

CABINET

18 February 2016

THE OVERVIEW & SCRUTINY COMMITTEE

22 February 2016

BUDGET AND COUNCIL TAX 2016/17

REPORT OF CHIEF FINANCE OFFICER

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RECENT REFERENCES:

CAB2710: Capital Strategy 2015, 9 September 2015

CAB2732: Medium Term Financial Strategy 2016/17 to 2020/21, 21 October 2015

CAB2739: General Fund Budget 2016/17 – Capital and Revenue Considerations, 2 December 2015

CAB2741: Draft Portfolio Plans 2016/17, 2 December 2015

CL119: Portfolio Plans 2016/17, 6 January 2016

EXECUTIVE SUMMARY:

This report presents the General Fund Budget and Council Tax proposals for 2016/17; including proposed growth and savings; movements in reserves, and the proposed Capital Programme for the period to 2020/21.

Members are asked to consider these proposals and also 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 £61.19 for Winchester Town, and it is proposed that both amounts are increased for 2016/17 to £130.65 at Band D for City Council services, and £63.31 for Winchester Town.

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.

The Prudential Indicators covering affordability, prudence and sustainability of capital expenditure plans, are being considered elsewhere on this agenda (Treasury Management Strategy 2016/17, CAB2766).

RECOMMENDATIONS to Cabinet and Council:

1. That the Revised Estimate for 2015/16 budget as set out in paragraph 2 be approved.
2. That Members consider the level of General Fund Budget for 2016/17 and make recommendations for the following:

	<u>2016/17</u>
	<u>£</u>
General Fund Cost of Services	19,651,632
Deficit on trading accounts	400,598
Other Operating Income & Expenditure (Parish Council Precepts)	2,521,258
Financing & Investment Income & Expenditure	(2,361,770)
Adjustments between accounting basis & funding basis under regulations	(2,335,000)
Appropriations to / (from) other earmarked reserves	(3,772,759)
Collection Fund Adjustment Account deficit	4,077,103
Council Tax Support Grant to Parishes	154,089
Net Budget Requirement (incl. Parish Council Precepts)	18,335,151
<u>Less:</u>	
Non-ring fenced Government Grants	(4,424,744)
Non-domestic Rates Income and Expenditure	(3,927,538)
Capital Grants and Contributions	(500,000)
Council Tax Requirement (incl. Parish Council Precepts)	9,482,869
Comprising:	
Aggregate of Special Expenses (Winchester Town)	842,607
Winchester City Council – General Expenses	6,119,005
Council Tax Requirement for billing authority	6,961,611
Aggregate of Parish Council precepts	2,521,258
Council Tax Requirement (incl. Parish Council Precepts)	9,482,869

- 1) That Members approve the changes proposed to the budget, as set out in Appendix D.
- 2) That Members approve the capital programme and financing for 2015/16 to 2020/21, as set out in Appendices E and G.
- 3) 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 £842,607 be treated as Special Expenses under Section 35 of the Local Government Finance Act 1992 in respect of the Winchester Town area, Appendix J.
- 4) That the Council Tax for the Special Expenses in the Winchester Town area at Band D for 2016/17 be increased to £63.31.
- 5) That the balance on the Collection Fund for distribution to this Council, calculated in January 2016 of £133,903 for Council Tax, be approved.
- 6) That the deficit balance on the Collection Fund for distribution from this Council in 2016/17, calculated at 15 January 2016, of £4,211,048 for Business Rates be noted.
- 7) That Members recommend the level of Council Tax at Band D for City Council services for 2016/17 be increased to £130.65.
- 8) That Parish Council Taxes be noted as in Appendix K.
- 9) In relation to Members' Allowances:
 - a) That the general inflation index in the Members' Allowances Scheme be not applied for 2016/17.
 - b) That the inflation index for 2016/17 for Councillor mileage rates be applied, so as to continue the link to HMRC mileage rates, should HMRC make any adjustments.
 - c) That further consideration be given in the 2016/17 financial year, to asking the Independent Remuneration Panel to undertake a review of the Council's Members Allowances Scheme, to take account of any changes arising from the Council's Governance arrangements following the reduction from 57 to 45 Members.

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 2016/17.

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BUDGET AND COUNCIL TAX 2016/17

REPORT OF CHIEF FINANCE OFFICER

1 Introduction

- 1.1 At its meeting in January the Council approved the Portfolio Plans for 2016/17 (Reports CAB2741 and CL119 refer). The proposed budget supporting these plans is now presented for approval.
- 1.2 The budget preparation for 2016/17 began with the agreement of the Capital Strategy in September 2015 followed by the Medium Term Financial Strategy in October 2015. Capital and Revenue budget considerations were consulted on with The Overview & Scrutiny Committee, the business community, and parish council representatives during December 2015. The feedback received from this consultation has been fully reflected in finalising these proposals.
- 1.3 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 2016/17. The proposed revenue budget growth and savings are summarised at Appendix D.
- 1.4 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.
- 1.5 The summary service budgets are presented for approval at Appendix L. These include the impact of the growth and savings proposals in this report.

2 Current Year Budget update (2015/16)

- 2.1 In the process of preparing the budget some further adjustments to the current year forecasts have been identified. These are detailed in Appendix D and amount to £198k net additional costs.

3 2016/17 Budget

- 3.1 The proposed net General Fund budget for cost of services, after the inclusion of proposed growth and savings, totals £19.652m. Summaries of service budgets are

shown in Appendix L. 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 are no reductions to frontline services in 2016/17 (Grants to the Voluntary Sector and Council Tax Support Grants to Parishes have also been maintained at the same levels as 2015/16)
- 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

3.3 Transformation savings

- The Council has embarked on a review of key services with the assistance of external consultants looking at end to end processes to ensure streamlined systems deliver what matters to customers and achieve efficiencies and other savings. As part of this all opportunities to improve digital service delivery and digital methods of working will be adopted to maximise efficiencies and meet customer requirements. Relating to this, annual savings of £150k in 2016/17, rising to £250k from 2017/18 onwards are being proposed (see Appendix D).
- The Council is seeking to maintain its current baseline paybill over the medium term projections from 2016/17 to 2020/21, to make a contribution towards the current future year deficits shown in Appendix C. In order to achieve this the following additional target savings would be required:

Target Baseline paybill savings required to achieve paybill ceiling				
2016/17	2017/18	2018/19	2019/20	2020/21
<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
-	100	250	450	650

3.4 Non- Ring fenced Government Grants

- (i) The budget has been set using the final local government finance Settlement Funding Assessment of £3.04m for 2016/17. This includes; Total Revenue Support Grant of £1m and a Baseline Funding Level (for Business Rates retention) of £2.04m.

- (ii) The final settlement allocations received on 9 February provided additional grants totalling £127k in 2016/17 and £109k in 2017/18, comprising;
- **Transitional Grant** – one-off additional grants of £92k in both 2016/17 and 2017/18.
 - **Rural Services Delivery Grant** – additional grants of £35k (revised grant of £46k) in 2016/17 and £17k (revised grant of £37k) in 2017/18.

3.5 New Homes Bonus

- (i) The Department for Communities and Local Government is currently consulting with local authorities on options on changes to the New Homes Bonus to try to better reflect authorities' delivery of new housing and are also seeking views on reducing the number of years in which current and future payments are made.
- (ii) At its meeting on 10 February Cabinet considered the Council's response to the Government consultation (CAB2760 refers) and confirmed the assumptions to be used for the forecast New Homes Bonus receivable, based on the adjusted Local Plan figures as follows (B below):

	2016/17	2017/18	2018/19	2019/20	2020/21	Total
	£m	£m	£m	£m	£m	£m
A. Provisional Settlement	3.3	3.3	2.1	2.0	2.0	12.7
B. Estimate based on adjusted Local Plan	3.3	2.6	2.1	2.3	3.2	13.4

- (iii) The current financial strategy requires that the forecast New Homes Bonus and affordable Homes Bonus used to support the baseline budget is capped at below 10% of expenditure. This strategy was put in place because of the uncertainty over what the Government would do with the New Homes Bonus Scheme. Once the Government have considered the responses from this consultation and have published the details of the new scheme, the Council will be in a position to consider what financial strategy would be appropriate for the 2017/18 budget setting process.
- (iv) For the period of the plan, the amount used to support the ongoing baseline budget has been capped at £2.830m.

3.6 Revenue implications of the Capital Programme (Appendix F)

- (i) The capital programme is forecast to make revenue contributions towards future forecast deficits, and these are incorporated into the projections in Appendix C. If there are any changes to these schemes the projected deficits shown in Appendix C could increase significantly.
- (ii) The revenue contributions from the most significant schemes are listed below:

- Station Approach – Carfax – commencing from 2019/20.
- Redevelopment of Old Bar End Depot Site – commencing from 2018/19.
- St Clement's Surgery – commencing from 2017/18

3.7 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 2016/17 amounts to £1.9m.
- (iii) The forecast Collection Fund deficit, for previous years (2014/15 outturn adjustment and 2015/16 Revised Estimate), for distribution from 2016/17 has been calculated at £4.2m, in January 2016 (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) There is a forecast increase in the appeals provision for 2015/16 of £2.6m (to £6.2m in total) and a release in year for agreed appeals of £1.1m. This is due to 438 appeals, with a Rateable Value of £47.9m, awaiting action with the Valuation Office at 31 December 2015 (plus 147 cases with a rateable value of £40.8m of duplicate appeals). The main cases agreed in year relate to a high court case for GP premises on the 2005 listing. These ratepayers have now appealed on the same basis against the 2010 listing and attracts a 70% reduction to the rates payable.

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 allowances in 2015/16. It agreed the principle that any change in HMRC mileage rate would be applied in 2015/16, but the HMRC rates have not changed. Reports CAB2635 and CL104 refer.
- 4.2 As part of its deliberations in late 2014, the Independent Panel took account of the economic situation. The Panel also continued to be mindful that the proposed allowances must be retained at a reasonable level, to ensure that potential candidates for elected office are not prevented from standing, because of the impact that Council work may have on their income. The Panel's recommendation,

subsequently adopted by Council, was that the rates in the 2010/11 scheme be continued.

