

REPORT TITLE: GENERAL FUND OUTTURN 2016/17

19 JUNE 2017

REPORT OF PORTFOLIO HOLDER: CLLR GUY ASHTON (PORTFOLIO HOLDER FOR FINANCE)

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WARD(S): ALL

PURPOSE

This report provides an overview of the General Fund Revenue outturn and Capital Programme outturn for 2016/17.

Proposals are included to re-forecast the 2017/18 capital and revenue budgets to reflect the revised timings of major projects and one-off budget proposals are made in paragraph 10.7 to utilise the 2016/17 revenue underspend in order to support the Council Strategy.

RECOMMENDATIONS:

That Overview and Scrutiny Committee consider the report and make any comments to Cabinet.

IMPLICATIONS:1 COUNCIL STRATEGY OUTCOME

- 1.1 This report sets out the overall financial performance for 2016/17 which underpins the financial health of the Council. The positive financial balance that the Council has places the Council in a good position to meet the challenges of delivering the Council Strategy over the next three years at a time of significant financial constraint.

2 FINANCIAL IMPLICATIONS

- 2.1 Included in the main body of the report

3 LEGAL AND PROCUREMENT IMPLICATIONS

- 3.1 None identified

4 WORKFORCE IMPLICATIONS

- 4.1 None

5 PROPERTY AND ASSET IMPLICATIONS

- 5.1 None

6 CONSULTATION AND COMMUNICATION

- 6.1 The portfolio holder has discussed this report with relevant staff and advisors.

7 ENVIRONMENTAL CONSIDERATIONS

- 7.1 None directly applicable

8 EQUALITY IMPACT ASSESSMENT

- 8.1 None

9 RISK MANAGEMENT

<b>Risk</b>	<b>Mitigation</b>	<b>Opportunities</b>
<i>Council's service priorities are not reflected in the budget</i>	<i>The proposals to utilise the 2016/17 revenue underspend, set out in 10.7, will support the Council Strategy</i>	<i>It is intended that the proposals to support the Council Strategy will help to identify efficiency saving and income generation opportunities</i>
<i>Failure to set a balanced budget over the medium term</i>	<i>The 2016/17 underspend of £0.95m shows that the Council continues to deliver services within</i>	<i>The lower expenditure and additional income shows the Council continues to maximise opportunities</i>

	<i>budget</i>	<i>which will assist with future budget setting</i>
<i>Delays to or failure to deliver major capital schemes leaving future years forecast deficits</i>	<i>Additional budget resource proposals in order to support major schemes are made in paragraph 10.7</i>	<i>Fully resourced support for major schemes will enable the Council to deliver high quality schemes which deliver the anticipated investment returns</i>

## 10 SUPPORTING INFORMATION:

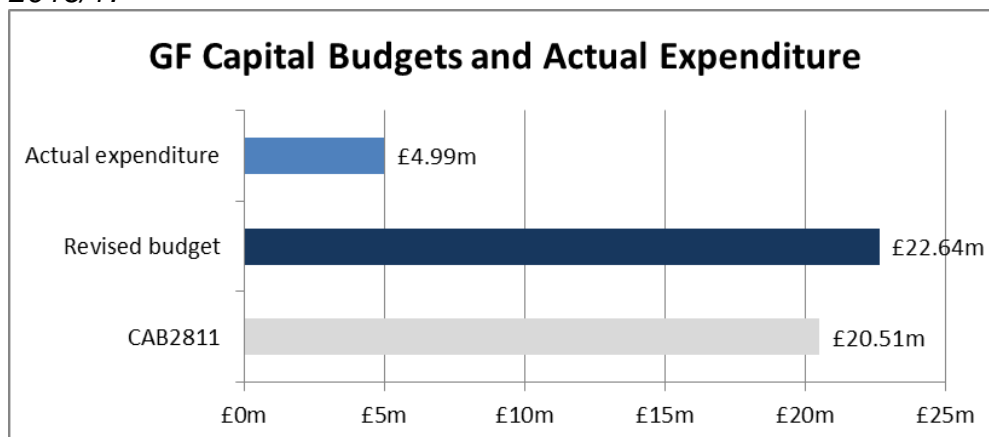
### **Introduction**

- 10.1 This report provides an overview of the Council's General Fund Revenue outturn and Capital Programme outturn for the year 2016/17. Overall, the Council is showing an underspend position and within this Report there are options available for the Cabinet to allocate funding to help deliver key elements of the Council Strategy.
- 10.2 The Housing Revenue Account (HRA) outturn will be reported to the Cabinet (Housing) Committee on 6 July 2017.
- 10.3 The Annual Financial Report containing the annual Statement of Accounts for 2016/17 (pre-audit) is due to be published by 30 June 2017.

### **Summary**

- 10.4 The 2016/17 revenue resource requirement outturn of £17.2m is £0.95m lower than the original budget estimate of £18.2m. This was achieved through higher income received (such as car parking) and lower expenditure (such as managed payroll savings).
- 10.5 General Fund capital expenditure in 2016/17 of £4.99m enabled the Council to deliver the strategic acquisition of the Garrison Ground (£2.3m), the demolition of Friarsgate multi-storey car park (£0.5m), and Strategic Acquisitions (£0.4m). These projects will help the Council to deliver the Council Strategy.

*Graph 1 – General Fund Capital Expenditure vs Budget 2016/17*



### General Fund Revenue – Baseline Net Expenditure

- 10.6 Appendix A shows the net baseline expenditure outturn of £13.1m against an original budget estimate of £14.5m (£1.4m positive). The key variances are shown below:

#### Income

- Car Parking and Enforcement income of £6.8m for the year was £0.45m above the original budget estimate. This increase is due to higher than anticipated car park usage which continues to growth year-on-year and higher than anticipated space capacity.
- Provision for doubtful debts reduction - £0.24m – reflects the reversal of debts which had previously been written down as unlikely to be collected.

