209	4,800	23.37	8.8%
BISHOPS WALTHAM	2,530.88	29,446	284,845	112.55	2,572.73	26,219	320,337	124.51	10.6%
BOARHUNT	247.57	501	13,999	56.55	256.87	432	15,568	60.61	7.2%
BRAMDEAN & HINTON AMPNER	207.17	430	6,570	31.72	211.54	354	6,646	31.42	(0.9%)
CHERITON	308.20	482	8,618	27.96	321.95	422	9,578	29.75	6.4%
CHILCOMB	58.63	-	-	0.00	57.82	-	-	0.00	0.0%
COLDEN COMMON	1,505.58	9,139	131,252	87.18	1,523.04	9,171	138,827	91.15	4.6%
COMPTON & SHAWFORD	836.30	663	26,507	31.70	846.40	500	26,670	31.51	(0.6%)
CORHAMPTON & MEONSTOKE	376.45	611	10,189	27.07	370.64	751	12,749	34.40	27.1%
CRAWLEY	219.85	411	12,839	58.40	218.45	402	13,098	59.96	2.7%
CURDRIDGE	618.22	1,099	22,106	35.76	633.88	957	29,750	46.93	31.2%
DENMEAD	2,707.52	26,000	316,499	116.90	2,826.61	26,124	326,424	115.48	(1.2%)
DROXFORD	324.39	675	12,240	37.73	322.70	777	17,500	54.23	43.7%
DURLEY	450.92	1,118	16,882	37.44	458.01	1,091	17,409	38.01	1.5%
EXTON	130.60	15	660	5.06	135.55	14	-	0.00	(100.0%)
HAMBLEDON	506.91	900	13,100	25.84	512.35	722	13,278	25.92	0.3%
HEADBOURNE WORTHY	237.55	67	4,437	18.68	244.66	112	5,546	22.67	21.4%
HURSLEY	434.85	692	21,808	50.15	439.62	898	18,102	41.18	(17.9%)
ITCHEN STOKE & OVINGTON	122.84	50	2,750	22.39	128.20	35	2,715	21.18	(5.4%)
ITCHEN VALLEY	714.56	598	17,102	23.93	722.50	677	23,300	32.25	34.8%
KILMESTON	133.34	157	3,443	25.82	133.99	175	3,600	26.87	4.1%
KINGS WORTHY	1,769.86	8,109	107,900	60.97	1,809.54	7,950	110,059	60.82	(0.2%)
LITTLETON & HARESTOCK	1,460.05	2,639	72,951	49.96	1,460.58	3,712	79,437	54.39	8.9%
MICHELDEVER	639.66	2,274	42,726	66.79	658.19	2,281	42,719	64.90	(2.8%)
NEW ALRESFORD	2,171.44	17,583	251,417	115.78	2,169.97	19,775	255,225	117.62	1.6%
NORTHINGTON	127.75	102	3,798	29.73	128.61	69	3,831	29.79	0.2%
OLD ALRESFORD	249.50	556	11,382	45.62	252.91	622	12,230	48.36	6.0%
OLIVERS BATTERY	742.34	579	24,721	33.30	744.38	523	24,777	33.29	(0.0%)
OTTERBOURNE	698.06	837	32,302	46.27	700.77	951	33,122	47.27	2.2%
OWSLEBURY	374.57	928	21,997	58.73	382.95	1,212	21,800	56.93	(3.1%)
SHEDFIELD	1,595.73	4,034	71,592	44.87	1,600.84	4,243	75,783	47.34	5.5%
SOBERTON	798.68	1,008	26,549	33.24	810.71	821	27,556	33.99	2.3%
SOUTH WONSTON	1,187.91	1,362	83,150	70.00	1,189.80	1,332	95,862	80.57	15.1%
SOUTHWICK & WIDLEY	262.23	1,330	13,870	52.89	319.59	1,600	15,870	49.66	(6.1%)
SPARSHOLT	298.42	749	13,751	46.08	295.38	821	15,225	51.54	11.8%
SWANMORE	1,260.92	9,191	159,934	126.84	1,260.12	10,325	162,535	128.98	1.7%
TICHBORNE	114.43	205	4,546	39.73	109.22	357	4,339	39.73	0.0%
TWYFORD	712.49	3,051	55,199	77.47	718.45	3,342	55,658	77.47	0.0%
UPHAM	314.00	543	17,457	55.60	323.24	571	18,429	57.01	2.5%
WARNFORD	108.32	69	881	8.13	106.94	60	890	8.32	2.3%
WEST MEON	370.56	1,545	20,986	56.63	377.95	1,532	29,269	77.44	36.7%
WHITELEY	1,262.43	3,719	112,411	89.04	1,280.71	4,405	113,920	88.95	(0.1%)
WICKHAM	1,632.92	12,663	123,775	75.80	1,643.07	15,080	133,687	81.36	7.3%
WONSTON	570.94	2,815	33,777	59.16	582.92	2,744	33,848	58.07	(1.8%)
TOTAL/AVERAGE	45,761.97	219,098	3,067,918	67.04	46,450.38	210,866	3,220,430	69.33	(3.4%)
PARISH TOTAL	32,792.94	150,155	2,272,657	69.30	33,257.07	155,712	2,411,417	72.51	
WINCHESTER TOWN	12,969.03	68,943	795,261	61.32	13,193.31	55,154	809,014	61.32	
TOTAL	45,761.97	219,098	3,067,918	67.04	46,450.38	210,866	3,220,430	69.33	