- 4.3 The Panel recommendations made provision to include an inflation index in the Scheme. This was adopted and allows the Council to determine whether to make an increase for inflation. This would allow the Council, if it so wishes, to apply the inflation index from the date of the Annual Council Meeting on 18 May 2016. The index is linked to the NJC staff pay award at spinal column point 49. This has yet to be agreed by the Employers and so would only take effect, with backdating if necessary, at the rate actually agreed. The current Employer's offer is 1% but has not been accepted by the Unions, so the final outcome is uncertain. The Council, however, has to determine whether the index is used before the end of the current financial year.
- 4.4 A 1% increase would require growth of c£5,000, taking account of the fact that no individual can claim more than one Special Responsibility Allowance and assuming the current structure continues.
- 4.5 It is some time since there has been an increase in the main allowance rates in Winchester. In 2009/10, the Council agreed to adopt a lower RPI inflationary index figure which, unusually, was a negative value – minus 1.2%. For 2010/11, the Council decided for budgetary reasons not to increase any of the allowances and instead, resolved that reduction of 5% be applied from 1 April 2010 to all allowances. There has been no general increase since those decisions. The only exception was to index mileage rates to HMRC rates in 2013/14 and 2014/15.
- 4.6 The current scheme only allows the use of the NJC staff pay award for the general index.
- 4.7 There have been no significant changes in responsibility this year, so a general review of the Scheme is not required at this stage. Following the implementation of the Local Government Boundary Commission recommendations, the Council will reduce in size from 57 to 45 Members. As part of its Stage 1 Submission to the Commission, the Council did not envisage any significant changes to the governance structure of the Council after the election. It was this aspect of the Governance Review that the Council was then undertaking which justified the Council's own recommendations that the future Council size should be reduced to 45 Members (Report CAB2593) refers. It was recognised, however, that the governance arrangements would need to be considered further nearer the time and it might be the case that there would be potential changes in Members workload as a consequence. The new Council will need to determine its own arrangements. If there are any significant changes in responsibility or workload a further Independent Remuneration Panel will need to be convened and report during 2016-17. The Council can then make any adjustments, including backdating – but such changes can only occur within the same financial year as the Panel meets and the Council makes a decision on its recommendations.

- 4.8 Under the Scheme the Council now has to decide each year whether the inflation index should be applied to all the allowances, travelling and subsistence rates within the Scheme. This decision has to be made before the start of the 2016/17 Municipal Year and needs to be considered as a part of the budget process. The actual rate of the NJC award will apply when implemented, rather than any provisional estimate used at this stage.
- 4.9 There is a separate index for Councillor mileage rates. This is linked to HMRC rates. In February 2013 the Council decided to restore the link to the HMRC rates for 2013/14 (currently still 45p per mile). The HMRC rates do not change every year, but authorising the use of this index – which in law has to be decided before 31 March 2016, would allow the link to continue should there be any change in 2016/17.
- 4.10 The proposed Budget reflects no inflationary increase.

5 The Capital Programme

- 5.1 The Capital Strategy (CAB2710) was approved by Cabinet in September 2015, followed by a Revised Capital Estimate, approved in October (CAB2732), and the report on the General Fund Budget – capital and revenue considerations (CAB2739 – 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 2016/17 and Business Plan report (CAB2761 (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 managing 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 Further details of these potential projects are provided in Appendix E.

7 Silver Hill – financial implications of Termination

- 7.1 The known potential financial consequences of the termination of the Silver Hill Development Agreement have been included in the budget and the projections. The overall impact of this is seen in lower forecast usable reserves by the end of 2023/24 by £6.308m and a Total Movement in Reserves of £2.361m over the period (the difference being mainly represented by the assumption that the Kings Walk properties are retained). It should be noted that although budget provision has been made, each of these spending decisions will be brought forward in their own right for approval in accordance with the Council's procedures.

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 A five year programme of projects is to be developed, and updated on an annual rolling basis, which will tie in with the capital programme and revenue budgets. It is anticipated that total receipts will be in the order of £0.8m - £1m per annum once the scheme has established. Out of these total receipts allocations are made to Hampshire County Council, Parish Council's, the Town Account, and an allocation of up to 5% towards administrative costs. A detailed report on this will be coming to Cabinet for consideration soon.

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 CAB2766 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 £994,249 is estimated, shared between the County Council (£710,608), the Police & Crime Commission (£107,719), the Fire & Rescue Authority (£42,025) and this Council (£133,897). This must be credited to the Council Tax for the District for 2016/17. The City Council's budget for 2016/17 can therefore be set including the £133,897 surplus.
- 10.2 **Business Rates** – In relation to Business Rates the budget set for 2016/17 will include the distribution of the Council's share of adjustments as follows:
- (i) For 2014/15 – a deficit of £1,593,967 being the difference between the Revised Estimate (per NNDR1 in Feb. 2015) and the final outturn (audited NNDR3),
 - (ii) For 2015/16 – a deficit of £2,617,081 being the difference between the Original Estimate (NNDR1 Feb. 2015) and the Revised Estimate (NNDR1 Feb. 2016).

11 Council Tax

- 11.1 The Government has confirmed there will be no Council Tax freeze scheme for 2016/17.
- 11.2 The Council Tax Referendum limits have been confirmed at 2% for lower tier authorities (4% for upper tier). However, shire districts (such as Winchester) will be able to increase their precept by not more than £5 (equivalent to 3.47% for this council). Central Government projections assume that all authorities will increase their precepts by the maximum amount. Some of the possible combinations of increase between the Town and District are shown in the table below:

District						Town					Total - District & Town Average	
Annual Increase	Increase	Band D amount	Amount collected	Annual increase in amount collected	Cum. Impact by 20/21	Annual Increase	Increase	Band D amount	Amount collected	Annual increase in amount collected	Increase	
0.00%	£0.00	£126.27	£5,913,867	£0	£0	0.00%	£0.00	£61.19	£814,391	£0	0.01%	£0.01
1.00%	£1.26	£127.53	£5,972,879	£59,012	£295,061	3.47%	£2.12	£63.31	£842,607	£28,216	1.30%	£1.87
1.99%	£2.51	£128.78	£6,031,423	£117,556	£587,780	3.47%	£2.12	£63.31	£842,607	£28,216	2.17%	£3.12
3.47%	£4.38	£130.65	£6,119,005	£205,138	£1,025,688	3.47%	£2.12	£63.31	£842,607	£28,216	3.47%	£4.99

** As the District and Town are weighted together if the tax base within the Town increases at a higher rate than the District as a whole then there is an increase in the total average District & Town tax even if there are no increases in either tax*

- 11.3 At present the projections reflect an increase of 3.47% in Council Tax for the District and the Winchester Town Area.
- 11.4 The current level of Tax for the District is £126.27 (Band D equiv.). An increase of 3.47% would increase this by £4.38 to £130.05.
- 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.
- 11.6 The current level of Tax for the Town is £61.19 (Band D equiv.). An increase of 3.47% would increase this by £2.12 to £63.31 (see para. 12.5 below)
- 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.
- 11.8 The Taxes for the County Council and the Fire and Rescue Authority will be decided on 18 and 24 February, respectively. The Police and Crime Panel for Hampshire do not have a formal meeting but intends to set its precept during February.
- ## 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 19 February 2015.
- 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 2015/16 (CAB2647 (Revised), 11 February 2015) 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 £842,607 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 20 January 2016 and recommended the Budget as set out in Appendix J and a Council Tax increase of 3.47% for 2016/17.
- 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. 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 £2.9m at 31 March 2017, reducing to £1.0m by the end of the strategy period (with a low of £0.7m at the end of 2017/18). This is before making any provision for the forecast deficits of £368k in 2017/18 and a cumulative amount of £3,871k by the end of the strategy period. The delivery of savings from 2017/18 is therefore essential.
- 13.3 The proposed baseline budget for 2016/17 also includes fixed annual contributions to various earmarked reserves including: Property – Asset Management £300k; Car Parks Property £400k, and IMT Strategy £173k.
- 13.4 It is proposed that the income equalisation reserve is merged with the Property Repairs reserve to create a new 'Property – Asset Management' reserve, shown in Appendix H part 1.

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 A four year settlement (to 2019/20) has been offered to all authorities and whilst full details are yet to be announced it has been confirmed that authorities will need to apply by the 14th October 2016 and that some form of 'efficiency plan' will need to be submitted along with the application.
- 15.4 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) Devolution – any potential impact of Hampshire's devolution bid.
 - (ii) Changes to Government policy e.g. Business Rates review; New Homes Bonus review, Planning & Housing Bill etc
 - (iii) Major projects:
 - Other Potential Projects listed at Appendix E;
 - any further costs associated with the future plans for the Silver Hill area;
 - delay in planned capital projects
 - (iv) Procurement / contracts
 - Joint Environmental Services Contract (2019)

- External Audit – (2017)

- (v) Universal credit
- (vi) Land charges transfer to the Land Registry

15.5 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 2016/17

As detailed in the Appendices.

APPENDICES:

Appendix A	Budget Risk Assessment
Appendix B	General Fund Budget & Council Tax Requirements
Appendix C	General Fund Revenue Projections 2015/16 to 2020/21
Appendix D	Proposed Growth & Savings
Appendix E	Proposed Capital Programme 2015/16 to 2020/21
Appendix F	Revenue Consequences of Capital Expenditure Programme
Appendix G	Capital Programme Financing
Appendix H	Summary of Reserves projections
Appendix I	Collection Fund Statement
Appendix J	Winchester Town Account – Revenue Projections 2015/16 to 2020/21
Appendix K	Parish Council Precepts and Council Taxes 2016/17
Appendix L	General Fund - Summary Service Budgets 2016/17

Financial Risk Assessment

This is an extract from the Corporate Risk Register, which identifies the risk owners for each of the risks listed below.

