

CABINET

14 OCTOBER 2009

PRINCIPAL SCRUTINY COMMITTEE

19 OCTOBER 2009

GENERAL FUND BUDGET – REVISED ESTIMATE 2009/10 AND REVISED
BASELINE 2010/11

REPORT OF HEAD OF FINANCE

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RECENT REFERENCES:

CAB1760: Updated Sustainable Community Strategy and Corporate Business Plan,
10 December 2008

CAB1863: Financial Strategy 2010/11 – 2014/15, 8 July 2009

CAB1886: Capital Strategy and Programme 2009, 16 September 2009

EXECUTIVE SUMMARY:

Following the approval of the Financial Strategy in July, and the Capital Strategy on 1 October, this report presents the Revised General Fund Estimates for the current year (2009/10) reflecting the monitoring in the year to date. The current economic conditions have affected the Council's ability to achieve some of the budgeted assumptions particularly for income, and it has been necessary to instigate a number of mitigating actions to keep the budget in balance, for the year. The budget risk assessment has been updated since presented in July and is included at Appendix A.

In line with the Financial Strategy the implications of the changes in 2009/10 on next year's baseline (2010/11) have also been considered and a Revised Baseline for 2010/11 is presented, along with the baseline medium term projections.

There is no update of the Sustainable Community Strategy as this will take place in the Spring. However, a revised Corporate Business Plan is being drafted. Initial proposals for budget growth and savings will be considered further by Cabinet and the relevant Scrutiny Panels in the November cycle of meetings. These should be considered alongside the emerging priorities in the draft Corporate Business Plan. Equivalent savings will be required in order to release funds for any growth proposals.

Cabinet will give further consideration to proposals, taking account of Government support, possible tax increases and other information, as part of finalising next year's budget in the New Year.

RECOMMENDATIONS:

That Cabinet:

- 1 approves the Revised Estimate for 2009/10, and
- 2 notes the Revised Baseline for 2010/11 and uses this as the basis for considering growth and savings proposals, as part of its deliberation of the budget.

To Principal Scrutiny Committee:

- 1 That Principal Scrutiny Committee considers whether it wishes to make any comments on the Council's budget to Cabinet or Scrutiny Panels in advance of their deliberations on the budget.

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GENERAL FUND BUDGET – REVISED ESTIMATE 2009/10 AND REVISED BASELINE 2010/11

REPORT OF HEAD OF FINANCE

1 Introduction

- 1.1 This report presents the Revised General Fund Estimates for the current year (2009/10) reflecting the monitoring in the year to date. The current economic conditions have affected the Council's ability to achieve some of the budgeted assumptions particularly for income, and it has been necessary to instigate a number of mitigating actions to keep the budget in balance, for the year. The detailed financial monitoring and reporting that is in place is enabling appropriate and timely action to be taken to avoid a potential overspend at the year end.
- 1.2 In line with the Financial Strategy the implications of the changes in 2009/10 on next year's baseline (2010/11) have also been considered and a Revised Baseline for 2010/11 is presented, along with the baseline medium term projections.
- 1.3 There is no update of the Sustainable Community Strategy as this will take place in the Spring. However, a revised Corporate Business Plan is being drafted. Initial proposals for budget growth and savings will be considered further by Cabinet and the relevant Scrutiny Panels in the November cycle of meetings. These should be considered alongside the emerging priorities in the draft Corporate Business Plan: equivalent savings will be required in order to release funds for any growth proposals.
- 1.4 Cabinet will give further consideration to proposals, taking account of Government support, possible tax increases and other information, as part of finalising next year's budget in the New Year.

2 2009/10 Revised Estimate

- 2.1 The budget set has proved to be stretching with the ongoing severe economic conditions impacting upon most income streams and inevitably interest receivable. There have also been some cost pressures; for example staff turnover has reduced making the planned level of vacancy management

savings impossible to achieve. Senior Managers are instigating other measures to manage paybill costs.