		Original Estimate
Cost of Services		2015/16
	Subjective Analysis	£000
Expenditure	Employees	14,383
	Premises	3,407
	Transport	603
	Supplies & Services	5,366
	Third Party Payments	6,278
	Transfer Payments	28,541
	Depreciation & Impairment Losses	2,433
	Support Services	(2,351)
Expenditure Total		58,661
Income	External income	(40,181)
Income Total		(40,181)
Cost of Services Total		18,480

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

		Original Estimate
Trading Account (Guildhall)		2015/16
	Subjective Analysis	£000
Expenditure	Employees	499
	Premises	279
	Transport	8
	Supplies & Services	464
	Depreciation & Impairment Losses	185
	Support Services	77
	Expenditure Total	
Income	External income	(942)
	Internal Charges	(147)
Income Total		(1,088)
Trading Account (Guildhall) Total		424

Cost of Services			Original Estimate
Outcomes			2015/16
			£000
A - Efficient and Effective	Expenditure	Subjective Analysis	
		Employees	8,063
		Premises	777
		Transport	308
		Supplies & Services	2,495
		Third Party Payments	514
		Transfer Payments	28,541
		Depreciation & Impairment Losses	672
		Support Services	(4,738)
	Expenditure Total		36,632
	Income	External Income	(29,815)
	Income Total		(29,815)
A - Efficient and Effective Total			6,816
B - High Quality Environment	Expenditure	Employees	4,001
		Premises	1,957
		Transport	99
		Supplies & Services	1,124
		Third Party Payments	4,242
		Depreciation & Impairment Losses	854
		Support Services	1,648
			Expenditure Total
	Income	External Income	(9,224)
	Income Total		(9,224)
B - High Quality Environment Total			4,701
C - Prosperous Economy	Expenditure	Employees	828
		Premises	135
		Transport	71
		Supplies & Services	521
		Third Party Payments	481
		Depreciation & Impairment Losses	62
		Support Services	419
			Expenditure Total
	Income	External Income	(945)
	Income Total		(945)
C - Prosperous Economy Total			1,572
D - Active Communities	Expenditure	Employees	1,491
		Premises	538
		Transport	126
		Supplies & Services	1,227
		Third Party Payments	1,041
		Depreciation & Impairment Losses	845
		Support Services	321
			Expenditure Total
	Income	External Income	(196)
	Income Total		(196)
D - Active Communities Total			5,391
Grand Total			18,480