Risk Number	Risk Title	What might go wrong	Likelihood	Impact	Financial Risk	Management Actions	Estimated Cost	
CR1	Silver Hill Development	If the Council terminates the contract:						
		Regeneration of Silver Hill area is substantially delayed by the need to restart a design and development process, and by the expiry of existing Compulsory Purchase Order	Likely	Major	There is no budget identified for any costs for the future regeneration of the area.	Assessment of options.	Unquantifiable At this stage	
		Additional costs at public expense for public realm improvements	Highly Likely	Moderate	There is no budget identified for any potential costs.	Assessment of options	Unquantifiable at this stage	
		Successful litigation against the Council for breach of the Development Agreement	Highly unlikely	Major	The General Fund Balance is the reserve available to cover various unspecified risks, and this stands at £2m. Any successful claims in excess of this would require revised financial plans to be drawn up.	Ensure all actions taken are in accordance with the Development Agreement, taking legal advice as appropriate.	£m?	
CR2	Asset Management	<ul style="list-style-type: none"> Lack of long term planning Unwillingness to take-long term decisions Prioritisation of maintenance and repairs 	Likely	Major	Financial consequences of fixed assets not fully reflected in the Council's medium term financial plans.	- Extended planning period - Ensure adequate Property - Asset Management Reserve		
					High proportion of rental income derived from few assets	- Broaden investment property portfolio - Ensure adequate Property - Asset Management Reserve	£600,000	
					Increased / unfinanced capital expenditure	- Prudential Code compliance / Treasury Management Strategy		

Financial Risk Assessment

Risk Number	Risk Title	What might go wrong	Likelihood	Impact	Financial Risk	Management Actions	Estimated Cost
CR3	Programme Management & Major Projects	<ul style="list-style-type: none"> Over ambitious Council Willingness to increase the programme Staff overburdened Insufficient staff capacity 	Highly Likely	Major	Projects not delivered within agreed timescales – anticipated income not received Increased maintenance liabilities and costs	Ensure effective project & programme management, identifying resource & expertise gaps and filling appropriately. Enhanced financial modelling to be developed.	£150,000 pa growth bid
CR4	Control Weakness identified by Internal Audit	Issues arising from Internal Audit reports not addressed	Likely	Moderate	Losses arising from control weaknesses.	Effective monitoring and follow up of overdue management actions. Clear accountabilities.	
CR5	Financial Stability	Government funding less than assumed in medium term financial projections e.g. New Homes Bonus, Settlement Funding Assessment (Revenue Support Grant + Business Rates Baseline)	Likely	Major	Reliance on New Homes Bonus to support baseline recurring revenue budget	The Medium Term Financial Strategy caps the amount to support the recurring revenue baseline.	10% of gross expenditure = c£3m
					New Homes Bonus income could be lower than forecast from 2017/18 to 2020/21.	Forecasts have been adjusted for key risks and the timing difference between the completion of a new home and the Bonus payment.	
					Settlement Funding Assessment (Revenue Support Grant + Business Rates Baseline). Current Government forecasts to 2019/20 could be reduced by further top slicing.	Set final budget based on final Government Grant allocations for 2016/17. Keep sensitivity analysis under review to determine the risk of further reductions.	£3m in 2016/17

Financial Risk Assessment

Risk Number	Risk Title	What might go wrong	Likelihood	Impact	Financial Risk	Management Actions	Estimated Cost
		Actual capital programme delivered differs significantly from medium term financial plan assumption; e.g. overspends or under-delivery of forecast financial benefits.	Highly Likely	Major	Delay will impact on timing of savings to be achieved reducing the financial resilience in the medium term. Could result in avoidable borrowing costs and sub-optimal investments.	Project cash-flow forecasting and monitoring to be improved. Project Management	
		Other financial risks considered			Devolution	Assessment to be made when proposals are known	Unknown
					Business Rates retention – uncertainty in appeals, impact of revaluation in 2017, and reset in 2020.	Business Rates Earmarked Reserve	c. £1m
					Pension Scheme Liability - £53,470,000 at 31 March 2015 Triennial review at 31/3/16 may result in significant increase in employer's contribution rates and past service payments	Keep under review and respond to any consultations with the Pension Fund. Give early consideration for the 2017/18 budget.	1% increase would cost c. £100k
					Pay Inflation – could be higher than 1% p.a. assumed in the forecast	Considered unlikely given the Government expectations here	1% increase would cost c. £140k in 2016/17
					RPI/CPI – if higher than assumed could result in higher contractual costs than budgeted	Prudent assumptions	£150k assumed in 2016/17
					Interest rates could be lower than assumed for investments/ or higher for borrowing	- External expert advice - Prudent budget assumption	
					Lower car parking income than assumed	Close monitoring and car park earmarked reserve	+/-1% = c. £60k

Financial Risk Assessment

Risk Number	Risk Title	What might go wrong	Likelihood	Impact	Financial Risk	Management Actions	Estimated Cost
					Lower Planning Fee income arising from changes in legislation and /or fewer applications	Maintain adequate General Fund Balance	£200,000
					Contract renewals result in increased costs e.g. Joint waste contract, external audit contract		
CR6	Staff Engagement	Reduction in staff morale	Likely	Major	Cost of recruitment	<ul style="list-style-type: none"> - Development of People Strategy for the Council - Preparation of Workforce Plan - Pay Policy 	Unknown
		Reduction in the ability to recruit staff	Likely	Major			
		Reduction in the ability to retain staff	Likely	Major			
CR7	Environmental Risks	Political disagreement about plans (e.g. Air Quality, parking provision in Winchester, climate change)	Likely	Moderate		Clear policies in place (e.g. parking strategy, air quality action plan) and cross referenced	
		Extreme weather events; e.g. unforeseen or extended hot or cold period	Likely	Major	Cost of additional staff hours and equipment. Possible requirement to contribute to further joint mitigation measures with Hampshire County Council / Environment Agency.	<p>Emergency Plan regularly updated and training provided for staff</p> <p>Mitigation measures currently being installed (e.g. Hambledon pipe) to reduce flooding impacts</p>	
CR8	Commissioning	Failure of contractors to deliver services	Likely	Major	Opportunity cost – goods/services not delivered that should have been.	Maintain effective vetting and monitoring procedures for contractors (e.g. Contract Procedure Rules). Internal Audit assurance. Maintain adequate General	Up to £1m

Financial Risk Assessment

Risk Number	Risk Title	What might go wrong	Likelihood	Impact	Financial Risk	Management Actions	Estimated Cost
						Fund Balance.	
CR9	Transformation	Inadequate and /or lack of dedicated resources allocated to the review process	Likely	Major	<ul style="list-style-type: none"> - Targeted savings not achieved. - Missed opportunities to realise efficiency savings. - Managed cost base reductions not achieved in time resulting in unplanned service cuts 	<ul style="list-style-type: none"> - Vanguard service redesign underway. - Ensure programme in place and monitored - Ensure effective project management 	£250k p.a. savings to be identified
		Lack of support for the process	Likely	Moderate			

GENERAL FUND BUDGET SUMMARY

	2015/16 Original Estimate	2015/16 Revised Estimate	2016/17 Original Estimate
	£	£	£
General Fund Cost of Services	19,089,167	19,874,757	19,651,632
(Surplus) / Deficit on trading accounts	424,385	515,515	400,598
Other Operating Income & Expenditure (Parish Council Precepts)	2,411,417	2,411,417	2,521,258
Financing & Investment Income & Expenditure	(2,640,315)	(2,250,508)	(2,361,770)
Adjustments between accounting basis & funding basis under regulations	(2,344,175)	(2,335,000)	(2,335,000)
Appropriations to / (from) other earmarked financial reserves	1,415,402	1,709,294	(3,772,759)
Collection Fund Adjustment Account deficit / (surplus)	(933,371)	(1,446,878)	4,077,103
Council Tax Support Grant to Parishes	155,712	155,712	154,089
Net Budget Requirement (including Parish Council Precepts)	17,578,222	18,634,309	18,335,151
<u>Less:</u> Non-ringfenced Government Grants	(4,629,175)	(4,727,114)	(4,424,744)
Non-Domestic Rates Income and Expenditure	(3,865,042)	(4,260,635)	(3,927,538)
Capital Grants and Contributions	0	(400,000)	(500,000)
Council Tax Requirement (including Parish Council Precepts)	9,084,005	9,246,560	9,482,869
Aggregate of Special Expenses (Winchester Town)	807,299	807,299	842,607
Winchester City Council - General Expenses	5,865,289	6,027,844	6,119,005
Council Tax Requirement for Billing Authority	6,672,588	6,835,143	6,961,611
Parish Council Precepts	2,411,417	2,411,417	2,521,258
Council Tax Requirement (including Parish Council Precepts)	9,084,005	9,246,560	9,482,869