#### Expenditure

- Managed Payroll Savings - £0.18m – additional employee savings made during the year.
- Revenues Benefits - £0.15m – additional recovery of rent allowances.
- Legal & Democratic Services - £0.14m – lower than budgeted expenditure on Members' allowances and electoral registration.
- Guildhall - £0.16m additional cost – additional expenditure on property maintenance and improvements, additional expenditure on temporary employee resources, and higher than budgeted cost of services.

- 10.7 The overall surplus for the year of £0.95m is to be transferred to reserves (see Appendix C). A review of budget requirements has been considered and options are shown below:

Item	Amount / £k	Rationale
Transportation Movement Study	200	To work in partnership with Hampshire County Council to produce a refreshed transportation movement study for the District.
Improvement and Efficiency Plans	449	Additional resourcing in order to support delivery of the Council Strategy.
Car Park Property Reserve	300	The Council received additional income of £0.45m in 2016/17. It is proposed to transfer £0.3m to the car park property reserve in order to fund future works.
<b>Total</b>	<b>949</b>	

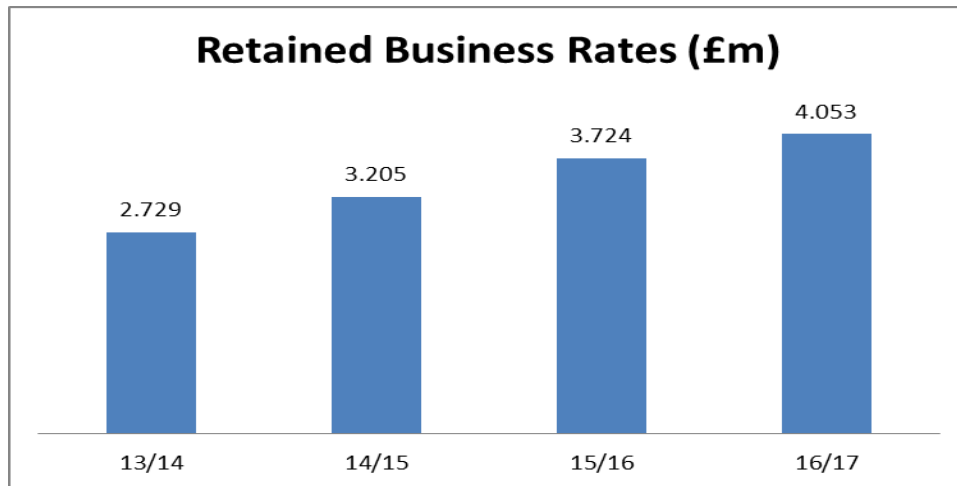
### Winchester Town Account

- 10.8 Appendix B provides a summary of the Winchester Town Account net expenditure compared to budget. The total net expenditure for the year of £860k was £71k below the original budget estimate and £12k below the revised forecast.
- 10.9 The closing reserve balance of £468k is in line with the revised forecast for the year and spending plans are in place in the Winchester Town Financial Strategy and medium term budget forecast.

### Funding and Treasury

- 10.10 Council Tax of £7.042m was £80k above the original budget estimate due to improved council tax collection and has been transferred to the collection fund adjustment account for release in 2017/18.
- 10.11 Retained Business Rates of £4.05m represents 7% of the total collectible rates for the district of £57.8m. This continues the year-on-year growth with an increase of £1.32m since the scheme was introduced (2013/14 outturn was £2.73m).
- Provision for Appeals – the closing balance of £3.8m shows a £2.5m reduction on the opening balance of £6.3m. This reflects a substantial increase in resolved cases (with £5.1m paid out in 2016/17) balanced by an increase of £2.6m (mainly caused by new appeals).
  - Business Rates Retention Earmarked Reserve – the closing balance of £1.2m reflects the £1m 'risk reserve' element and a further £242k which will be released to manage the timing differences between the NNDR budget returns and the outturn.

Graph 2 – Retained Business Rates 13/14 to 16/17



- 10.12 New Burdens Grants of £248k were received during the year (Community Housing Fund £90k, Housing Benefits £63k, etc). It is proposed to transfer £217k of unspent income to a new earmarked reserve in order to support spending plans in 2017/18.
- 10.13 Net interest receivable of £547k was £105k higher than the original budget estimate. This was mostly achieved through higher than anticipated cash balances during the year. An in-year review of the Minimum Revenue Provision reduced the expenditure from £266k to £107k.

### One-off expenditure

- 10.14 One-off expenditure of £1.1m was £1.7m below the original budget estimate of £2.8m. The reduced expenditure was due to the release of a Silver Hill legal budget of £0.5m, and the re-profiling of major projects. The following expenditure is to be re-profiled to 2017/18:
- Leisure Centre - £246k
  - Station Approach - £72k
  - St Clements Surgery - £30k
  - Home Energy Conservation - £30k
  - South Winchester Coach Park - £25k
- 10.15 Landscape Mitigation - £100k – (PHD745 refers) Landscape improvements works which are funded in full by a mitigation sum.
- 10.16 New Burdens - £217k – Per 10.12 above plans are underway to utilise this funding in 2017/18 on projects such as Community Housing.

10.17 The budget requirements for 2017/18 identified in 10.7 above, and totalling £649k

### Earmarked Reserves

10.18 Earmarked reserves are shown in Appendix C. The closing balance of £22.9m compares to the original budget estimate of £10.8m (CAB2763 (REVISED)) and revised forecast (CAB2896) of £18.1m.

10.19 The General Fund balance has been maintained at £2m, in accordance with both the financial strategy and the budget.