- 2.2 Offsetting this, the net effect of supplementary approvals for the year will improve the outturn position by £105k, with the main benefit arising from the purchase of the West Wing lease.
- 2.3 The General Fund - Net Cost of Services in the year to August was £361k higher than budgeted (see Appendix B).
- 2.4 Extrapolation of the year to date position presented a forecast overspend for the full year outturn, and it has therefore been necessary to take some specific actions to ensure that the Council manages within the total net budget for this year.
- 2.5 The use of the General Fund Balance is considered as funding of last resort, and it is not being proposed to use any of this at this stage to cover the shortfall, particularly as there remain a number of budget risks and inherent uncertainty in the forecasts.
- 2.6 Financial performance will be kept under close review and any further adjustments will be brought forward as necessary within financial procedures.
- 2.7 The Revised Estimate for 2009/10 is summarised at Appendix B and reflects the following key proposed changes:
 - a) Employee costs (net increased costs of £335k). The main areas of change are:
 - (i) *Flexible Resource Management* – The targeted increased savings have not been achieved in the year to date mainly because of reduced staff turnover. This means that on average the fewer vacancies arising will have to be left unfilled for longer periods. The target for the year has also been reviewed and reduced to c.£350k.
 - (ii) *Pay settlement & members' allowances* – The pay settlement and members' allowances are lower than budgeted and this has been factored in to the forecast (c. £28k).
 - (iii) *Accrual for untaken annual leave* - Changes to the accounting rules effectively produce a one-off cost associated with the adjustments required to comply with International Financial Reporting Standards (IFRS). This is currently estimated at c. £100k (assuming an average of 2 days carried over per employee).
 - (iv) It is also assumed that savings will be made across a number of other areas where spend has not yet occurred, such as corporate training and recruitment.

- b) Premises (net adverse changes of £120k); the main areas being costs related to Avalon House empty property rates and costs associated with the Car park office move, partly offset by the release of the provision for outstanding utility charges following settlement of the bill at a lower amount.
- c) Supplies & Services (net favourable changes of £330k). There are a number of initiatives planned to deliver savings including reductions to: external printing costs, stationery, back scanning, conferences, consultancy et cetera. There are some unavoidable increased costs mainly in relation to Planning appeals.
- d) Third Party Payments (net favourable changes of £156k). This relates to forecasts of lower than budgeted contractual payments.
- e) External Income (net favourable changes of £333k). There are a number of changes in external income forecasts, the most significant being:

Increased income (totalling £579k) for:

- Recycling & glass sales
- Various non-ring fenced grants
- Revenues Benefits income
- Car parking income

Offset by reductions to forecast income (£433k) for:

- Property rental income (Avalon House, Abbey Mill, & Car Park office)
- External income for engineering projects
- Land charges
- Guildhall external room hire
- Meadowside

There has also been an increase (£187k) caused by a reclassification to income from reserves (this has no net effect on the bottom line).

- f) Interest and investment income (forecast reduced by £232k)

Interest rates are currently at an historically low level which is placing severe pressure on the interest income the Council receives. Average balances available for investment are also lower than budgeted.

Forecasts have been revised downwards for 2009/10 onwards in line with current interest rate forecasts we have received from our advisors.

- g) Transfers from Reserves (£311K adverse).

A full review of earmarked reserves movements has been undertaken and the main changes arise from accounting adjustments with the reclassification from Reserves to Income relating to deferred income releases.

3 2010/11 Revised Baseline and medium term forecasts

- 3.1 An Initial Baseline for 2010/11 was presented with the Financial Strategy in July. This has now been Revised to include:

- a) Supplementary estimates and virements that have occurred since July.
- b) The future implications of significant variations in the year to date.
- c) The Revenue consequences of the latest approved capital expenditure programme.
- d) A reduction to the forecast pay inflation from 1.5% to 1%.
- e) A reduction in the forecast inflation on contracts to 1.5% in 2010/11 (from 3%)
- f) The Council's Value for Money (VfM) programme.
- g) An adjustment for the potential increase in the Council tax base.
- h) As last year, the baseline financial projections do NOT assume any increases to income. This is because of the uncertainties of the global economic situation and the impact already experienced on some of the Council's income streams. This does not mean that there will not be increases. It is a requirement under the Financial Procedure Rules that all fees and charges are reviewed annually. There are also statutory and market restrictions on some of these charges. Proposals for any changes to the baseline will be presented as growth or savings options

- 3.2 The Revised Baseline for 2010/11 and the medium term projections are provided at Appendix C. This is the starting point for the consideration of the budget options for next year. The risk assessment at Appendix A indicates that we should expect some unavoidable growth pressures to come forward and, this of course, will add to the amount of commensurate savings to be found in order to achieve a balanced budget.