General Fund Revenue Medium Term Projections 2016/17 to 2020/21

	Original Budget 2015/16	Revised Budget 2015/16	Original Estimate 2016/17	Forecast 2017/18	Forecast 2018/19	Forecast 2019/20	Forecast 2020/21
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost of Services (b/f) - baseline (recurring)	17,189	17,189	16,623	16,897	17,248	17,557	17,775
<u>Recurring Budget Changes</u>	0	(379)	(46)	(25)	(34)	(6)	2
Depreciation & Impairment Losses - (reduction)		(77)					
Net (increase) in recharges to the Housing Revenue Account		(140)	(15)				
Card Processing Fee Increases			50				
Contractual Inflation (c1% in 16/17, c2% p.a. from 17/18 in line with target CPI)			150	250	255	260	265
Employee Costs (Incl. pay Inflation per employer offer 16/17 & 17/18, +1% 18/19 onwards)			245	299	235	230	172
Employee Costs - Removal of Employers' N.I. Discount			300				
Silver Hill - revenue implications			(183)				
Revenue Expenditure Consequences of the approved Capital Programme			(112)	(164)	(217)	(306)	4
<u>Recurring Growth & (Savings) (see Appendix D)</u>		30	(116)	(9)	71	39	23
Total Recurring budget changes	0	(566)	274	351	310	217	466
Cost of Services - baseline (recurring)	17,189	16,623	16,897	17,248	17,557	17,775	18,241
<u>One-off Budgets</u>	1,822	2,372	44				
Redundancy		286	150	150	150	150	150
Car Parks Major Works - revenue	78	38	80	58	60	60	60
Local Development Framework (LDF)			101				
Homelessness Prevention			59	62			
<u>Silver Hill - revenue implications</u>		471	1,080	515	(585)	15	15
Business Support Grants - spending deferred			85				
St Maurice's Covert - spending deferred			40				
Jobseeker Mentoring Commission - spending deferred			15				
Revenue Expenditure Consequences of the approved Capital Programme			444	898	164	14	14
<u>Growth & (Savings) (see Appendix D)</u>		85	658	250	150	150	150
Total One-off Budgets	1,900	3,252	2,755	1,933	(61)	389	389
Cost of Services - TOTAL	19,089	19,875	19,652	19,180	17,496	18,164	18,630
Deficit on Trading Accounts	424	516	401	401	401	401	401
Other Operating Income & Expenditure							
Payment of Parish Council Precepts (Appendix K)	2,411	2,411	2,521	2,521	2,521	2,521	2,521
Council Tax Support grant to Parishes	156	156	154	154	154	154	154
Financing & Investment Income & Expenditure							
Interest Payable & (Receivable) (net)	(280)	(490)	(442)	(201)	17	368	426 *
Rental Income from Investment Properties	(3,166)	(2,470)	(2,598)	(2,598)	(3,139)	(4,594)	(4,594)
Direct operating expenses of Investment Properties	806	710	679	679	679	679	679
Taxation & Non-Specific Grant Income							
Non-Domestic Rates Income and Expenditure	(3,865)	(4,261)	(3,928)	(3,903)	(3,964)	(4,033)	(4,077)
Non-Ringfenced Government Grants	(1,799)	(1,897)	(1,141)	(510)	(36)	372	410
New and Affordable Homes Bonus	(2,830)	(2,830)	(3,284)	(2,551)	(2,123)	(2,295)	(3,186)
Capital Grants and Contributions (Community Infrastructure Levy)	0	(400)	(500)				
Council Tax Income (Including Parish Precepts)	(9,084)	(9,247)	(9,483)	(9,483)	(9,483)	(9,483)	(9,483)
(Surplus) / Deficit on Provision of General Fund Services	1,862	2,073	2,031	3,689	2,523	2,254	1,881
Adjustments between Accounting basis and Funding basis under Regulations							
Minimum Revenue Provision	335	266	266	371	640	1,123	1,123
Charges for depreciation & impairment of non-current assets	(2,679)	(2,601)	(2,601)	(2,601)	(2,601)	(2,601)	(2,601)
Business Rates Collection Fund Adjustment Account (to) / from GF Balance	(813)	(1,550)	4,211				
Council Tax Collection Fund Adjustment Account (to) / from GF Balance	(120)	103	(134)				
Other planned Movements in Reserves							
Transfers to Major Investment Reserve	1,059	255	777	92	600	0	356
Transfers (from) Major Investment Reserve	(480)	(2,784)	(1,375)	(1,576)	(314)	(164)	(164)
Transfers to or (from) Earmarked Reserves	832	4,238	(3,147)	396	534	534	534
Transfers to or (from) Winchester Town Reserve	4	1	(28)	(4)	(40)	(52)	(62)
FORECAST DEFICIT / (SURPLUS)	(0)	(0)	0	368	1,342	1,094	1,067
* Assumed Interest receivable rates		0.85%	1.30%	1.65%	1.65%	1.65%	1.65%
* Assumed Interest payable rates			3.50%	3.50%	3.50%	3.50%	3.50%

General Fund Revenue Growth Savings Proposals 2016/17 to 2020/21

	Expenditure Increase / (Reduction) & (Increase) / Reduction					Income
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
	£000	£000	£000	£000	£000	£000
UNAVOIDABLE GROWTH & SAVINGS						
<u>Major Projects</u>						
Additional resources to supplement Major Projects resources		73	13	58	150	150
Fixed Term employee costs		177	237	92		
Forecast increase in Planning income due to major projects		(100)	(100)			
New part-time Building Control post to deal with Major Projects		23	24	24	25	25
Increased Building Control Income from Major Projects		(46)	(24)	(24)	(10)	(10)
Further revenue budget to support the Station Approach project to the submission of a planning application is requested for 2016/17. This will fund further consultation and exhibitions with the public following the appointment of an architect and the services of the RIBA client advisor. A full Transport Assessment will also be required as part of the planning application, as well as further external legal and financial support to consider the Council's options to develop the site post planning application.			195			
<u>High Quality Environment</u>						
There is an increasing number of Public health act funerals being referred to WCC (to over 10 per annum). The average cost is c£4k per funeral and on average less than half of this is recovered		12	12	12	12	12
River Park Leisure Centre - reduced income share to reflect latest income forecasts. A forecast of £7,600 p.a. against a budget of £17,300 p.a.		10	10	10	10	10
Increased Car Parking Income	(250)	(250)	(250)	(250)	(250)	(250)
Reduced Recycling Income	100	50	50	50	50	50
The Brooks Car Park - new extract motors (one-off)	20	60				
The Brooks Car Park - increased service charges commencing Q4 2015/16 (recurring)	9	24	24	24	24	24
<u>Efficient & Effective</u>						
Staff Welfare - historical increased spending pattern, in particular on-demand (counselling, health issues), plus new identifiable commitments. Increase budget to £40k per annum		20	20	20	20	20
Revised benefit forecasts reflecting a lower achieved subsidy percentage	100	100	100	100	100	100
Forecast reductions to Benefits admin grant (£420k in 2015/16). Not related to the welfare reforms		29	57	82	106	128
Reduced income from the South Downs National Park towards the Planning service provided by WCC		14	14	14	14	14
South East Employers - reduced service requirement		10	10	10	10	10
Electoral Reform (CAB2593) - reduction in members and therefore members allowances		(74)	(74)	(74)	(74)	(74)
Review of member allowances		49	49	49	49	49
Individual Electoral Registration - increase in printing, postage, and canvassing costs - on the basis that there is no further Government new burdens funding		75	75	75	75	75

General Fund Revenue Growth Savings Proposals 2016/17 to 2020/21

	Expenditure Increase / (Reduction) & (Increase) / Reduction					Income
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
	£000	£000	£000	£000	£000	£000
Guildhall - increased expenditure forecast to take into account additional employee cost forecasts (agency spend in 15/16 and a proposed new structure from 16/17)	83	44	44	44	44	44
Municipal Mutual Insurance Ltd - Increased scheme Levy		63				
Land Charges - Possible reduction in income upon transfer to the Land Registry - likely to be the end of 2017 (at the earliest)			40	85	85	85
TOTAL UNAVOIDABLE GROWTH & SAVINGS	62	558	331	401	440	462
OPTIONAL GROWTH & SAVINGS						
<u>Community Strategy</u>						
The Winchester Criterium and Cyclefest event attracts over 7,000 spectators to the city who watch over 600 race and ride entries. It has contributed to a significant growth in cycling participation in the district and has triggered a substantial growth in membership numbers at the Winchester cycling club, VC Venta. A budget of £25,000 is required for 2016/17 to contribute towards the £40,000 cost of running this event. Income of £15,000 will be generated via sponsorship and grants.		25	25	25	25	25
For the remodelling of the ground floor of the Museum (including Displaying the Roger Brown Model) - contribution to the Hampshire Cultural Trust (Total project estimated to be £160k)		40				
<u>High Quality Environment</u>						
<u>Landscape & Open Spaces</u> - there is a need to bring in consultants to supplement the team when large scale unplanned work is required eg planning inquiries		10	10	10	10	10
Reduction in Recreation Grounds and Open Spaces expenditure (Winchester Town)		(20)	(20)	(20)	(20)	(20)
<u>Environmental Services Contract</u>						
Street Cleansing of Winchester High Street - There are an increasing number of complaints regarding the condition of the High Street including representations from the Winchester Bid. The current street cleansing regime only covers sweeping and litter removal. The Growth bid is to cover yearly manual washing of the area to remove staining of the surface. Pressure washing is not possible because of damage to the underlying bedding material.	16	16	16	16	16	16
Litter Picking of Commuter Routes - These routes receive far greater littering than other rural routes so the standard litter picking frequency is inadequate to keep these routes to an acceptable standard. It is proposed to increase the frequency of litter picking and there will also be additional costs from the new traffic management requirements for highway works.	25	25	25	25	25	25
New traffic management (TM) requirements have been brought during the last 12 months which increases the degree of road closures required and therefore contractor costs, for the following roads: A31, A32, & A33.	30	30	30	30	30	30
<u>Income - Review of Fees & Charges</u>						

General Fund Revenue Growth Savings Proposals 2016/17 to 2020/21

	Expenditure Increase / (Reduction) & (Increase) / Reduction					Income
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
	£000	£000	£000	£000	£000	£000
Introduce charging for Historic Environment pre-application advice		(4)	(4)	(4)	(4)	(4)
Planning - Introduce charging for householder and small pre-application advice 20 per month at £70.00 incl VAT (for 2 hours)		(17)	(17)	(17)	(17)	(17)
Planning - Increase pre-application fees for planning advice - average 100 transactions x £30.00 (incl VAT)		(3)	(3)	(3)	(3)	(3)
Increase in Cemetery Fees & Charges (Winchester Town)		(40)	(40)	(40)	(40)	(40)
Private Hire Operator Licence Fees (LR457) - introduction of 5 year licence		7	7	7	7	7
Revenues - Various reductions to Advertising, Stationery, and Postage budgets		(14)	(14)	(14)	(14)	(14)
<u>Efficient & Effective</u>						
Target savings resulting from the Transformation Project. A number of posts are currently being held vacant pending the conclusion of the project and the savings from these vacant posts will meet the savings target in 2016/17		(150)	(250)	(250)	(250)	(250)
Additional 1team Vacancy savings in 2015/16	(85)					
Service Transformation plans	150	150	100			
TOTAL OPTIONAL GROWTH & SAVINGS	136	55	(135)	(235)	(235)	(235)
Optional Growth	221	303	213	113	113	113
Optional Savings	(85)	(248)	(348)	(348)	(348)	(348)
TOTAL	198	613	195	166	205	227
<u>One-off Growth & Savings</u>						
Housing Revenue Account						
Trading Account						
General Fund (Including Winchester Town Account) - Appendix C	85	658	250	150	150	150
TOTAL	85	658	250	150	150	150
<u>Recurring Growth & Savings</u>						
Housing Revenue Account		(4)	(4)	(4)	(4)	(4)
Trading Account	83	44	44	44	44	44
General Fund (Including Winchester Town Account)	30	(86)	(95)	(24)	14	37
TOTAL	113	(45)	(55)	16	55	77
General Fund (Including Winchester Town Account) movement - Appendix C	30	(116)	(9)	71	39	23