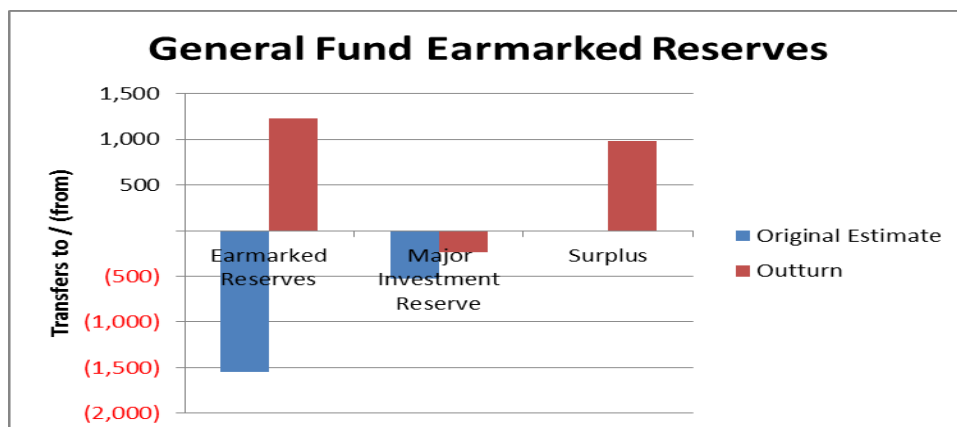
10.20 Higher car parking income in 2016/17 has enabled an additional £0.3m to be transferred to the Car Parks Property reserve in order to support transport initiatives.

10.21 Included within Appendix C are the following proposed new earmarked reserves:

- Landscape Mitigation - £100k – per 10.15 above this reserve will fund landscape improvement works
- New Burdens - £217k – per 10.16 above this reserve will hold unspent New Burdens Government funding
- Council Strategy Support – this reserve will hold the remaining £0.65m 16/17 surplus and will be used in order to fund the budget requirements identified in paragraph 10.7 above

10.22 The table below compares the original budget estimate to the outturn transfers to and (from) earmarked reserves.

*Graph 3 - Reserves*



### Capital Expenditure

10.23 Total capital expenditure in year was £23.97m of which £18.98m relates to the Housing Revenue Account (HRA). Further detail of HRA outturn is reported

separately to Housing Cabinet (CAB2930 (HSG)); summary details are provided in Appendix F.

General Fund capital expenditure in 2016/17 amounted to £4.99m. This compares to a total budget of £20.51m including brought forwards set in July 2016 (CAB2811). There was subsequent approval of an additional £2.1m budget, the largest item being the purchase of the Garrison Ground (increased by £2.0m to £2.3m) and, following reprogramming, the forecast expenditure was amended to £5.80m in February 2017. Further details by project are provided in Appendix F.

10.24 The following table details the expenditure on key projects in 2016/17

	<b>2016/17</b>
<b>GF Capital Expenditure Outturn</b>	<b>£000</b>
Purchase of the Garrison Ground	2,332
Disabled Facility Grants	515
Friarsgate Car Park	474
KAYAC Building	430
Strategic Acquisitions	400
Chesil MS Car Park	139
Casson Block	126
Other projects	573
<b>Total</b>	<b>4,989</b>

### **Capital Financing**

- 10.25 The sources of finance available for capital projects are: capital receipts, grants and contributions, reserves, revenue contributions; and Capital Financing Requirement (unfinanced capital expenditure met by future revenue provision). Under the Prudential Code, the Council can invest in a capital programme so long as its capital spending plans are “affordable, prudent and sustainable”.
- 10.26 Further detail on the financing of capital expenditure in 2016/17 is provided at Appendix G.
- 10.27 Where capital expenditure is to be financed in future years by charges to revenue, the expenditure results in an increase in the Capital Financing Requirement (CFR), a measure of the capital expenditure incurred historically by the Council that has yet to be financed.
- 10.28 General Fund unfinanced capital expenditure in 2016/17 amounted to £3.16m which was lower than the Budget because of reprogramming of several projects. The Council Capital Financing Requirement position is summarised below:



<b>Capital Financing Requirement</b>	<b>General Fund £000</b>	<b>Housing Revenue Account £000</b>	<b>Total £000</b>
Capital Financing Requirement at 31 March	5,442	157,353	162,795
Unfinanced Capital Expenditure - in year	3,160	5,329	8,489
Statutory Provision for the Financing of Capital Investment	(429)	(631)	(1,060)
<b>Capital Financing Requirement at 1 April</b>	<b>8,173</b>	<b>162,051</b>	<b>170,224</b>

### **Useable Capital Receipts Reserve**

10.29 The movement on the Usable Capital Receipts Reserve in 2016/17 is shown at Appendix C. The total closing balance at 31 March 2017 is £14.86m of which £7.04m relates to the General Fund. All General Fund capital receipts are allocated to capital projects in 2017/18 and future years.

### **Other General Fund Capital Budget Changes**

10.30 Appendix I provides a re-forecast of the capital programme from 2017-2027. In addition to reflecting reprogramming from 2016-17, the following new budgets have been added:

#### *Flood Prevention Scheme at Durngate - £720k*

10.31 Phase 2 of the Winchester Flood alleviation scheme at North Walls park has now been completed. This has been funded through contributions from the City Council, the County Council, the Environment Agency and Southampton University. The City Council allocated £250k towards the cost of these works but only £102k of this has been required (payable in 2017/18); however, there remains a third Phase of works which are required in order to fully complete the flood alleviation works for the City. These works are to protect the Durngate area and once complete will enable the flood risk area in the centre of Winchester to be re-evaluated by the Environment Agency. This may in turn reduce the development costs for the Central Winchester Regeneration area as less mitigation in relation to flooding will be required. The Third phase of works is estimated to cost up to £720k and is to be financed by a grant of £273k already secured from the Environment Agency, £300k of Community Infrastructure Levy (subject to approval), and the balance to be financed from the remaining Phase 2 budget. If the CIL application is unsuccessful, the project will be financed from the Capital Receipts Reserve.

#### *Tourist Information Centre - £130k*

10.32 A total of £130k has been allocated for refurbishment work to the Tourist Information Centre. This is being considered elsewhere on this agenda (CAB2931 refers).