- 3.3 The Revised Baseline for 2010/11 shows a budget GAP of £1.7m.

4 Reserves

- 4.1 A summary of the projections for the Council's main reserve balances is provided at Appendix D.
- 4.2 Earmarked reserves have been established for specific purposes with associated spending plans and will be substantially depleted over the medium term financial strategy period. It is recommended that there is consideration of a new strategy for earmarked reserves to ensure that there are adequate balances in the future to support essential expenditure on areas such as Car Parks and ICT. More detailed proposals will be considered as part of the budget growth and savings proposals.
- 4.3 Winchester Town Account – The Revised Estimate for this reserve has created a negative reserve balance meaning that at the year end the General Fund reserves will be required to supplement this deficit. It has been caused by 3 items that were unforeseen at the time of setting the budget;
- (i) Higher outturn costs for 2008/09 resulting in a lower reserve balance brought forward;
 - (ii) Urgent works required to some of the Bridges in the Town area identified in “phase 2” of the property condition surveys; and
 - (iii) A fall in income from cemeteries.

The Town Forum will consider the implications of this at its budget meeting in November.

- 4.4 Major Investment Reserve - There are plans within the medium term capital strategy period to utilise this reserve to support the capital programme.
- 4.5 The General Fund working balance stands at £2m. The level of this balance is considered in the light of a number of factors concerning the Council's level of exposure to changes in income and expenditure.

5 Housing Revenue Account

- 5.1 Whilst the Housing Revenue Account (HRA) is fairly self contained in that its revenue expenditure must be funded by its rental income, its capital schemes can impact on the General Fund through loss of interest. Conversely changes initiated in the General Fund can impact on the HRA in the form of overhead charges.
- 5.2 Therefore the General Fund cannot be considered independently of the Housing Revenue Account (HRA). As in previous years, further reports will be made to Cabinet on the HRA position later in the year.

OTHER CONSIDERATIONS:

6 SUSTAINABLE COMMUNITY STRATEGY (RELEVANCE TO):

6.1 The Financial Strategy is part of the Council's corporate policy framework and is key to the achievement of the Council's Corporate Business Plan and in particular the outcome of achieving an Efficient and Effective Council.

7 RESOURCE IMPLICATIONS:

7.1 As set out in the report.

8 Risk/Uncertainty/Sensitivity

8.1 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. Consideration has been given to these factors and an updated budget risk assessment is provided at Appendix A.

BACKGROUND DOCUMENTS:

Working papers held in the Finance and other divisions.

APPENDICES:

Appendix A: General Fund Budget - Risk Assessment

Appendix B: General Fund Revised Estimate 2009/10

Appendix C: General Fund 2010/11 Revised Baseline and Medium Term forecasts

Appendix D: Main Reserve Balances

Appendix E: Winchester Town Account Revised Estimate 2009/10

	Risk area identified	Potential Impact of Risk	Financial assessment of risk - Up to (£)	Mitigation
1	Economic uncertainty arising from the global economic crisis	Unexpected Financial losses	£?	Prudent forecast assumptions Maintain adequate level of General Fund working balance Increased budget monitoring
2	RPI	Budget provision insufficient to cover contractual commitments that are linked to RPI	+/-1% = c£90k	Contractual commitments assessed and reflected in baseline Maintain adequate level of General Fund working balance
3	Pay Inflation	Budget provision insufficient to cover actual pay settlements for years 2010/11 and beyond	+/-1% of paybill = c£140k	Budget provision made for pay inflation of 1% p.a. Maintain adequate level of General Fund working balance
4	Interest Rates	Interest rate forecasts vary from the assumptions made in the financial forecasts resulting in a shortfall in assumed investment interest.	+/-1% interest rate = £253k	Prudent approach to interest rate & cash flow forecasts Treasury Management Strategy and Policies
5	Revenue Support Grant	Shortfall in budget if grant funding is less than that assumed	+/-1% RSG = c£70k	Provisional settlement figures provided by the Government for 3 years to 2010/11 and no further increases assumed Maintain adequate level of General Fund working balance
6	Housing & Planning Delivery Grant	Future grant funding could be lower than current budget or discontinued.	2009/10 budget = £250k	Monitor Government consultation on future proposals for funding planning improvement
7	Local Authority Business Growth Incentive Scheme	Initiatives funded by this scheme may raise future expectations and create ongoing commitments. Potential budget shortfall as future LABGI receipts will support the baseline budgets. Reduced income from LABGI under new sub-regional apportionment regime from 2009/10.	£74k included in baseline	Earmarked reserve set up and monitored monthly to ensure commitments do not exceed available funding One off costs could be not progressed if LABGI insufficient