Capital Programme 2015/16 to 2020/21

	2015/16			2016/17	2017/18	2018/19	2019/20	2020/21	TOTAL	Comments
	Original Estimate	Adjustments	Revised Estimate	Revised Forecast	Revised Forecast	Revised Forecast	Revised Forecast	Revised Forecast	Forecast	
	£000	£000	£000	£000	£000	£000	£000	£000	£000	
General Fund										
<i>Spending and Committed</i>										
Abbey Mill	-	26	26	-	-	-	-	-	26	
Avalon House	-	19	19	-	-	-	-	-	19	
Broadband for Hampshire	46	-	46	-	-	-	-	-	46	
Capital Grants - Chesil theatre	60	-	60	-	-	-	-	-	60	
Carfax Land Purchase	2,470	(25)	2,445	-	-	-	-	-	2,445	
Car Parks	197	(41)	156	305	122	180	180	180	1,123	Slippage to 2016/17 and revised 2017/18 forecast
Depot	-	61	61	-	-	-	-	-	61	
Disabled Facility Grants	500	205	705	500	500	500	500	500	3,205	
Flood Prevention Works	100	125	225	250	-	-	-	-	475	Supplementary Budget in 2016/17 approved (CAB2751)
Guildhall Heating System	-	27	27	-	-	-	-	-	27	
IMT Property Plant and Equipment	181	4	185	160	193	122	130	116	906	
IMT Intangible Assets	-	64	64	-	-	30	-	-	94	
Magdalen Hill Cemetery - Extension	135	105	240	-	-	-	-	-	240	
Meadowside Car Park Lighting	-	24	24	-	-	-	-	-	24	
Old Chesil Rectory	30	4	34	-	-	-	-	-	34	
Open Spaces and Recreation Facilities	-	120	120	-	-	-	-	-	120	
Repair and Renew Grants	-	172	172	-	-	-	-	-	172	
River Itchen Maintenance	-	133	133	-	-	-	-	-	133	
St Clement's Surgery	3,000	(2,970)	30	3,645	601	-	-	-	4,276	Supplementary budget approved (CAB2709)
Wickham Toilet Works	-	32	32	-	-	-	-	-	32	
Winchester Cathedral Roof	25	-	25	25	-	-	-	-	50	
Total Spending and Committed	6,744	(1,915)	4,829	4,885	1,416	832	810	796	13,568	
<i>Approved* - Not Committed</i>										
Abbey Gardens - environmental improvements	-	25	25	-	-	-	-	-	25	
Enterprise Centre managed workspace	1,000	(1,000)	-	-	-	-	-	-	0	
Matley's Yard	500	(500)	-	-	-	-	-	-	0	
New Streetcare/Pest Control Depot	200	(200)	-	-	-	-	-	-	0	
Enterprise, Matley's Yard, Streetcare Depot	-	345	345	1,945	-	-	-	-	2,290	Supplementary budget approved (CAB2750)
Hampshire Community Bank	-	63	63	125	62	-	-	-	250	Budget slipped to reflect proposed payments in tranches
Total Approved* - Not Committed	1,700	(1,267)	433	2,070	62	-	-	-	2,565	

Capital Programme 2015/16 to 2020/21

	2015/16			2016/17	2017/18	2018/19	2019/20	2020/21	TOTAL	Comments
	Original Estimate	Adjustments	Revised Estimate	Revised Forecast	Revised Forecast	Revised Forecast	Revised Forecast	Revised Forecast	Forecast	
	£000	£000	£000	£000	£000	£000	£000	£000	£000	
<i>Programmed But Not Yet Approved*</i>										
2-3 Bridge St	100	-	100	-	-	-	-	-	100	
153 High Street	-	-	-	-	400	-	-	-	400	Supplementary approved (CAB2706)
Abbey House	-	59	59	40	51	50	50	-	250	
Abbey Mill - hydro	149	(139)	10	139	-	-	-	-	149	
Asset Management Plan	30	(7)	23	300	149	150	150	200	972	To reflect updated Asset Management Plan requirements
Casson Block	-	-	-	150	-	-	-	-	150	
Changing Pavilions (Town A/C)	457	(457)	-	700	-	-	-	-	700	Increased budget to provide a new facility at North Walls
Chesil Multi Storey car park	200	(50)	150	250	200	200	200	-	1,000	
City Offices & Annexe Works	170	(170)	-	350	290	-	-	-	640	Delayed to 2016/17 and updated forecast of minimum works required
Cycle Café - Capital Grant	-	-	-	50	-	-	-	-	50	Contribution towards provision of a café on the Viaduct Way
Market Lane Toilet Works	44	(44)	-	44	-	-	-	-	44	
Property Acquisition & Development	-	-	-	4,000	-	-	-	-	4,000	To be carried forward to 2016/17
Purchase of Garrison Ground	-	-	-	300	-	-	-	-	300	Purchase for playing field use
Redevelopment of Old Bar End Depot Site	2,500	(2,400)	100	2,400	2,500	-	-	-	5,000	
River Park Leisure Centre - Essential Repairs	4,190	(4,190)	-	-	-	-	-	-	0	To provide enhanced facilities incl. new reception and café, extended learner pool and fitness
River Park Leisure Centre - Refurbishment	-	-	-	1,510	4,500	-	-	-	6,010	
South Winchester Coach Park	-	-	-	200	-	-	-	-	200	Coach parking to serve the southern part of the town
Station Approach - Carfax	1,000	(1,000)	-	1,000	14,000	14,000	-	-	29,000	
Station Approach - Cattlemarket	-	-	-	-	-	1,000	4,500	4,500	10,000	
Station Approach - Public Realm Works	-	-	-	-	2,500	2,500	-	-	5,000	Reflects bid to Local Enterprise Partnership to support public realm works
Surface Car Park at Friarsgate	-	-	-	800	-	-	-	-	800	Includes demolition of existing car park
Winchester Town Access Plan	-	-	-	-	-	-	-	-	0	Virement to Casson Block (CAB2712)
Total Programmed But Not Yet Approved*	8,840	(8,398)	442	12,233	24,590	17,900	4,900	4,700	64,765	
Total General Fund	17,284	(11,580)	5,704	19,188	26,068	18,732	5,710	5,496	80,898	

Capital Programme 2015/16 to 2020/21

	2015/16			2016/17	2017/18	2018/19	2019/20	2020/21	TOTAL	Comments
	Original Estimate	Adjustments	Revised Estimate	Revised Forecast	Revised Forecast	Revised Forecast	Revised Forecast	Revised Forecast	Forecast	
	£000	£000	£000	£000	£000	£000	£000	£000	£000	
Housing Revenue Account										
Major repairs	7,979	(2,379)	5,600	7,599	6,522	6,699	6,882	7,053	40,355	Full details in CAB2761(HSG)
New Build	13,037	(5,209)	7,828	19,879	9,862	5,760	5,970	6,149	55,448	
Improvements and Loft Conversions	1,193	136	1,329	780	350	350	350	350	3,509	
Disabled Adaptations	731	-	731	770	792	814	840	860	4,807	
Other Capital Spend	136	14	150	108	111	114	117	120	720	
Total Housing Revenue Account	23,076	(7,438)	15,638	29,136	17,637	13,737	14,159	14,532	104,839	
Grand Total	40,360	(19,018)	21,342	48,324	43,705	32,469	19,869	20,028	185,737	

Note: bold denotes a project where the budget and/or forecast timing has been revised since CAB2732 General Fund Medium Term Financial Strategy approved in October 2015; grey highlight denotes a new project.

* Under the Council's Financial Procedure Rule 6.4, the inclusion of a scheme in the capital programme does not constitute authority to incur the expenditure. Such authority is obtained subject to the various conditions and limits as set out in the Constitution.

Capital Programme 2015/16 to 2020/21

Other Potential Projects

City Offices - new build/refurbishment	The City offices are in a poor state of repair and need major refurbishment if they are to continue to serve their purpose. Officers will be drawing up a business case for either a major refurbishment or a new build on the current site. This will be reported to Members in early summer 2016.
Community Football Facility	Improvements to Football Ground, club house, and changing rooms to provide wider community benefit as part of the Abbots Barton development/Hillier Way New Build programmes.
North Winchester Community Facilities	Investment is required in community facilities in the North of Winchester to address a perceived lack of provision. Analysis is being undertaken to understand the true need for facilities and to assess what options might be feasible.
Open Spaces - play areas	There are several open spaces projects without identified funding due to insufficient funding available (CAB2666 (Revised) refers). Alternative funding sources are currently being identified.
RPLC - new build	The Council is considering whether a replacement leisure centre is an affordable and feasible option to pursue, in order to provide facilities that would cater for the sporting needs of the Winchester District for the next 40 years. Current estimates are that this would be in the region of £26m and the Council is exploring potential funding options including working with partners.
Rural Enterprise Centre	This is a possible future project to provide an enterprise centre in one of the market towns to provide small units for rent for start up businesses. No sites have at this stage been identified.
Silver Hill	Further capital requirements may arise in relation to the Silver Hill area.
Solar City Project	The Town Forum's Solar City project seeks to encourage owners of non-residential buildings in the Town area to install solar photovoltaics on their roofs (WTF218 refers). Initial approaches are currently being made to building owners, and a range of funding models explored. Some of the Council's own buildings are being considered too. The intention would be to increase Winchester's contribution to renewable energy targets and to provide a payback for the Council.
Winchester Town Access Plan	This expenditure will be in the form of a contribution towards the delivery of enhancements to St Georges Street as part of a wider Traffic Management Scheme to be delivered by the County Council. It is not anticipated that this will be required until Silver Hill has been determined and completed in around 2 years time when it will be considered again.