#### *Open Spaces and Recreational Facilities - £141k*

10.33 The following budgets have been proposed and are currently subject to Portfolio Holder Decision Notices:

- a) Stanmore Recreation Ground multi-use games area (MUGA) - £41k (PHD 744 refers)
- b) Development of Hillier Way open space - £100k funded by mitigation sum received in respect of new homes development (PHD 745 refers)

## 11 OTHER OPTIONS CONSIDERED AND REJECTED

The report details the General Fund Outturn 2016/17. Instead of utilising the 2016/17 underspend in order to fund the budget proposals presented in 10.7, the underspend could all be transferred to the Major Investment Reserve for future prioritisation.

### BACKGROUND DOCUMENTS:-

#### Previous Committee Reports:-

*Medium Term Financial Strategy, Budget and Council Tax 2017/18 – CAB2896 – February 2017*

*Capital Strategy and Capital Programme 2017 – CAB2889 – January 2017*

Other Background Documents:- None

### APPENDICES:

Appendix A: Summary Revenue Outturn

Appendix B: Winchester Town Account

Appendix C: Earmarked Reserves

Appendix D: 2017/18 Revenue Budget Re-forecast

Appendix E: Cost of Services Outturn

Appendix F: Capital Expenditure Outturn

Appendix G: Financing of Capital Expenditure

Appendix H: Useable Capital Receipts Reserve

Appendix I: Capital Programme 2017-2027 Re-forecast

General Fund Revenue Outturn 2016/17	Original	Feb.		Variance
	Estimate	Forecast	Outturn	(to Original
	£000	£000	£000	Estimate)
				£000
<b>Funding</b>				
Council Tax (excluding Parish Precepts)	(6,962)	(6,962)	(7,042)	80
Retained Business Rates	(3,928)	(4,010)	(4,052)	124
New Homes Bonus	(3,284)	(3,289)	(3,289)	5
Revenue Support Grant	(1,003)	(1,003)	(1,003)	
Transition Grant	(92)	(92)	(92)	
Rural Services Delivery Grant	(46)	(46)	(46)	
Other non-ringfenced government grants		(103)	(248)	248
	<b>(15,314)</b>	<b>(15,504)</b>	<b>(15,771)</b>	<b>458</b>
<b>Treasury Activity</b>				
Net Interest Receivable	(442)	(523)	(547)	105
Minimum Revenue Provision	266	107	107	159
Net Investment Property Income	(1,904)	(1,870)	(1,956)	52
<b>Resources available for the provision of services</b>	<b>(17,394)</b>	<b>(17,790)</b>	<b>(18,167)</b>	<b>773</b>
<b>Baseline Net Expenditure</b>				
Gross Income	(12,398)	(12,648)	(13,268)	870
Gross Expenditure	26,706	26,569	26,204	501
Baseline net expenditure	14,308	13,921	12,936	1,371
Net Benefits Income	(58)	(261)	(203)	145
Deficit on Guildhall Trading Account	251	296	413	(162)
<b>Forecast baseline resource requirements</b>	<b>14,501</b>	<b>13,956</b>	<b>13,147</b>	<b>1,354</b>
One-off net expenditure & Reversal of Deprcn.	2,755	2,163	1,108	1,647
Community Infrastructure Levy	(500)	(1,300)	(1,346)	846
Collection Fund Adjustments	2,377	2,873	2,765	(388)
Council Tax Support Grant	155	155	155	
Financing & IAS19 Adjustments	180	180	395	(215)
Other Transfers to / (from) earmarked reserves	(1,552)	(298)	1,233	(2,785)
Transfers to / (from) Major Investment Reserve	(522)	61	(239)	(283)
<b>Total net resource requirements</b>	<b>17,394</b>	<b>17,790</b>	<b>17,218</b>	<b>177</b>
<b>Surplus / (Deficit)</b>		<b>()</b>	<b>949</b>	
Transfer of Surplus				
Other Transfers to / (from) earmarked reserves *			(949)	

## WINCHESTER TOWN ACCOUNT - 2016/17 OUTTURN

	2015/16	2016/17			
	Outturn	Original	Forecast	Outturn	Variance
	£	£	£	£	£
<b>Cost of Services</b>					
<b>Recurring Budgets:</b>					
Recreation Grounds & Open Spaces	526,045	591,023	566,501	589,723	(23,222)
Maintenance Work to Council Owned Bridges	0	5,500	5,500	9,842	(4,342)
Cemeteries	21,246	21,257	26,252	10,503	15,749
Community Wardens (Contribution)	45,000	45,000	45,000	45,000	0
Grants	59,816	60,000	60,000	58,590	1,410
Support Costs for Grant Scheme	2,000	2,000	2,000	2,000	0
Footway Lighting	21,225	29,008	23,185	21,215	1,970
Bus Shelter Cleaning / Maintenance / New Provision	11,688	7,600	9,800	6,429	3,371
Town Forum Support	4,798	4,798	4,798	4,798	0
Christmas Lights	9,667	10,549	10,688	7,632	3,056
Allotments	(2,967)	(1,646)	(2,960)	(1,891)	(1,069)
Public Conveniences (Contribution)	50,000	50,000	50,000	50,000	0
Theatre Royal (Contribution)	20,000	20,000	20,000	20,000	0
Grit Bins	0	1,000	1,000	0	1,000
Night Bus Contribution	13,274	13,792	13,792	12,344	1,448
Community Speed Watch	0	1,000	1,000	0	1,000
<b>Total Recurring Budgets</b>	<b>781,792</b>	<b>860,881</b>	<b>836,556</b>	<b>836,185</b>	<b>371</b>
<b>One-off Budgets:</b>					
Cycle Café	1,000	0	0	0	0
Historic Environment Projects Officer	0	17,236	20,672	7,673	12,999
Neighbourhood Plans	1,568	0	0	0	0
St Maurice's Covert	0	40,000	10,000	11,245	(1,245)
Roger Brown Model		5,000	5,000	5,000	0
Green Infrastructure		7,500	0	0	0
<b>Total One-off Budgets</b>	<b>2,568</b>	<b>69,736</b>	<b>35,672</b>	<b>23,918</b>	<b>11,754</b>
<b>Total Cost of Services</b>	<b>784,360</b>	<b>930,617</b>	<b>872,228</b>	<b>860,103</b>	<b>12,125</b>
<b>Funding</b>					
Proceeds of Council Tax	(807,299)	(842,607)	(842,607)	(842,607)	0
Council Tax Support Funding	(55,154)	(31,989)	(31,989)	(31,989)	0
Council Tax Freeze Funding (prior to 2016/17)	(44,596)	(25,866)	(25,866)	(25,866)	0
Interest on Balances	(3,117)	(2,155)	(2,155)	(3,394)	1,239
<b>Total Funding</b>	<b>(910,166)</b>	<b>(902,617)</b>	<b>(902,617)</b>	<b>(903,856)</b>	
<b>Reserves</b>					
(Surplus added to Reserves) / Deficit taken from Reserves	(125,806)	28,000	(30,389)	(43,753)	
Capital Expenditure funded by Town Reserve	0	77,000			
<b>Opening Fund Balance (at 1st April)</b>	<b>(298,503)</b>	<b>(269,077)</b>	<b>(424,309)</b>	<b>(424,309)</b>	
<b>Closing Fund Balance (carried forward)</b>	<b>(424,309)</b>	<b>(164,078)</b>	<b>(454,698)</b>	<b>(468,062)</b>	
Closing Reserves forecast as % of net expenditure (Target = 10%)		18%	54%	56%	