Cost of Services			Original Estimate
Team		Subjective Analysis	2015/16
			£000
AD Economic Prosperity	Expenditure	Employees	99
		Transport	4
		Supplies & Services	45
		Third Party Payments	90
		Support Services	(136)
	Expenditure Total		103
AD Economic Prosperity Total			103
Building Control	Expenditure	Employees	439
		Premises	
		Transport	47
		Supplies & Services	113
		Support Services	176
	Expenditure Total		776
	Income	External Income	(554)
	Income Total		(554)
Building Control Total			221
Estates	Expenditure	Employees	663
		Premises	1,004
		Transport	38
		Supplies & Services	155
		Third Party Payments	1
		Depreciation & Impairment Losses	324
		Support Services	(1,499)
	Expenditure Total		686
	Income	External Income	(387)
	Income Total		(387)
Estates Total			300
Finance	Expenditure	Employees	1,451
		Premises	6
		Transport	22
		Supplies & Services	324
		Third Party Payments	1
		Support Services	(807)
	Expenditure Total		997
	Income	External Income	(27)
	Income Total		(27)
Finance Total			970
Historic Environment	Expenditure	Employees	195
		Premises	
		Transport	17
		Supplies & Services	11
		Support Services	(143)
	Expenditure Total		81
	Income	External Income	(8)
	Income Total		(8)
Historic Environment Total			73
Landscape & Open Spaces	Expenditure	Employees	360
		Premises	835
		Transport	43
		Supplies & Services	70
		Third Party Payments	95
		Depreciation & Impairment Losses	183
		Support Services	(2)
	Expenditure Total		1,584
	Income	External Income	(298)
	Income Total		(298)
Landscape & Open Spaces Total			1,286
Legal	Expenditure	Supplies & Services	3
		Support Services	48
	Expenditure Total		52
Legal Total			52
Museums	Expenditure	Employees	
		Premises	37
		Transport	5
		Supplies & Services	19
		Third Party Payments	412
		Depreciation & Impairment Losses	44
		Support Services	166
	Expenditure Total		683
	Income	External Income	(13)
	Income Total		(13)
Museums Total			670
Organisational Development	Expenditure	Employees	720
		Premises	
		Transport	24
		Supplies & Services	30
		Support Services	(760)
	Expenditure Total		13
	Income	External Income	(29)

Cost of Services			Original Estimate
Team		Subjective Analysis	2015/16 £000
	Income Total		(29)
Organisational Development Total			(16)
Revenues	Expenditure	Employees	1,324
		Transport	38
		Supplies & Services	172
		Transfer Payments	28,541
		Support Services	557
	Expenditure Total		30,632
	Income	External Income	(29,351)
	Income Total		(29,351)
Revenues Total			1,280
Sport & Physical Activity	Expenditure	Employees	141
		Premises	22
		Transport	10
		Supplies & Services	9
		Third Party Payments	65
	Depreciation & Impairment Losses	751	
	Support Services	102	
	Expenditure Total		1,100
	Income	External Income	(34)
	Income Total		(34)
Sport & Physical Activity Total			1,066
Strategic Planning	Expenditure	Employees	214
		Premises	1
		Transport	23
		Supplies & Services	170
		Support Services	(150)
	Expenditure Total		257
Strategic Planning Total			257
Tourism	Expenditure	Employees	226
		Premises	1
		Transport	9
		Supplies & Services	114
		Depreciation & Impairment Losses	4
	Support Services	136	
	Expenditure Total		490
	Income	External Income	(124)
	Income Total		(124)
Tourism Total			366
Corporate	Expenditure	Employees	177
		Premises	
		Transport	
		Supplies & Services	31
		Third Party Payments	203
	Support Services	1,251	
	Expenditure Total		1,662
Corporate Total			1,662
Housing Services General Fund	Expenditure	Employees	685
		Premises	1
		Transport	125
		Supplies & Services	1,003
		Third Party Payments	101
	Support Services	143	
	Expenditure Total		2,057
	Income	External Income	(100)
	Income Total		(100)
Housing Services General Fund Total			1,956
Health and Wellbeing	Expenditure	Employees	123
		Premises	1
		Transport	8
		Supplies & Services	3
		Third Party Payments	15
	Support Services	55	
	Expenditure Total		204
Health and Wellbeing Total			204
Traffic and Transport Proj Eng	Expenditure	Employees	231
		Premises	7
		Transport	31
		Supplies & Services	46
		Third Party Payments	265
	Depreciation & Impairment Losses	50	
	Support Services	55	
	Expenditure Total		686
	Income	External Income	(244)
	Income Total		(244)
Traffic and Transport Proj Eng Total			442
Executive Support Team (CMT)	Expenditure	Employees	478
		Premises	4
		Transport	25