Revenue Consequences of General Fund Capital Programme 2015/16 to 2020/21

Notes:

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

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

* Under the Council's Financial Procedure Rule 6.4, the inclusion of a scheme in the capital programme does not constitute authority to incur the expenditure. Such authority is obtained subject to the various conditions and limits as set out in the Constitution.

GENERAL FUND	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
	£000	£000	£000	£000	£000	£000	£000
Spending and committed							
Income	(33)	(36)	(362)	(290)	(290)	(290)	(290)
Expenditure	96	49	(3)	(11)	(11)	(8)	(11)
Net Cost of services	63	13	(365)	(301)	(301)	(298)	(301)
Financing & Investment Income & Expenditure							
Rental Income	-	-	-	-	-	-	-
Interest payable	-	144	142	141	139	137	135
(Surplus)/ deficit on Provision of Services	63	157	(223)	(160)	(162)	(161)	(166)
Adjustments between accounting basis and funding basis under regulations							
Minimum Revenue Provision	-	-	-	103	103	103	103
Revenue Contribution to Capital	-	-	150	-	-	-	-
(Surplus)/Deficit - spending and committed	63	157	(73)	(57)	(59)	(58)	(63)
Approved* - not committed							
Income	-	(53)	(91)	(91)	(91)	(91)	(91)
Expenditure	-	(31)	(67)	(67)	(67)	(66)	(67)
Net Cost of services	-	(84)	(158)	(158)	(158)	(157)	(158)
Financing & Investment Income & Expenditure							
Rental Income	-	-	-	-	-	-	-
Interest payable	-	51	50	49	49	48	47
(Surplus)/ deficit on Provision of Services	-	(33)	(108)	(109)	(109)	(109)	(111)
Adjustments between accounting basis and funding basis under regulations							
Minimum Revenue Provision	-	-	36	36	36	36	36
Revenue Contribution to Capital	-	-	-	-	-	-	-
(Surplus)/Deficit - approved* not committed	-	(33)	(72)	(73)	(73)	(73)	(75)
Programmed but not yet approved*							
Income	-	(23)	120	5	(290)	(290)	(290)
Expenditure	219	656	1,052	153	(8)	(8)	(22)
Net Cost of services	219	633	1,172	158	(298)	(298)	(312)
Financing & Investment Income & Expenditure							
Rental Income	-	-	(165)	(709)	(2,164)	(2,164)	(3,657)
Interest payable	-	87	454	937	1,118	1,261	1,243
(Surplus)/ deficit on Provision of Services	219	720	1,461	386	(1,344)	(1,201)	(2,726)
Adjustments between accounting basis and funding basis under regulations							
Minimum Revenue Provision	-	-	69	235	718	718	968
Revenue Contribution to Capital	-	-	-	-	-	-	-
(Surplus)/Deficit - programmed but not yet approved*	219	720	1,530	621	(626)	(483)	(1,758)
TOTAL (SURPLUS)/DEFICIT	282	844	1,385	491	(758)	(614)	(1,896)

Impact on (Surplus)/Deficit by project (nil impact excluded)	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
	£000	£000	£000	£000	£000	£000	£001
Spending and committed							
Carfax Land purchase	(28)	(49)	-	-	-	-	-
Car Parks	-	(16)	(29)	(29)	(29)	(26)	(29)
Magdalen Cemetery	-	27	27	27	27	27	27
St Clement's Surgery	91	195	(71)	(55)	(57)	(59)	(61)
(Surplus)/Deficit - spending and committed	63	157	(73)	(57)	(59)	(58)	(63)
Approved* - not committed							
Enterprise, Matley's Yard, Streetcare Depot	-	(33)	(72)	(73)	(73)	(73)	(75)
(Surplus)/Deficit - approved* not committed	-	(33)	(72)	(73)	(73)	(73)	(75)
Programmed but not yet approved*							
Casson Block	10	-	-	-	-	-	-
City Offices and Annexe Works	-	44	14	14	14	14	-
Redevelopment of Old Bar End Depot Site	-	87	172	(224)	(227)	(231)	(235)
River Park Leisure Centre - Refurbishment	-	345	1,034	-	-	-	-
South Winchester Coach Park	-	25	(8)	(8)	(8)	(8)	(8)
Station Approach - Carfax	209	231	370	741	(586)	(594)	(603)
Station Approach - Cattlemarket	-	-	-	150	233	388	(860)
Surface Car Park at Friarsgate	-	(12)	(52)	(52)	(52)	(52)	(52)
(Surplus)/Deficit - programmed but not yet approved*	219	720	1,530	621	(626)	(483)	(1,758)
TOTAL (SURPLUS)/DEFICIT	282	844	1,385	491	(758)	(614)	(1,896)

Capital Programme Financing 2015/16 to 2020/21

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	Total
	£000	£000	£000	£000	£000	£000	£000
General Fund							
<i>Externally Funded</i>							
Government Grants	445	445	445	445	445	445	2,670
External Contributions							
Non governmental grants	247	200	2,500	2,500	0	0	5,447
Open Space Fund	120	423	0	0	0	0	543
Total Externally Funded	812	1,068	2,945	2,945	445	445	8,660
<i>Earmarked Reserves</i>							
Car Parks Property	306	755	322	380	380	180	2,323
Information, Management, and Technology	138	160	193	122	130	116	859
Major Investment Reserve	3,028	25	720	30	0	0	3,803
Property - Asset Management Reserve	281	958	890	200	200	200	2,729
Winchester Town	30	77	0	0	0	0	107
Total Earmarked Reserves	3,783	1,975	2,125	732	710	496	9,821
<i>Capital Receipts</i>	724	4,565	11,387	55	55	55	16,841
<i>Revenue Contribution to Capital</i>	0	0	150	0	0	0	150
<i>Capital Financing Requirement</i>	385	11,580	9,461	15,000	4,500	4,500	45,426
Total General Fund	5,704	19,188	26,068	18,732	5,710	5,496	80,898
Housing							
Capital Grants and Contributions	2,462	1,602	1,658	50	0	250	6,022
Harris Bequest	605	0	0	0	0	0	605
Major Repairs Reserve	5,440	6,150	6,430	6,665	6,830	6,999	38,514
Capital Receipts	1,152	2,063	1,618	947	775	825	7,380
Revenue Contribution to Capital	5,348	9,792	7,931	6,075	5,104	6,458	40,708
<i>Capital Financing Requirement</i>	631	9,529	0	0	1,450	0	11,610
Total Housing Revenue Account	15,638	29,136	17,637	13,737	14,159	14,532	104,839
Total Financing of Capital Programme	21,342	48,324	43,705	32,469	19,869	20,028	185,737

General Fund Usable Reserves Forecasts - General Fund Balances

	Bal. @ 01/04/2015	2015/16 FORECAST Closing Bal.	2016/17 FORECAST Closing Bal.	2017/18 FORECAST Closing Bal.	2018/19 FORECAST Closing Bal.	2019/20 FORECAST Closing Bal.	2020/21 FORECAST Closing Bal.
	£000	£000	£000	£000	£000	£000	£000
Building Control							
Business Rates Retention	(1,000)	(3,840)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)
Car Parks Property	(1,178)	(1,214)	(719)	(739)	(759)	(779)	(999)
Community Grants	(11)	(11)	(11)	(11)	(11)	(11)	(11)
Developer Contributions	(6)	(406)	(906)	(906)	(906)	(906)	(906)
Flood Support Schemes	(105)	(85)					
Homelessness Gold Standard	(1,006)						
Homelessness Prevention	(484)	(432)	(373)	(311)	(311)	(311)	(311)
Income Equalisation	(244)						
Information Management and Technology	(215)	(188)	(139)	(57)	(46)	(27)	(22)
Insurance	(40)	(40)	(40)	(40)	(40)	(40)	(40)
Local Development Framework (LDF)	(173)	(101)					
Local Elections	(30)	(30)		(70)	(58)	(46)	(34)
Municipal Mutual Insurance	(157)	(157)	(94)	(94)	(94)	(94)	(94)
Museums Acquisitions	(8)	(8)	(8)	(8)	(8)	(8)	(8)
Museums Publications	(38)						
Organisational Development	(432)	(1,389)	(1,089)	(839)	(689)	(539)	(389)
Planning Deposits (Interest)	(91)	(91)	(91)	(91)	(91)	(91)	(91)
Property - Asset Management Plans	(1,938)	(2,677)	(1,178)	(473)	(458)	(443)	(428)
Winchester Town Reserve	(298)	(269)	(164)	(160)	(120)	(68)	(6)
Total General Fund Earmarked Reserves *	(7,454)	(10,937)	(5,812)	(4,799)	(4,591)	(4,364)	(4,339)
General Fund Balance	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)

* Major Investment Reserve is shown in Appendix H part 2

General Fund Usables reserves forecasts - Major Investment Reserve and Usable Capital Receipts Reserve

<u>MAJOR INVESTMENT RESERVE</u>	2015/16 FORECAST £000	2016/17 FORECAST £000	2017/18 FORECAST £000	2018/19 FORECAST £000	2019/20 FORECAST £000	2020/21 FORECAST £000
Opening Balance	(9,057)	(3,500)	(2,878)	(674)	(930)	(766)
Transfers (to)	(255)	(777)	(92)	(600)		(356)
REVENUE Transfers from	2,784	1,375	1,576	314	164	164
CAPITAL Transfers from	3,028	25	720	30		
Forecast Closing Balance	(3,500)	(2,878)	(674)	(930)	(766)	(958)
(Surplus) / Deficit - Appendix C			368	1,342	1,094	1,067
Forecast Closing Balance *			(306)	780	2,038	2,912

* A highlighted debit balance means there are insufficient reserve balances and therefore savings will need to be identified for future years.