	Opening Balance at 1 April 2016	MOVEMENTS IN 2016/17				Closing Balance at 31 March 2017	Net (increase) / decrease	Comments
		REVENUE		CAPITAL				
		Transfer (to)	Transfer from	Transfer (to)	Transfer from			
£000	£000	£000	£000	£000	£000	£000		
Building Control								
Business Rates Retention	(2,217)	(1,242)	2,217		(1,242)	975		
Car Parks Property	(1,526)	(700)	115		142	(1,969)	(443)	Net additional car parking income transferred in to support future major works.
<b>Council Strategy Support</b>		(649)				(649)	(649)	Transfer of 2016/17 surplus to support the Council Strategy
Community Grants & Commissions	(172)					(172)		
Community Infrastructure Levy - General Fund	(540)	(1,185)				(1,724)	(1,185)	Balance of General Fund CIL income receivable, to be used to fund CIL projects.
Community Infrastructure Levy - Winchester Town	(86)	(82)				(168)	(82)	Balance of Winchester Town CIL income receivable, to be used to fund CIL projects.
Flood Support Schemes	(90)		5			(85)	5	Remainder of Business Support Grant funding
Homelessness Prevention	(528)	(226)	265			(489)	39	
Information Management and Technology	(323)	(339)	99		70	(493)	(170)	This reserve supports the delivery of the IMT asset plan.
Insurance	(41)					(41)		
<b>Landscape Mitigation</b>		(100)				(100)	(100)	
Local Development Framework (LDF)	(146)	(385)	77			(454)	(308)	Transfer in to support the next local plan review (per CAB2896)
Local Elections	(30)		30					
Municipal Mutual Insurance	(157)		18			(139)	18	
Museums Acquisitions	(7)					(7)		
Museums Publications	(38)					(38)		
<b>New Burdens Grants</b>		(217)				(217)	(217)	New Burdens grants received and unspent in 2016/17
Organisational Development	(1,592)		255			(1,337)	255	
Planning Deposits (Interest)	(92)		62			(30)	62	Release to fund open space expenditure in 2016/17
Property - Asset Management Plans	(3,710)	(300)	143		327	(3,540)	170	Reserve used to fund the Council's Asset Management Programme
Winchester Town Reserve	(424)	(44)				(468)	(44)	
sub total	<b>(11,719)</b>	<b>(5,468)</b>	<b>3,286</b>		<b>539</b>	<b>(13,362)</b>	<b>(1,643)</b>	
Major Investment Reserve	(7,867)	(302)	541		47	(7,581)	286	Revenue surplus in 2016/17 transferred to Major Investment Reserve
General Fund Balance	<b>(2,000)</b>					<b>(2,000)</b>		Maintained at £2m in accordance with Financial Strategy
<b>Total</b>	<b>(21,586)</b>	<b>(5,770)</b>	<b>3,827</b>		<b>586</b>	<b>(22,942)</b>	<b>(1,356)</b>	

General Fund Revenue - 2017/18	Original		
	Estimate	Adjustment	Forecast
	£000	£000	£000
<b>Funding</b>			
Council Tax (excluding Parish Precepts)	-7,340		-7,340
Retained Business Rates	-3,936		-3,936
New Homes Bonus	-2,661		-2,661
Revenue Support Grant	-381		-381
Transition Grant	-92		-92
Rural Services Delivery Grant	-37		-37
Other non-ringfenced government grants	-3		-3
	<b>-14,450</b>	<b>0</b>	<b>-14,450</b>
<b>Treasury Activity</b>			
Interest Receivable	-597		-597
Interest Payable	30		30
Minimum Revenue Provision	129		129
Net Investment Property Income	-1,688		-1,688
<b>Resources available for the provision of services</b>	<b>-16,576</b>	<b>0</b>	<b>-16,576</b>
<b>Baseline Net Expenditure</b>			
Gross Income	-12,612		-12,612
Gross Expenditure	27,569		27,569
Baseline net expenditure	14,957	0	14,957
Net Benefits Income	-161		-161
Deficit on Guildhall Trading Account	467		467
<b>Forecast baseline resource requirements</b>	<b>15,262</b>	<b>0</b>	<b>15,262</b>
One-off net expenditure & Reversal of Deprcn.	3,044	1,039	4,082
Community Infrastructure Levy	-1,000		-1,000
Collection Fund Adj's & Council Tax Support Grant	-591		-591
Other Transfers to / (from) earmarked reserves	745	-1,064	-319
Transfers to / (from) Major Investment Reserve	-884	26	-859
<b>Total net resource requirements</b>	<b>16,576</b>	<b>0</b>	<b>16,576</b>