	Risk area identified	Potential Impact of Risk	Financial assessment of risk - Up to (£)	Mitigation
8	Government Capping	Government considers that the budget decisions taken by the Council should be subject to capping resulting in the costs of rebilling etc.	£high	Council will consider Government guidance when setting council tax Effect of Town Account decisions also considered
9	Efficiency Targets	Failure to deliver ongoing budget cashable VFM Gain targets leading to a funding shortfall	2009/10 proposed target £500k	Ensure that targets are realistic and achievable within the timescales set Allocate ownership and develop action plans to deliver Maintain adequate level of General Fund working balance
10	Concessionary Travel	Budget provision is insufficient to cover full costs of the scheme for 2009/10 and legal claims related to the service in 2007/08 and 2008/09. Consultation proposing the transfer of responsibility for Concessionary travel to the County may result in Winchester losing more funding than it was given to start with due to the Government's 'damping' formula being applied.		Budget reflects latest advice of consultants for the Hampshire Countywide scheme
11	The review of Government funding for local councils and the possibility of the County Council using new power to levy local business rate supplement income	Uncertainty in future funding mechanisms and levels of support	£?	Maintain a prudent approach to budget and forecasting (as above) pending Government response Two BID areas already introduced in Winchester District already provide a scheme for raising additional finance from local businesses for schemes affecting the BID areas
12	Equal Pay	Unexpected claims for back pay	nil	Equal Pay audit completed and no issues raised Union agreement that there were no equal pay issues when new pay structure was introduced Maintain adequate level of General Fund working balance

	Risk area identified	Potential Impact of Risk	Financial assessment of risk - Up to (£)	Mitigation
13	Further potential changes to fee structure for land charges searches and continuing potential impact of HIPS packs upon search levels	The statutory limit on personal search fees has been increased from £11 to £22 from 1 January 2010, although this may be outweighed by a loss of charges for Environmental Information (which may have to be provided free of charge).		Prudent provision for income levels made at this stage
14	Growth pressures and changes to national priorities that must be met	New pressures and requirements, likely to carry additional costs	£unknown	To be considered as individual initiatives and requirements emerge
15	New office accommodation	Escalation of costs for new provision <u>or</u> growing costs of existing accommodation		Option appraisal for new offices to take full account of current financial outlook and detailed project risks
16	Silver Hill development proposals	Costs arising due to Council input, revenue costs post-implementation or risks to return on Council assets and any impact of current economic situation		Detailed risks managed as part of Silver Hill project by Head of Estates
17	Any need for further investment in building fabric/capital repairs	Budget may be insufficient to meet requirements		First two stages of detailed needs assessment / prioritisation completed. Further assessments due for consideration in Autumn 2009 as part of the budget process Capital growth will be identified
18	Further expansion of the Park and Ride scheme	There may be further substantial costs from 2010/11 as a result of expansion of the scheme – this depends on the level of usage and resulting income from the new services		Keep scheme and current charging levels under review Maintain adequate level of General Fund working balance A financial appraisal to be conducted on the potential impact of the new scheme.

