

At its meeting on the 24 February 2021, full Council made the decision set out below following recommendations of Cabinet. In line with Part 4.5 of the Winchester City Council constitution - Budget and Policy Framework Rules (Para 2.4), the Council's decision will become effective on the expiry of five clear days after the publication of this notice of decision, unless the Leader objects to it in that period.

Topic: (CAB3289) and General Fund Budget 2021/22 Update (CL160) General Fund Budget 2021/22

Decision:

General Fund budget 2021/22 Update (CL160)

RESOLVED:

1. That Council had regard to and noted the additional information as set out in this update report as part of its consideration and determination of the General Fund Budget 2021/22 (CAB3289).
2. The existing Recommendation 8 in CAB3289 be replaced with the updated recommendation 8 as follows: "That the level of Council Tax at Band D for City Council services for 2021/22 be increased to £147.34"

General Fund budget 2021/22 (CAB3289)

RESOLVED:

1. That the level of General Fund Budget for 2021/22 be agreed and the summary as shown in appendix A of the report.
2. That the investment proposals set out in section 15 of this report be supported, including:
 - a. Additional staff provision to support the delivery of the Movement Strategy at an annual cost of £60,000;
 - b. £60,000 per annum in to cover potential additional costs in relation to Meadowside leisure centre;
 - c. Increased provision for Local Council Tax Support, with £169,000 additional one off provision to the Council's Hardship Fund, funded directly from Government grant;
 - d. Provision of £250,000 to meet Covid related/recovery costs in 2021/22 funded from the "tranche 5" Covid grant confirmed in the Government Settlement;
 - e. Additional revenue budget provision, funded from the Major Investment Reserve, of £2m required to fund Central Winchester Regeneration project work in 2021/22 and 2022/23, subject to the approval of the business case which will be brought to Cabinet later in the year;
 - f. Additional revenue provision, funded from the Major Investment Reserve of £250,000 to fund the creation of an interim open space at the Friarsgate site in Winchester.
3. That the savings proposals set out in section 16 of the report be approved, including:
 - a. The implementation of "cashless parking", phased over 2 years;
 - b. Fees and charges for services to be increased by an average of 3% (not including parking charges or garden waste, where no increase is proposed for April 2021);
 - c. Building Control fees increase by 10% on average;

-
- d. That no additional revenue contributions be made to the Property and Asset Reserve and that use of the reserve be reviewed as part of the refresh of the Asset Management Strategy in 2021;
 - e. That the annual revenue contribution to the Car Park and Transport reserve be reduced to £150,000 per annum for the next four years;
 - f. The budget for “small grants” is reduced by £15,000;
 - g. A one year grant agreement based on a maximum grant of £147,200 for “Play to the Crowd”;
 - h. That financial support for the annual Criterium event is not continued.

4. That £1.5m be transferred from the Transitional Reserve to the Major Investment Reserve to ensure sufficient resources are available to cover major investment after accounting for the CWR provision set out in recommendation 2 e) above.

5. 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 £1,061,591 be treated as Special Expenses under Section 35 of the Local Government Finance Act 1992 in respect of the Winchester Town area, Appendix D.

6. That the Council Tax for the Special Expenses in the Winchester Town area at Band D for 2021/22 be increased to £73.41.

7. That the deficit balance on the Council Tax Collection Fund for distribution to this Council, calculated in January 2021 of £153,843.75, be approved.

8. That the level of Council Tax at Band D for City Council services for 2021/22 be increased to £147.38 4.

9. That the Council Tax requirements per parish area, listed in Appendix E, be noted.

Reasons:

The Council is facing very significant financial pressures as a result of Covid 19 and the impact this has had to council services. CAB3276 dated December 2020 highlighted a forecast deficit of £3.7m. The latest “lockdown” will only add pressure to these forecasts.

Report CAB3289 sets out the current challenge, updates members on the impact of the recent Government Settlement, on progress with work to reduce net operating costs and includes proposals to ensure a balanced budget can be maintained in 2021/22 whilst supporting the delivery of the key priorities of the Council Plan.

The budget sets the revenue financial resources for the 2021/22 financial year with which the Council can utilise to provide public services, including any changes to Council Tax levels. The general fund budget is consolidated to take into account the latest known funding allocations through central government as well as from locally raised Council Tax, Business Rates (after government levies and tariffs) and fees and charges.

The current tax is £143.09 at Band D for City Council services, and £71.27 for Winchester Town. It is proposed to increase the District tax for 2021/22 by three percent to £147.38 and the town forum have proposed a three percent increase to £73.41 (Band D equivalent).

Alternative Options Considered:

The option to fund a greater percentage of potential shortfalls from reserves has been considered. However, this is not recommended. The Transitional Reserve has been established to mitigate the risk of future budget shortfalls and is proposed to be used for this purpose if required. However, greater reliance on reserves would severely weaken the council's capacity to manage projects moving forward.

The option of taking a harder line on budget savings and identifying more than the £3m included in this report has also been considered. Scope for achieving this does exist but would have a direct impact on service levels and service quality. With the uncertainty that exists regarding future funding, the recommended balance between savings and use of reserves to achieve a balanced budget is considered reasonable.

At its meeting on the 24 February 2021, Council considered the following amendment:

Amendment to Agenda Item 5a General Fund Budget 2021/22 (CAB3289) and General Fund Budget 2021/22 Update (CL160):

1. That charges for Sunday and evening parking in city centre car parks be removed with effect from April 2021.
2. That the £149,000 saving achieved by deleting posts from the Planning team be removed and the posts be reinstated.
3. That a 100% discount on garden waste charges in 2021/22 be offered to any resident claiming a means tested benefit.
4. That charges for the garden waste collection service be removed with effect from February 2022.
5. That provision for salary pay award be removed, reflecting the national Government position that a public sector pay freeze should be maintained in 2021/22.
6. That the £850,000 per annum saving in 2021/22 and 2022/23 as a result of reduced pension fund contributions following the recent actuarial assessment be used to fund the above changes rather than being transferred to the Transitional Reserve.
7. That £150,000 be removed from the Climate Emergency revenue budget (£20k in 2021/22 and £130k in 2022/23).
8. That the proposal to transfer £150k to the Parking reserve in 2021/22 and 2022/23 be deleted.

9. That a revised Medium Term Financial Plan replace the appendix 1 of CAB3289.

10. That a revised Council Tax Resolution be approved.

This amendment was voted upon but not carried.

Date of Publication of notice:

25 February 2021