<b>Cost of Services</b>	<b>2016/17</b>		
	<b>Expenditure</b>	<b>Income</b>	<b>Net</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Built Environment	11,844	(8,457)	3,387
Economy and Communities	4,441	(1,288)	3,153
Housing	(7,118)	(29,592)	(36,710)
Neighbourhoods and Environment	3,472	(713)	2,759
Policy and Planning	1,007	(25)	982
Professional Services	34,300	(29,636)	4,664
Organisational and Service Development	775	(860)	(85)
Estates and Regeneration	699	(1,024)	(325)
Corporate Management	810	(69)	741
	<hr/>	<hr/>	<hr/>
	50,230	(71,664)	(21,434)
<u>Adjustments:</u>			
Removal of Depreciation & Impairment Losses	(4,316)		(4,316)
Removal of Housing Revenue Account	9,107	30,485	39,591
	<hr/>	<hr/>	<hr/>
General Fund Cost of Services	55,021	(41,179)	13,841

Capital Expenditure Outturn 2016/17

	Detail	Lead Officer	Outcome	2016/17					Comments
				Revised budget (CAB2811)	Approved changes	Approved budget	Actual	Under / (over) spend	
				£000			£000	£000	
<b>General Fund</b>									
<b>Spending and Committed</b>									
Surface Car Park at Friarsgate	Demolition and surfacing	Kevin Warren	Business	800	-	800	474	326	Completed early 2017/18 with snagging works remaining
Kayac Building	Acquisition and repairs	Kevin Warren	Business	-	530	530	430	100	Works currently underway and due for completion in early 2017/18
Disabled Facility Grants (Mandatory)	Help towards cost of home modifications	Gilly Knight	Housing	500	-	500	515	(15)	
Chesil MS Car Park	Essential works (resurfacing etc.)	Richard Hein	Business	400	-	400	139	261	Remaining phases to be completed in 2017/18
City Offices & Annexe Works	Essential remedial works	Kevin Warren	Entrepreneurial	350	-	350	97	253	Improvement works currently underway - completing January 2018
Car Parks	Various	Richard Hein	Business	320	50	370	2	368	Several small projects delayed to future years
Purchase of Garrison Ground	Acquisition of playing fields	Kevin Warren	Health & Happiness	300	2,000	2,300	2,322	(22)	Overspend due to stamp duty being payable on VAT
Flood Prevention works	Various schemes	Andy Hickman	Environment	288	-	288	11	277	Payment for Phase 2 works at North Walls to be made in 2017/18.
Casson Block	Improvements and modernisation to frontage	Andy Hickman	Business	150	-	150	126	24	Some minor outstanding works to be completed
Hampshire Community Bank	Share purchase	Joseph Holmes	Business	125	-	125	-	125	Payments become due when certain milestones are reached - these have been delayed to 2017/18
Guildhall Heating System	Replacement	Kevin Warren	Organisational Deliver	111	-	111	99	12	At final account stage
IMT Property Plant and Equipment	Various	Tony Fawcett	Organisational Deliver	234	-	234	63	171	Several items identified as revenue spend and some delayed to be completed in 2017/18
IMT Intangible Assets	Various	Tony Fawcett	Organisational Deliver	8	-	8	7	1	
Winchester Churches Keystone Grant	Capital Grant - homelessness prevention	Andrew Palmer	Housing	90	-	90	90	-	
City Museum Lift Upgrade	Lift upgrade & fire precaution works	Kevin Warren	Organisational Deliver	87	-	87	70	17	At final account stage
Depot	Replace electricity supply to depot	Kevin Warren	Organisational Deliver	61	-	61	-	61	Pending works by Southern Electric
Chesil Theatre Capital Grant	Improvement works (capital grant)	Eloise Appleby	Health & Happiness	60	-	60	-	60	Planning application going forward in July 2017
Market Lane Toilet Works	Refurbishment	Kevin Warren	Organisational Deliver	44	-	44	-	44	To be completed in early 2017/18
Winchester Cathedral Roof	Capital Grant for restoration	Eloise Appleby	Health & Happiness	25	-	25	25	-	
Magdalen Hill Cemetery -Extension	Extension	Andy Hickman	Health & Happiness	13	-	13	6	7	Project complete
Open Space & Recreational Facilities	Abbots Walk play area	Susan Croker	Health & Happiness	-	80	80	80	-	Abbots Walk Play Area; approved CAB2828
Strategic Acquisitions		Joseph Holmes	Entrepreneurial	-	-	-	400	(400)	Deposit for acquisition of Winchester Bus Station paid in March 2017
<b>Total Spending and Committed</b>				<b>3,966</b>	<b>2,660</b>	<b>6,626</b>	<b>4,956</b>	<b>1,670</b>	-
<b>Approved* - Not Committed</b>									
Replacement Surgery	Replacement surgery in City Centre	Kevin Warren	Health & Happiness	3,675	-	3,675	8	3,667	Delayed due to ongoing negotiations
River Park Leisure Centre	Essential repairs	Kevin Warren	Health & Happiness	1,510	-	1,510	-	1,510	Works to be completed in 2017/18
Enterprise Centre Managed Workspace	Workspace for small businesses	Kevin Warren	Business	1,494	-	1,494	16	1,478	Project objectives under review
Matley's Yard	Small business unit and Council storage	Kevin Warren	Business	580	-	580	5	575	Project objectives under review
New Special Maintenance Depot	Depot	Kevin Warren	-	210	-	210	1	209	Project objectives under review
River Itchen Maintenance	Capital maintenance works	Susan Croker	Environment	82	-	82	3	79	Required for riverbank repairs at North Walls
Abbey Gardens	Environmental Improvements	Kevin Warren	Health & Happiness	25	-	25	-	25	Works are no longer required
Old Chesil Rectory	Improvements	Kevin Warren	-	30	-	30	-	30	
<b>Total Approved* - Not Committed</b>				<b>7,606</b>	-	<b>7,606</b>	<b>33</b>	<b>7,573</b>	