Cost of Services			Original Estimate
			2015/16
Team		Subjective Analysis	£000
		Supplies & Services	31
		Support Services	(502)
	Expenditure Total		37
Executive Support Team (CMT) Total			37
Legal and Democratic Services	Expenditure	Employees	928
		Premises	94
		Transport	83
		Supplies & Services	616
		Third Party Payments	21
		Depreciation & Impairment Losses	32
		Support Services	314
	Expenditure Total		2,090
	Income	External Income	(18)
	Income Total		(18)
Legal and Democratic Services Total			2,071
Community Grants	Expenditure	Employees	21
		Premises	1
		Transport	6
		Supplies & Services	77
		Third Party Payments	770
		Support Services	(149)
	Expenditure Total		726
Community Grants Total			726
Policy and Major Projects	Expenditure	Employees	396
		Transport	16
		Supplies & Services	10
		Support Services	(146)
	Expenditure Total		276
Policy and Major Projects Total			276
Business Management	Expenditure	Employees	897
		Premises	1
		Transport	21
		Supplies & Services	89
		Third Party Payments	3
		Depreciation & Impairment Losses	
		Support Services	(868)
	Expenditure Total		142
	Income	External Income	(434)
	Income Total		(434)
Business Management Total			(292)
Corporate Communications	Expenditure	Employees	248
		Transport	6
		Supplies & Services	181
		Third Party Payments	
		Support Services	(414)
	Expenditure Total		21
	Income	External Income	(7)
	Income Total		(7)
Corporate Communications Total			14
Economic Development & Arts	Expenditure	Employees	181
		Premises	5
		Transport	16
		Supplies & Services	101
		Third Party Payments	68
		Support Services	115
	Expenditure Total		486
	Income	External Income	(80)
	Income Total		(80)
Economic Development & Arts Total			407
Environment and Licensing	Expenditure	Employees	792
		Premises	9
		Transport	102
		Supplies & Services	113
		Third Party Payments	7
		Depreciation & Impairment Losses	8
		Support Services	358
	Expenditure Total		1,389
	Income	External Income	(362)
	Income Total		(362)
Environment and Licensing Total			1,027
IMT Services	Expenditure	Employees	480
		Premises	10
		Transport	18
		Supplies & Services	833
		Third Party Payments	87
		Depreciation & Impairment Losses	330
		Support Services	(1,526)
	Expenditure Total		232
	Income	External Income	(37)

Cost of Services			Original Estimate
Team		Subjective Analysis	2015/16 £000
	Income Total		(37)
IMT Services Total			195
Joint Waste	Expenditure	Employees	56
		Premises	73
		Transport	14
		Supplies & Services	147
		Third Party Payments	3,003
		Depreciation & Impairment Losses	411
	Support Services	108	
	Expenditure Total		3,811
	Income		(479)
	External Income		(479)
	Income Total		(479)
Joint Waste Total			3,332
AD Neighbourhoods & Environment	Expenditure	Employees	77
		Premises	
		Transport	5
		Supplies & Services	4
		Third Party Payments	51
	Support Services	(128)	
	Expenditure Total		9
AD Neighbourhoods & Environment Total			9
New Homes Delivery	Expenditure	Employees	378
		Transport	30
		Supplies & Services	1
		Third Party Payments	7
		Support Services	(122)
		Expenditure Total	
	Income		(31)
	External Income		(31)
	Income Total		(31)
New Homes Delivery Total			264
Streetcare	Expenditure	Employees	247
		Premises	40
		Transport	60
		Supplies & Services	125
		Depreciation & Impairment Losses	1
	Support Services	(446)	
	Expenditure Total		27
	Income		(2)
	External Income		(2)
	Income Total		(2)
Streetcare Total			25
Community Safety & Nhd Wardens	Expenditure	Employees	226
		Transport	25
		Supplies & Services	5
		Third Party Payments	
		Support Services	64
		Expenditure Total	
	Income		
	External Income		
	Income Total		
Community Safety & Nhd Wardens Total			320
Parking	Expenditure	Employees	738
		Premises	1,247
		Transport	(319)
		Supplies & Services	546
		Third Party Payments	1,013
		Depreciation & Impairment Losses	286
		Support Services	404
		Expenditure Total	
	Income		(6,172)
	External Income		(6,172)
	Income Total		(6,172)
Parking Total			(2,258)
Development Management	Expenditure	Employees	1,191
		Premises	10
		Transport	54
		Supplies & Services	169
		Depreciation & Impairment Losses	7
		Support Services	1,393
		Expenditure Total	
	Income		(1,389)
	External Income		(1,389)
	Income Total		(1,389)
Development Management Total			1,435
Grand Total			18,480