	Risk area identified	Potential Impact of Risk	Financial assessment of risk - Up to (£)	Mitigation
19	VAT – breach of the 5% limit	Additional irrecoverable VAT costs as a result of breaching the limit		VAT implications considered as part of capital appraisal for each project
20	Pensions costs	Falls in the value of the pension fund as a consequence of the global financial crisis which may lead to increases in employer contributions		Consult with scheme administrator and reflect latest information in forecasts
				Maintain adequate level of General Fund working balance
21	Pay budgets	Baseline may be insufficient to cover costs of maturing workforce. Turnover assumed and resultant savings from flexible resource management may not be achieved	c£354k	Detailed review and close monitoring with monthly review and reporting on FRM savings achieved and target savings remaining
				Maintain adequate level of General Fund working balance
22	Uncertain impact of transfer of filtering of complaints from Standards Board to local level	Additional budget required or adverse impact upon other priorities in Legal/Democratic Services		Seek to undertake within existing resources but monitor as supplementary estimate may be required depending upon unpredictable timing/volume of workload
23	Impact of additional S106 work for highway infrastructure contributions on Legal Services	Additional budget required or adverse impact upon other priorities in Legal Services		Seek to undertake within existing resources and additional fees generated but monitor and outsource any peaks of work that cannot be undertaken in house.
24	Government Connect	No interaction with DWP for Benefits checking or other Central Government departments i.e. DVLA. Possibility of action being taken by DWP. Other Central Government departments using Govconnect will need to monitor		Currently compliant Working on achieving and maintaining compliance as further Govt changes expected
				Dependent on funding for upgrades to network and PCs

	Risk area identified	Potential Impact of Risk	Financial assessment of risk - Up to (£)	Mitigation
25	Reduced level of and timing of capital receipts	May impact upon the need to undertake prudential borrowing earlier than anticipated.		Ensure compliance with the Prudential Code
26	Community Safety Partnership – reduction in Home Office grant funding	Support of voluntary sector projects and joint post funding could be expected to be found from partners' own budgets.		Seek to undertake from partner budgets
				Consider greater sharing of resource across the 11 district partnerships
				Monitor the impact on statutory duties
27	Continued sharp rises in energy prices	Uncontrollable cost increases for WCC, particularly at River Park Leisure Centre and Guildhall / Office Accommodation. Onward implication for fees charged to customers.		Take advantage of possible savings from new contractual arrangements with DC Leisure (community leisure partnership)
				Invest in further energy-saving measures, particularly during refurbishment/repair programmes
28	Condition of River Park Leisure Centre	Major repairs needed before start of new management contract in April 2011, requiring capital investment and causing loss of income during close-down(s). Substantial capital to invest in new build for 10 - 15 years' time when current building comes to end of useful life.		Major repair programme and costings to be considered by Cabinet by end 2009.
				Potential for shared procurement/ management of new centre to reduce costs - being explored with two other districts.
				Negotiations on contract extension with current operator being carried out to assess options for limiting interruptions to trading during major repairs.

	Risk area identified	Potential Impact of Risk	Financial assessment of risk - Up to (£)	Mitigation
29	Less car park income than anticipated	Shortfall in income		Maintain adequate level of General Fund working balance
30	Inability to cover recharges on engineering services	Unrecoverable costs, shortfall in budget		Budget growth bid
31	Planning Fee income	Reduction in level of income due to reduction in number of planning applications received		Maintain adequate level of General Fund working balance
32	Major developments	Reduction in number of applications received and subsequent development carried out. Lower HPDG awarded		Maintain adequate level of General Fund working balance
33	Shortfall in Building Regulation applications and fee income due to downturn in the economy	Unable to achieve income targets		Careful management of expenditure
				Marketing service to increase business
34	Avalon House	Budgeted Rental and NNDR savings not achieved	£284k Full Year	Maintain adequate level of General Fund working balance
		Deteriorating fabric condition leading to further costs and safety problems		
35	Abbey Mill	Budgeted Rental Income not achieved	£74k included in baseline	Maintain adequate level of General Fund working balance
36	Finance System -Upgrade	Delays in implementation leading to lack of support for the current system.		Project management including cost monitoring and control
		Project budget inadequate to implement.		Contract with appropriate costed deliverables and milestones.
37	Guildhall Capital Works	Potential partial close down for capital works leads to unbudgeted loss of income		Comprehensive financial appraisal
				Maintain adequate level of General Fund working balance