Capital Expenditure Outturn 2016/17

	Detail	Lead Officer	Outcome	2016/17					Comments
				Revised budget (CAB2811)	Approved changes	Approved budget	Actual	Under / (over) spend	
				£000			£000	£000	
<b>Programmed But Subject to Appraisal</b>									
Property Acquisition & Development		Kevin Warren	Entrepreneurial	4,000	(530)	3,470	-	3,470	Replaced by Strategic Acquisitions budget
Redevelopment of old Bar End Depot site	Commercial development	Kevin Warren	Business	2,500	-	2,500	-	2,500	Negotiations for potential letting of site underway
Station Approach - Carfax	Commercial and residential development	Kevin Warren	Business	1,000	-	1,000	-	1,000	Awaiting appointment of architects
Changing Pavilions (Town A/C)	Replacements at North Walls & King George V	Susan Croker	Health & Happiness	700	-	700	-	700	King George V - awaiting decision on leisure centre; North Walls - options being considered
South Winchester Coach Park	Replacement coach park	Richard Hein	Environment	200	-	200	-	200	Options currently being explored
Abbey Mill - Hydro	Energy generation	Kevin Warren	Environment	149	-	149	-	149	Budget no longer required - project at this location is unviable
Asset Management Plans	Reactive capital works to Estate	Kevin Warren	-	141	-	141	-	141	Reactive maintenance
2 - 3 Bridge Street	Remedial works to listed building	Kevin Warren	Business	100	-	100	-	100	Awaiting tenant instruction
Abbey House	External and internal remedial works	Kevin Warren	-	99	-	99	-	99	Options currently being explored
Handlebar Café	Capital grant	Eloise Appleby	Health & Happiness	50	-	50	-	50	Awaiting decisions on funding applications to other external agencies
<b>Total Programmed But Subject to Appraisal*</b>				<b>8,939</b>	<b>(530)</b>	<b>8,409</b>	<b>-</b>	<b>8,409</b>	
<b>Total General Fund</b>				<b>20,511</b>	<b>2,130</b>	<b>22,641</b>	<b>4,989</b>	<b>17,652</b>	
<b>Housing Revenue Account</b>									
<b>New Build</b>		Richard Botham	Housing	22,535	(8,741)	13,794	11,610	2,184	
<b>Major repairs</b>		Richard Botham	Housing	7,913	(655)	7,258	6,183	1,075	
<b>Improvements &amp; Loft Conversions</b>		Richard Botham	Housing	986	(221)	765	631	134	Further details are provided in the HRA outturn report (CAB2930 (HSG))
<b>Disabled Adaptations</b>		Richard Botham	Housing	770	(270)	500	532	(32)	
<b>Other Capital Spend</b>		Richard Botham	Housing	108	(85)	23	22	1	
<b>Total Housing Revenue Account</b>				<b>32,312</b>	<b>(9,972)</b>	<b>22,340</b>	<b>18,978</b>	<b>3,362</b>	
<b>Grand Total</b>				<b>52,823</b>	<b>(7,842)</b>	<b>44,981</b>	<b>23,967</b>	<b>21,014</b>	

\* 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.

## Financing of Capital Programme 2016/17

	2016/17				
	<i>Revised budget (CAB2811)</i>	<i>Approved changes</i>	<i>Approved budget</i>	<i>Actual</i>	<i>Under / (over)</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
<b>General Fund</b>					
<i>Externally Funded</i>					
Government Grants	500	-	500	515	(15)
External Contributions					
Non governmental grants	200	-	200	-	200
Open Space Fund	423	80	503	80	423
Developer's Contributions	90	-	90	90	-
<b>Total Externally Funded</b>	<b>1,213</b>	<b>80</b>	<b>1,293</b>	<b>684</b>	<b>609</b>
<i>Earmarked Reserves</i>					
Car Parks Property	920	-	920	142	778
Community Infrastructure Levy	-	50	50	-	50
Information, Management, and Technology	234	-	234	70	164
Major Investment Reserve	120	-	120	47	73
Property - Asset Management Reserve	1,166	-	1,166	327	839
Winchester Town	107	-	107	-	107
<b>Total Earmarked Reserves</b>	<b>2,547</b>	<b>50</b>	<b>2,597</b>	<b>586</b>	<b>2,011</b>
<i>Capital Receipts</i>	4,905	-	4,905	559	4,346
<i>Revenue Contribution to Capital</i>	-	-	-	-	-
<i>Capital Financing Requirement</i>	11,846	2,000	13,846	3,160	10,687
<b>Total General Fund</b>	<b>20,511</b>	<b>2,130</b>	<b>22,641</b>	<b>4,989</b>	<b>17,652</b>
<b>Housing</b>					
Capital Grants and Contributions	3,169	1	3,170	2,604	566
Major Repairs Reserve	6,150	(155)	5,995	6,065	(70)
Capital Receipts	2,191	(1,773)	418	518	(100)
Revenue Contribution to Capital	10,473	(5,602)	4,871	4,462	409
<i>Capital Financing Requirement</i>	10,329	(2,443)	7,886	5,329	2,557
<b>Total Housing Revenue Account</b>	<b>32,312</b>	<b>(9,972)</b>	<b>22,340</b>	<b>18,978</b>	<b>3,362</b>
<b>Total Financing of Capital Programme</b>	<b>52,823</b>	<b>(7,842)</b>	<b>44,981</b>	<b>23,967</b>	<b>21,014</b>