<u>CAPITAL RECEIPTS RESERVE - General Fund</u>	2015/16 FORECAST £000	2016/17 FORECAST £000	2017/18 FORECAST £000	2018/19 FORECAST £000	2019/20 FORECAST £000	2020/21 FORECAST £000
Opening Balance	(2,766)	(6,656)	(3,400)	(1,006)	(1,267)	(1,531)
Forecast Receipts	(4,614)	(1,309)	(8,993)	(316)	(319)	(322)
Forecast Utilisation	724	4,565	11,387	55	55	55
Forecast Closing Balance	(6,656)	(3,400)	(1,006)	(1,267)	(1,531)	(1,798)

Collection Fund Statement

	2015/16 Original Budget			2015/16 Estimate at Dec. 2015			2016/17 forecast		
	Business	Council	Total	Business	Council	Total	Business	Council	Total
	Rates	Tax		Rates	Tax		Rates	Tax	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Income									
Income receivable	(57,853)	(67,799)	(125,652)	(56,353)	(68,272)	(124,625)	(58,835)	(70,679)	(129,514)
Expenditure									
<i>Precepts and Shares (see note 1)</i>									
Central Government	28,352		28,352	28,352		28,352	28,406		28,406
Hampshire County Council	5,103	48,210	53,313	5,103	48,210	53,313	5,113	50,548	55,661
General Fund (WCC)	22,682	9,084	31,766	22,682	9,084	31,766	22,725	9,483	32,208
Fire	567	2,851	3,418	567	2,851	3,418	568	2,932	3,500
Police		7,308	7,308		7,308	7,308		7,515	7,515
<i>Distribution of previous years surplus</i>									
Central Government	2,033		2,033	2,033		2,033	(3,271)		(3,271)
Hampshire County Council	366	646	1,012	366	646	1,012	(589)	711	122
General Fund (WCC)	1,626	120	1,746	1,627	60	1,687	(2,617)	134	(2,483)
Fire	41	38	79	41	38	79	(66)	42	(24)
Police		96	96		96	96		108	108
<i>Charges to Collection Fund</i>									
Less write offs of uncollectable amount:									
Allowance for impairment	289	160	449	97	15	112	75	50	425
Release of Provision				150	150	300	150	150	
Provision for Appeals	531		531	(1,113)		(1,113)	1,314		1,314
Cost of Collection	198		198	2,580		2,580			
Renewable Energy	130		130	198		198	199		199
Interest				294		294	285		285
Total Expenditure	61,918	68,513	130,431	62,977	68,458	131,435	52,292	71,673	123,965
(Surplus) / deficit for year	4,065	714	4,779	6,624	186	6,810	(6,543)	994	(5,549)
(Surplus) / deficit for year brought forward	(4,065)	(714)	(4,779)	(81)	(1,180)	(1,261)	6,543	(994)	5,549
(Surplus) / deficit carried forward	0	0	0	6,543	(994)	5,549	0	0	0

WINCHESTER TOWN ACCOUNT - Financial Projections (Based on a precept increase of £2.12)

	2014/15	2015/16	2015/16	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021
	Outturn	Original Budget	Working Budget	Forecast	Forecast	Forecast	Forecast	Forecast
	£	£	£	£	£	£	£	£
Cost of Services								
Recurring Budgets:								
Allotments	(1,684)	(1,646)	(1,646)	(1,646)	(1,646)	(1,646)	(1,646)	(1,646)
Bus Shelter Cleaning / Maintenance / New Provision	9,060	7,600	7,600	7,600	7,600	7,600	7,600	7,600
Cemeteries	26,905	29,376	30,596	61,257	63,463	65,727	68,051	70,436
Christmas Lights	9,068	10,549	10,480	10,549	10,796	11,051	11,313	11,583
Community Speed Watch	0	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Community Wardens (Contribution)	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000
Footway Lighting	23,115	28,964	28,760	29,008	29,423	29,859	30,316	30,796
Grants	59,522	60,000	60,455	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	2,000
Grit Bins	309	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Maintenance Work to Council Owned Bridges	0	5,500	10,500	5,500	5,500	5,500	5,500	5,500
Night Bus Contribution	13,408	13,390	13,390	13,792	14,205	14,632	15,071	15,523
Public Conveniences (Contribution)	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Recreation Grounds & Open Spaces	598,170	616,324	604,544	591,023	598,567	606,283	614,175	622,248
Theatre Royal (Contribution)	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Town Forum Support	4,798	4,798	4,798	4,798	4,798	4,798	4,798	4,798
<u>Recurring Budget Proposals</u>								
Cemeteries Income				(40,000)	(40,000)	(40,000)	(40,000)	(40,000)
Total Recurring Budgets	859,671	893,856	888,477	860,881	871,708	882,804	894,178	905,838
One-off Budgets:								
20mph Speed Limit	3,390	0	0					
Neighbourhood Plans	0	0	7,000					
St Maurice's Covert		10,000	0	40,000				
Historic Environment Projects Officer	19,064	17,236	20,672	17,236				
Cycle Café		1,000	1,000					
Solar PV Study		7,500	0	7,500				
Roger Brown Model				5,000				
Total One-off Budgets	22,454	35,736	28,672	69,736				
Total Cost of Services	882,125	929,592	917,149	930,617	871,708	882,804	894,178	905,838
Taxation and Non-specific grant income								
Council Tax Income	(795,261)	(807,299)	(807,299)	(842,607)	(842,607)	(842,607)	(842,607)	(842,607)
Council Tax Support	(68,943)	(55,154)	(55,154)	(31,989)	(12,134)	0	0	0
Council Tax Freeze (prior to 2016/17)	(37,580)	(44,596)	(44,596)	(25,866)	(9,811)	0	0	0
Interest on Balances	(1,758)	(1,487)	(2,601)	(2,155)	(3,210)	(2,801)	(1,883)	(735)
Total Taxation and Non-specific grant income	(903,542)	(916,609)	(917,723)	(902,617)	(867,762)	(842,607)	(842,607)	(843,342)
Transfers to/(from) Earmarked reserves								
(Surplus added to Reserves) / Deficit taken from Reserves	(21,417)	12,983	(575)	28,000	3,946	40,197	51,571	62,497
Capital Expenditure funded by Town Reserve		77,000	30,000	77,000				
Opening Reserve Balance (at 1st April)	(277,086)	(197,583)	(298,503)	(269,077)	(164,078)	(160,132)	(119,934)	(68,363)
Closing Reserve Balance (carried forward)	(298,503)	(107,600)	(269,077)	(164,078)	(160,132)	(119,934)	(68,363)	(5,866)
Closing Reserves forecast as % of net expenditure (Target = 10%)	34%	12%	29%	18%	18%	14%	8%	1%
TAX								
Tax at Band D	£61.32		£61.19	£63.31	£63.31	£63.31	£63.31	£63.31
Increase over previous year (£)	£0.00		£0.00	£2.12	£0.00	£0.00	£0.00	£0.00
Recurring Expenditure				860,881	871,708	882,804	894,178	905,838
Less: Income				(902,617)	(867,762)	(842,607)	(842,607)	(843,342)
(Surplus) / Deficit				(41,736)	3,946	40,197	51,571	62,497

DISTRICT, TOWN & PARISH COUNCIL PRECEPTS

	2015/16				2016/17				Council Tax Increase
	Tax Base	CTS Grant £	Precepts £	Council Tax Band D (£)	Tax Base	CTS Grant £	Precepts £	Council Tax Band D (£)	
BILLING AUTHORITY									
WINCHESTER	46,450.38	0	5,865,289	126.27	46,835.09	0	6,119,005	130.65	3.47%
SPECIAL AREAS									
(BILLING AUTHORITY)									
WINCHESTER TOWN	13,193.31	55,154	807,299	61.19	13,309.22	31,989	842,607	63.31	3.47%
PARISHES									
BADGER FARM	964.85	1,189	35,750	37.05	963.20	1,337	40,633	42.19	13.87%
BEAUWORTH	57.55	0	0	0.00	56.85	0	0	0.00	0.00%
BIGHTON	164.93	154	3,696	22.41	173.69	157	3,693	21.26	(5.13%)
BISHOPS SUTTON	205.39	209	4,800	23.37	209.00	200	4,808	23.01	(1.54%)
BISHOPS WALTHAM	2,572.73	26,219	320,337	124.51	2,594.29	27,274	326,163	125.72	0.97%
BOARHUNT	256.87	432	15,568	60.61	260.87	565	17,435	66.84	10.28%
BRAMDEAN & HINTON AMPNER	211.54	354	6,646	31.42	212.08	361	6,889	32.48	3.37%
CHERITON	321.95	422	9,578	29.75	325.14	411	10,089	31.03	4.30%
CHILCOMB	57.82	0	0	0.00	58.63	0	0	0.00	0.00%
COLDEN COMMON	1,523.04	9,171	138,827	91.15	1,527.83	8,961	147,685	96.66	6.04%
COMPTON & SHAWFORD	846.40	500	26,670	31.51	847.32	428	26,742	31.56	0.16%
CORHAMPTON & MEONSTOKE	370.64	751	12,749	34.40	377.21	954	14,102	37.39	8.69%
CRAWLEY	218.45	402	13,098	59.96	222.23	366	14,134	63.60	6.07%
CURDRIDGE	633.88	957	29,750	46.93	635.21	1,218	30,981	48.77	3.92%
DENMEAD	2,826.61	26,124	326,424	115.48	2,816.84	25,664	345,186	122.54	6.11%
DROXFORD	322.70	777	17,500	54.23	332.28	918	18,582	55.92	3.12%
DURLEY	458.01	1,091	17,409	38.01	457.77	1,070	18,930	41.35	8.79%
EXTON	135.55	14	0	0.00	136.45	0	0	0.00	0.00%
HAMBLEDON	512.35	722	13,278	25.92	509.48	709	13,291	26.09	0.66%
HEADBOURNE WORTHY	244.66	112	5,546	22.67	244.09	125	5,982	24.51	8.12%
HURSLEY	439.62	898	18,102	41.18	440.98	735	18,265	41.42	0.58%
ITCHEN STOKE & OVINGTON	128.20	35	2,715	21.18	126.52	34	3,016	23.84	12.56%
ITCHEN VALLEY	722.50	677	23,300	32.25	722.18	821	26,121	36.17	12.16%
KILMESTON	133.99	175	3,600	26.87	134.74	161	4,239	31.46	17.08%
KINGS WORTHY	1,809.54	7,950	110,059	60.82	1,830.34	7,694	110,309	60.27	(0.90%)
LITTLETON & HARESTOCK	1,460.58	3,712	79,437	54.39	1,483.57	3,298	88,166	59.43	9.27%
MICHELDEVER	658.19	2,281	42,719	64.90	655.75	1,973	44,027	67.14	3.45%
NEW ALRESFORD	2,169.97	19,775	255,225	117.62	2,200.20	18,540	262,854	119.47	1.57%
NORTHINGTON	128.61	69	3,831	29.79	128.69	74	3,826	29.73	(0.20%)
OLD ALRESFORD	252.91	622	12,230	48.36	249.02	658	13,495	54.19	12.06%
OLIVERS BATTERY	744.38	523	24,777	33.29	751.63	371	24,929	33.17	(0.36%)
OTTERBOURNE	700.77	951	33,122	47.27	697.64	887	34,296	49.16	4.00%
OWSLEBURY	382.95	1,212	21,800	56.93	382.66	1,075	21,800	56.97	0.07%
SHEDFIELD	1,600.84	4,243	75,783	47.34	1,623.84	3,881	75,745	46.65	(1.46%)
SOBERTON	810.71	821	27,556	33.99	816.15	783	30,750	37.68	10.86%
SOUTH WONSTON	1,189.80	1,332	95,862	80.57	1,191.02	1,666	96,499	81.02	0.56%
SOUTHWICK & WIDLEY	319.59	1,600	15,870	49.66	351.53	2,375	15,260	43.41	(12.59%)
SPARSHOLT	295.38	821	15,225	51.54	302.69	822	15,606	51.56	0.04%
SWANMORE	1,260.12	10,325	162,535	128.98	1,288.97	10,079	173,991	134.98	4.65%
TICHBORNE	109.22	357	4,339	39.73	108.16	456	4,297	39.73	0.00%
TWYFORD	718.45	3,342	55,658	77.47	734.83	2,898	71,102	96.76	24.90%
UPHAM	323.24	571	18,429	57.01	325.62	483	19,517	59.94	5.14%
WARNFORD	106.94	60	890	8.32	106.49	51	949	8.91	7.09%
WEST MEON	377.95	1,532	29,269	77.44	380.63	2,148	27,852	73.17	(5.51%)
WHITELEY	1,280.71	4,405	113,920	88.95	1,287.60	3,779	117,117	90.96	2.26%
WICKHAM	1,643.07	15,080	133,687	81.36	1,651.01	15,090	137,852	83.50	2.63%
WONSTON	582.92	2,744	33,848	58.07	592.95	2,540	34,052	57.43	(1.10%)
TOTAL/AVERAGE	46,450.38	210,866	3,218,716	69.29	46,835.09	186,078	3,363,865	71.82	3.65%
PARISH TOTAL	33,257.07	155,712	2,411,417	72.51	33,525.87	154,089	2,521,258	75.20	
WINCHESTER TOWN	13,193.31	55,154	807,299	61.19	13,309.22	31,989	842,607	63.31	
TOTAL	46,450.38	210,866	3,218,716	69.29	46,835.09	186,078	3,363,865	71.82	