	Risk area identified	Potential Impact of Risk	Financial assessment of risk - Up to (£)	Mitigation
38	Guildhall Catering Contract	Increased net costs arising at the end of the current catering contract in 2010		<p>Early appraisal of options</p> <p>Maintain adequate level of General Fund working balance</p>
39	IT Support Contract	Uncertainty over costs for IT support when current contract expires in 2010.		<p>Early appraisal of options</p> <p>Maintain adequate level of General Fund working balance</p>
40	Waste Contract	Delays in completion of project within timescales required incurring extra costs if contract over runs. Increased costs associated with Waste and Recycling when current contract expires.		<p>Adequate resourcing of project</p> <p>Maintain adequate level of General Fund working balance</p>
41	Broad Rental Market Area Review	Financial impact on housing benefits subsidy settlement following review of Broad Rental Market Area (Portsmouth, Southampton & Winchester) by the rent officer.		Maintain adequate level of General Fund working balance
42	Investment in Heritable Bank	Administrator's expectations may not be realised and the outstanding cash to be recovered remains at risk until fully repaid	£640k	<p>LGA coordinated process for ensuring recovery is maximised, and ensure claims process fully applied.</p> <p>Maintain adequate level of General Fund working balance</p>

GENERAL FUND - REVISED ESTIMATE FOR 2009/10

	YEAR TO AUGUST			FULL YEAR		
	Budget	Actual	Variance adverse / (favourable)	Working Budget	Changes adverse/ (favourable)	Revised Estimate
	£000	£000	£000	£000	£000	£000
Expenditure						
Employees	5,563	5,755	192	14,032	335	14,367
Premises	1,818	1,724	(94)	4,016	120	4,136
Transport	73	82	9	620	-	620
Supplies & Services	2,128	2,096	(33)	5,309	(330)	4,979
Third Party Payments	3,082	3,108	26	8,078	(156)	7,922
Transfer Payments	8,791	9,219	428	25,033	-	25,033
Capital Financing	(12)	-	12	6,135	-	6,135
Income			0			
External Income	(14,210)	(14,430)	(220)	(39,260)	(333)	(39,593)
Net Recharges / Internal Income	(153)	(112)	41	(2,185)	(30)	(2,215)
Net cost of services	7,080	7,441	361	21,778	(394)	21,384
<i>Less:</i>						
Reversal of Capital Financing				(6,135)	-	(6,135)
Net Interest & Investment income receivable				(485)	232	(253)
Appropriations:						
Transfers to or (from) Major Investment Reserve				(826)	-	(826)
Transfers to or (from) Earmarked Reserves				(653)	311	(342)
Transfers to or (from) Winchester Town Reserve				(48)	(20)	(68)
Net budget requirement				13,631	129	13,760
Funded by:						
Council Tax				6,689	-	6,689
Collection Fund transfer				(20)	-	(20)
Other Government Grants				89	(24)	113
Revenue Support Grant & Non-domestic rates redistribution				6,978	-	6,978
Forecast available funding				13,736	(24)	13,760
(Headroom) / shortfall				(105)	105	0

GENERAL FUND - REVISED BASELINE FORECAST FOR 2010/11 AND THE MEDIUM TERM

	2009/10 Revised Budget £000	2010/11 Initial Baseline £000	2010/11 Revised Baseline £000	2011/12 Indicative Baseline £000	2012/13 Indicative Baseline £000	2013/14 Indicative Baseline £000	2014/15 Indicative Baseline £000
opening Net Cost of Services		21,276	21,384	22,317	22,424	23,168	23,910
<i>adjusted for:</i>							
One-off costs- Brought Forward from 2008/09 to 2009/10			(353)				
Growth / Savings per 2009/10 budget (CAB 1786)			204	(153)	(4)	(42)	
One-off net savings in 2009/10			727				
One-off costs included in the base		(105)	(185)	(10)	(20)	0	0
Re-classified from Reserves to Income			(166)				
Supplementary approvals			65	(483)	0	0	0
Contractual commitments (+1.5% then +3%)		400	250	408	420	432	445
Employee costs (@ +1%pa)		461	391	345	348	352	355
Net cost of services	21,384	22,032	22,317	22,424	23,168	23,910	24,710
<u>Less:</u>							
Reversal of Capital Financing	(6,135)	(6,135)	(6,135)	(6,135)	(6,135)	(6,135)	(6,135)
Net Interest & Investment income receivable	(253)	(542)	(255)	(515)	(1,031)	(1,031)	(1,031)
<u>Appropriations:</u>							
Transfers to or (from) Major Investment Reserve	(826)	(30)	(330)	(20)			
Transfers to or (from) Earmarked Reserves	(342)	(291)	(28)	(28)	(28)	(28)	(28)
Transfers to or (from) Winchester Town Reserve	(68)	0	10				
Forecast net budget requirement	13,760	15,034	15,580	15,726	15,974	16,716	17,516
<u>Funded by:</u>							
Council Tax (@ 0% increase in tax levels)	6,689	6,689	6,718	6,718	6,718	6,718	6,718
Collection Fund transfer	(20)						
Other Government Grants	113	89	113	50	50	50	50
Revenue Support Grant & Non-domestic rates redistribution	6,978	7,013	7,013	7,013	7,013	7,013	7,013
Forecast available funding	13,760	13,791	13,845	13,781	13,781	13,781	13,781
(Headroom) / shortfall	0	1,243	1,735	1,945	2,193	2,934	3,735

