

WINCHESTER TOWN FORUM

6 January, 2005

WINCHESTER TOWN BUDGET 2005/06

REPORT OF THE DIRECTOR OF FINANCE

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RECENT REFERENCES:

CAB883	Financial Strategy 2005/06 to 2009/10	Cabinet, 27 July 2004
CAB924	Revenue Budget 2005/06	Cabinet, 13 October 2004
CAB951	Corporate Strategy 2005/08	Cabinet, 13 October 2004
CAB961	Revenue Budgets 2005/06	Cabinet, 15 December 2004
CEN76	CSS Budget 2005/06	Central Services PIC, 2 December 2004

EXECUTIVE SUMMARY:

This report provides a summary of the Winchester Town base budgets and services for this year and next.

Options for the tax level and reserve balance are also considered.

A commentary is made on the potential funding for open space available through the developers contributions held in the Open Space Deposits reserve.

RECOMMENDATION:

That the detailed budget for 2005/06 and revised budget for 2004/05 be considered and recommendations made to Cabinet on the budget and the level of council tax to be set within the Winchester Town area for 2005/06.

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1 Introduction

- 1.1 The Council's financial strategy set out in reports CAB883 dated 27 July 2004 and CAB924 dated 13 October 2004 gave guidance on the review of existing budgets.
- 1.2 Base revenue budgets and growth and savings proposals were considered in report CAB961 dated 15 December 2004.

2 Revised Budget 2004/05

- 2.1 The Appendix to this report gives the projected revised budget for 2004/05. The main differences from the original budget are an increase in the cemeteries budget to cover rolled forward costs of maintaining Magdalen Hill Cemetery, an increase in the Christmas lights budget to make a contribution towards additional lighting in the Town this year and a decrease in the budget for maintenance of recreation grounds and open spaces. This reduction is due to a recalculation of maintained areas following the completion of the digitising of the old paper maps (the budget for 2005/06 has been increased to fund additional maintenance required in the Town area). There is also a budget for £10,000 towards the cost of Neighbourhood Design Statements requested at the last meeting of the Town Forum and agreed by Cabinet at the meeting on 15 December 2004.
- 2.2 The reduction in net budgeted expenditure gives a projected balance of £159,212 on the Winchester Town Reserve at 31 March 2005.

3 Revenue Budget 2005/6

- 3.1 The base budget for 2005/06 is £630,550 which represents an increase of 3.8% over the original budget for 2004/05. At the meeting of the Town Forum on 24 November it was agreed that a further budget provision for notice boards should be included in 2005/06. Other than that no growth or savings proposals have yet been included in the budget at this stage - an above inflation increase in cemetery fees, which was recommended by the Central Services Performance Improvement Committee (CEN69), and supported by Cabinet, to bring our charges nearer the level of some other authorities in Hampshire, has also not been included.
- 3.2 A report on grants by the Director of Community Services is being considered elsewhere on the agenda for this meeting.
- 3.3 The tax base for the Winchester Town area is estimated at 13,354 in 2005/06.
- 3.4 Taking into account a previous recommendation that the Winchester Town reserve should be set at a level to cover at least 10% of the total annual expenditure on the Town account (approximately £63,000) the projected balance at 31 March 2005 would allow growth items to be considered or a reduction in the Town precept of £46.75 or both. Some possible options are given in the table below:-

Balance b/f £000	Interest 2005/06 £000	Expenditure 2005/06 £000	Growth £000	Tax level 2005/06	Precept 2005/06 £000	Balance c/f £000
159	7	631	0	£46.75	624	159
159	7	631	50	£46.75	624	109
159	7	631	0	£42.75	571	106
159	7	631	25	£42.75	571	81
159	7	631	0	£40.00	534	69

- 3.5 Members have indicated that possible growth items to be considered should include, inter alia, a further allocation for Local Design Statements and an increased allocation for grants.

Open Spaces Funding

- 3.6 The District Open Space Strategy identifies local deficiencies in play and sports provision throughout the district and the improvements required to meet the Local Plan standard.
- 3.7 Under the Open Space Funding System adopted by the City Council, where facilities are deficient, developers are required to make contributions to rectify this deficiency. These contributions are ring fenced for use to rectify deficiencies relating to the parish area to which they apply or the unparished Town area.
- 3.8 The balance has increased substantially in recent years and at the beginning of the current financial year stood at approximately £735,000 for the Town area, of which £300,000 has been tentatively earmarked for facilities on the Bushfield Camp site which can help fulfil the Town requirements. Approximately £210,000 has been committed during the course of 2004/05 leaving a balance of £225,000 for other schemes in Winchester Town.

OTHER CONSIDERATIONS:

4 CORPORATE STRATEGY (RELEVANCE TO):

- 4.1 Although there are no specific references in the current Corporate Strategy the need to make the best use of all available resources by continued clear financial planning within the City Council is an integral part of the Council's policies.

5 RESOURCE IMPLICATIONS:

- 5.1 As detailed in the body of the report.

BACKGROUND DOCUMENTS:

Working papers in the Finance Department

APPENDICES:

Appendix Winchester Town detailed base budget