General Fund Original Budget Estimates 2016/17

General Fund Cost of Services by Team

Team	Subjective Group	2016/17 Original Estimate £000
AD Built Environment	Employees	81
	Transport	5
	Supplies & Services	19
	Third Party Payments	49
	Support Services	(134)
AD Built Environment Total		20
AD Economy & Communities	Employees	107
	Transport	4
	Supplies & Services	46
	Third Party Payments	131
	Support Services	(271)
AD Economy & Communities Total		17
Building Control	Employees	446
	Transport	47
	Supplies & Services	73
	Support Services	189
	External Income	(560)
Building Control Total		196
Business Management	Employees	941
	Premises	1
	Transport	21
	Supplies & Services	96
	Third Party Payments	3
	Support Services	(879)
External Income	(401)	
Business Management Total		(218)
Community Grants	Employees	22
	Premises	1
	Transport	6
	Supplies & Services	17
	Third Party Payments	760
	Support Services	(172)
Community Grants Total		635
Community Safety	Employees	228
	Transport	25
	Supplies & Services	5
	Third Party Payments	
	Support Services	31
External Income		
Community Safety Total		289
Corporate Communications	Employees	244
	Transport	6
	Supplies & Services	181
	Third Party Payments	
	Support Services	(483)
	External Income	(7)
Corporate Communications Total		(59)
Corporate Management Team	Employees	393
	Premises	4
	Transport	25
	Supplies & Services	29
	Third Party Payments	

General Fund Original Budget Estimates 2016/17

Team	Subjective Group	2016/17 Original Estimate £000
	Support Services	252
Corporate Management Team Total		703
Development Management	Employees	1,358
	Premises	11
	Transport	126
	Supplies & Services	148
	Third Party Payments	10
	Depreciation & Impairment Losses	7
	Support Services	1,525
	External Income	(1,467)
Development Management Total		1,718
Economy & Arts	Employees	197
	Premises	5
	Transport	16
	Supplies & Services	101
	Third Party Payments	72
	Support Services	65
	External Income	(55)
Economy & Arts Total		402
Engineering Traffic & Transport	Employees	259
	Premises	7
	Transport	31
	Supplies & Services	46
	Third Party Payments	265
	Depreciation & Impairment Losses	48
	Support Services	54
	External Income	(232)
Engineering Traffic & Transport Total		477
Environment	Employees	783
	Premises	9
	Transport	102
	Supplies & Services	131
	Third Party Payments	32
	Depreciation & Impairment Losses	8
	Support Services	298
	External Income	(355)
Environment Total		1,008
Estates	Employees	690
	Premises	1,881
	Transport	38
	Supplies & Services	1,035
	Third Party Payments	16
	Depreciation & Impairment Losses	377
	Support Services	(1,788)
	External Income	(940)
Estates Total		1,309
Corporate (Past Service pension contributions etc.)	Employees	923
	Premises	6
	Supplies & Services	116
	Third Party Payments	111
	Support Services	912
Corporate Total		2,068
Financial Services	Employees	754
	Transport	22

General Fund Original Budget Estimates 2016/17

Team	Subjective Group	2016/17 Original Estimate £000
	Supplies & Services	264
	Support Services	(876)
	External Income	(16)
Financial Services Total		148
Health and Wellbeing	Employees	126
	Premises	1
	Transport	8
	Supplies & Services	3
	Third Party Payments	15
	Support Services	15
Health and Wellbeing Total		167
Historic Environment	Employees	182
	Premises	
	Transport	17
	Supplies & Services	42
	Support Services	(179)
	External Income	(12)
Historic Environment Total		51
Housing Services General Fund	Employees	586
	Transport	53
	Supplies & Services	116
	Third Party Payments	101
	Support Services	164
	External Income	(100)
Housing Services General Fund Total		920
IMT Services	Employees	612
	Premises	10
	Transport	18
	Supplies & Services	921
	Third Party Payments	87
	Depreciation & Impairment Losses	299
	Support Services	(1,265)
	External Income	(37)
IMT Services Total		644
Joint Environment Services	Employees	58
	Premises	73
	Transport	14
	Supplies & Services	87
	Third Party Payments	3,171
	Depreciation & Impairment Losses	408
	Support Services	53
	External Income	(429)
Joint Environment Services Total		3,435
Landscape & Open Spaces	Employees	355
	Premises	869
	Transport	43
	Supplies & Services	70
	Third Party Payments	95
	Depreciation & Impairment Losses	165
	Support Services	257
	External Income	(338)
Landscape & Open Spaces Total		1,516
Legal and Democratic Services	Employees	962
	Premises	86

General Fund Original Budget Estimates 2016/17

Team	Subjective Group	2016/17 Original Estimate £000
	Transport	83
	Supplies & Services	674
	Third Party Payments	21
	Depreciation & Impairment Losses	32
	Support Services	(46)
	External Income	(18)
Legal and Democratic Services Total		1,795
Museums	Premises	22
	Transport	5
	Supplies & Services	19
	Third Party Payments	460
	Depreciation & Impairment Losses	41
	Support Services	68
	External Income	(13)
Museums Total		602
New Homes Delivery	Employees	427
	Transport	31
	Supplies & Services	7
	Third Party Payments	3
	Support Services	(168)
	External Income	(68)
New Homes Delivery Total		232
Organisational Development	Employees	746
	Premises	63
	Transport	24
	Supplies & Services	180
	Support Services	(582)
	External Income	(29)
Organisational Development Total		402
Parking	Employees	750
	Premises	1,315
	Transport	(319)
	Supplies & Services	575
	Third Party Payments	883
	Depreciation & Impairment Losses	267
	Support Services	407
	External Income	(6,335)
Parking Total		(2,456)
Policy and Major Projects	Employees	352
	Transport	16
	Supplies & Services	312
	Third Party Payments	
	Support Services	(118)
Policy and Major Projects Total		562
Revenues	Employees	1,238
	Transport	31
	Supplies & Services	161
	Transfer payments	28,386
	Support Services	510
	External Income	(29,064)
Revenues Total		1,263
Sport & Physical Activity	Employees	133
	Premises	22
	Transport	10

General Fund Original Budget Estimates 2016/17

Team	Subjective Group	2016/17 Original Estimate £000
	Supplies & Services	34
	Third Party Payments	65
	Depreciation & Impairment Losses	751
	Support Services	98
	External Income	(10)
Sport & Physical Activity Total		1,104
Strategic Planning	Employees	222
	Premises	1
	Transport	23
	Supplies & Services	171
	Support Services	(65)
Strategic Planning Total		351
Streetcare & Drainage	Employees	291
	Premises	40
	Transport	60
	Supplies & Services	125
	Depreciation & Impairment Losses	1
	Support Services	(514)
	External Income	(2)
Streetcare & Drainage Total		
Tourism	Employees	229
	Premises	1
	Transport	9
	Supplies & Services	114
	Depreciation & Impairment Losses	4
	Support Services	121
	External Income	(124)
Tourism Total		353
Grand Total		19,652

Trading Account (Guildhall)

	Subjective Group	2016/17 Original Estimate £000
	Employees	549
	Premises	279
	Transport	8
	Supplies & Services	464
	Depreciation & Impairment Losses	183
	Support Services	5
	External income	(942)
	Internal Charges	(147)
	TOTAL	401