MAIN RESERVE BALANCES

2008/09 Closing Balance at 31/3/09		2009/10 Closing Balance at 31/3/10	2010/11 Closing Balance at 31/3/11	2011/12 Closing Balance at 31/3/12	2012/13 Closing Balance at 31/3/13	2013/14 Closing Balance at 31/3/14
£000	EARMARKED RESERVES	£000	£000	£000	£000	£000
641	Bapsy Bequest Interest Reserve	641	0	0	0	0
486	Car Parks Property Repairs	233	53	0	0	0
12	ICT Strategy	0				
30	Insurance Reserve	30	30	30	30	30
38	Land Charges Computer System	0				
39	Leisure, Arts and Culture Grants	(39)	(28)	(28)	(28)	(28)
1,391	Local Authority Business Growth Incentive	502	123	123	123	123
75	Local Development Framework	177	221	87	21	0
15	Museums Acquisitions	15	15	15	15	15
21	Museums Publications	21	21	21	21	21
65	Non-operational Property Repairs	65	65	65	65	65
57	Planning Delivery	0	0	0	0	0
522	Planning Deposits (interest)	522	522	522	522	522
600	Property Repairs and Renewals	485	485	485	485	485
11	Sewage Works Replacement Contributions	11	11	11	11	11
12	Town Twinning	9	6	3	0	0
4,015	Total	2,672	1,524	1,334	1,265	1,244
55	Winchester Town Reserve	(10)				
4,070	Total "Other" Earmarked Reserves	2,662	1,524	1,334	1,265	1,244
4,312	MAJOR INVESTMENT RESERVE	1,046	716	261	0	0
8,382	Total Earmarked Reserves	3,708	2,240	1,595	1,265	1,244
2,000	GENERAL FUND BALANCE	2,000	2,000	2,000	2,000	2,000

COUNCIL TAX ON WINCHESTER TOWN AREA

	2008/09	2009/10	2009/10
	Outturn	Original	Revised
	£	£	£
Recreation Grounds (propn)	611,168	542,954	542,954
Grants	31,021	46,760	46,760
Cemeteries	40,679	45,187	65,187
Community Wardens (contrbn)	45,000	45,000	45,000
Public Conveniences	0	40,000	40,000
Footway Lighting	29,713	35,849	35,849
Bridge maintenance	0	0	30,000
Theatre Royal	0	20,000	20,000
Christmas Lights	9,528	16,275	16,275
Town Forum	5,584	13,150	13,150
Bus Shelter Maintenance	12,312	12,670	12,670
20 mph speed limit	0	10,000	10,000
Allotments	(1,171)	(1,550)	(1,550)
Total Expenditure	783,834	826,295	876,295
PROCEEDS OF COUNCIL TAX	(770,700)	(807,857)	(807,857)
Interest on balance	(3,357)	(3,391)	(3,391)
Variation in Balances	9,777	15,047	65,047
FUND BALANCE: 1st April	(64,550)	(85,649)	(54,773)
FUND BALANCE CARRIED FORWARD	(54,773)	(70,602)	10,274
Tax Base	14,003	14,005	14,005
Tax at Band D	£55.04	£57.68	£57.68