**Usable Capital Receipts Reserve**

	<b>Original budget</b>	<b>Actual</b>	<b>Variance</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>General Fund</b>			
<b>Balance as at 1 April 2016</b>	<b>6,656</b>	<b>7,226</b>	
Asset Sales (Right to Buy)	309	309	-
Asset Sales (Other)	1,000	59	(941)
Financing of Capital Programme	(4,565)	(559)	4,006
<b>Balance as at 31 March 2017</b>	<b>3,400</b>	<b>7,035</b>	<b>3,065</b>
<b>Housing</b>			
<b>Balance as at 1 April 2016</b>	<b>3,564</b>	<b>3,456</b>	
Asset Sales (Right to Buy)	1,067	4,250	3,183
Asset Sales (Other)	560	641	81
Financing of Capital Programme	(2,461)	(518)	1,943
<b>Balance as at 31 March 2017</b>	<b>2,730</b>	<b>7,829</b>	<b>5,207</b>
<b>Total Balance as at 31 March 2017</b>	<b>6,130</b>	<b>14,864</b>	<b>8,272</b>



## Capital Programme 2017 to 2027

	Comments	Lead Officer	Outcome	2017/18			2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	TOTAL	
				CAB2896	Adjustments	Revised Budget	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	2017-2027 Forecast
				£000			£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b><i>Programmed But Subject to Appraisal</i></b>																	
Station Approach - Cattlemarket**	Commercial and residential development	Kevin Warren	Business	-	-	-	-	-	8,900	23,700	23,700	23,700	-	-	-	80,000	
Station Approach - Carfax**	Commercial and residential development	Kevin Warren	Business	250	-	250	1,000	21,180	21,180	-	-	-	-	-	-	64,800	
Station Approach - Public Realm	Improvements to the Public Realm	Kevin Warren	Environment	-	-	-	-	2,500	2,500	-	-	-	-	-	-	5,000	
New Leisure Centre	Replacement leisure centre	Kevin Warren	Health & Happiness	-	-	-	5,682	17,045	11,363	-	-	-	-	-	-	34,090	
Redevelopment of Old Bar End Depot	Commercial development	Kevin Warren	Business	250	-	250	2,375	2,375	-	-	-	-	-	-	-	5,000	
Open Spaces & Recreational Facilities	Play area refurbishments and replacements	Susan Croker	Health & Happiness	270	(9)	261	310	25	90	120	180	110	110	-	-	1,206	
Bishop's Waltham Depot	Industrial Units	Kevin Warren	Business	1,000	-	1,000	-	-	-	-	-	-	-	-	-	1,000	
Changing Pavilions (Town A/C)	Replacements at North Walls & King George V	Susan Croker	Health & Happiness	300	(300)	-	500	-	-	-	-	-	-	-	-	500	
Abbey House	External and internal remedial works	Kevin Warren	-	150	-	150	194	50	-	-	-	-	-	-	-	394	
South Winchester Coach Park	Replacement coach park	Richard Hein	Environment	50	-	50	250	-	-	-	-	-	-	-	-	300	
2-3 Bridge St	Remedial works to listed building	Kevin Warren	Business	100	-	100	-	-	-	-	-	-	-	-	-	100	
Old Chesil Rectory	Improvements	Kevin Warren	-	80	-	80	-	-	-	-	-	-	-	-	-	80	
Handlebar Café	Capital Grant	Eloise Appleby	Health & Happiness	75	-	75	-	-	-	-	-	-	-	-	-	75	
Enveloping Machine	Replacement - current machine at end of life	Alison Gavin	-	36	-	36	-	-	-	-	-	-	-	-	-	36	
Asset Management Plan	Reactive capital works to Estate	Kevin Warren	-	-	141	141	-	-	-	-	-	-	-	-	-	141	
<b>Total Programmed But Subject to Appraisal*</b>				<b>2,561</b>	<b>(168)</b>	<b>2,393</b>	<b>10,311</b>	<b>43,175</b>	<b>35,133</b>	<b>30,210</b>	<b>23,880</b>	<b>23,810</b>	<b>23,810</b>	-	-	<b>192,722</b>	
<b>Total General Fund</b>																	
				<b>26,873</b>	<b>(823)</b>	<b>26,050</b>	<b>18,971</b>	<b>44,245</b>	<b>36,246</b>	<b>31,210</b>	<b>24,928</b>	<b>24,920</b>	<b>24,930</b>	<b>1,072</b>	<b>1,070</b>	<b>233,642</b>	
<b>Housing Revenue Account</b>																	
<b>New Build</b>		Richard Botham	Housing	17,557	(1,238)	16,319	9,786	8,877	9,975	7,614	8,250	9,406	10,566	9,230	8,898	98,921	
<b>Major repairs</b>		Richard Botham	Housing	6,130	438	6,568	6,283	6,440	6,601	6,766	7,203	7,383	7,568	7,757	7,951	70,519	
<b>Improvements &amp; Loft Conversions</b>		Richard Botham	Housing	720	140	860	350	350	350	350	300	300	300	300	300	3,760	
<b>Disabled Adaptations</b>		Richard Botham	Housing	770	-	770	770	770	770	770	770	770	770	770	770	7,700	
<b>Other Capital Spend</b>		Richard Botham	Housing	177	-	177	138	100	100	100	100	100	100	100	100	1,115	
<b>Total Housing Revenue Account</b>				<b>25,354</b>	<b>(660)</b>	<b>24,694</b>	<b>17,327</b>	<b>16,537</b>	<b>17,796</b>	<b>15,600</b>	<b>16,623</b>	<b>17,959</b>	<b>19,304</b>	<b>18,157</b>	<b>18,019</b>	<b>182,015</b>	
<b>Grand Total</b>																	
				<b>52,227</b>	<b>(1,483)</b>	<b>50,744</b>	<b>36,298</b>	<b>60,782</b>	<b>54,042</b>	<b>46,810</b>	<b>41,551</b>	<b>42,879</b>	<b>44,234</b>	<b>19,229</b>	<b>19,089</b>	<b>415,657</b>	

\* 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.

\*\* Assumes a WCC backed and funded scheme