

At its meeting on the 23 February 2023, 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.

Agenda item: General Fund Budget 2023/24 (CAB3388)

RESOLVED:

1. That the level of General Fund Budget for 2023/24 be agreed, and recommend the summary as shown in Appendix A of the report.
2. That the creation of and transfers to reserves (detailed in section 13.13 of the report) be approved to support the delivery of the key priorities in the Council Plan, including:
 - a. Greener Faster (£250k)
 - b. Future of Waste (£500k)
 - c. Pride in Place (£150k)
 - d. Digital Transformation (£400k)
 - e. Regeneration (£300k)
 - f. Cost of Living/Living Well (£170k)
 - g. Transitional Reserve (additional £230k)
3. That the Pride in Place investment proposals set out in section 13.5 of the report be supported, including:
 - a. To increase the regeneration budget by £130k per annum to provide capacity to deliver the council's regeneration programme.
 - b. To increase the Town Forum bus shelter replacement programme by £10k per annum from 2023/24
 - c. To freeze the proposed grant funding reductions to Hampshire Cultural Trust and maintain pre-2022/23 funding levels until the end of 2024/25, at a cost of £43k per annum.
 - d. Extend the current one-off budget funding street scene works under the Pride in Place priority by £50k per annum
 - e. Increase the tree works budget by £78k per annum to fund ongoing essential works to the Council's trees across the district
 - f. Increase the Natural Environment and Recreation Team budget by £23k per annum to fund a tree officer post to manage the council's trees.
4. That the proposed increase to the salary budget of £175k per annum to fund all grades being uplifted by one increment on the existing pay scales be approved, in accordance with Appendix G of the report, to give Winchester a more competitive market position for recruitment and retention of staff.

5. That a discretionary 7% cap for 2023/24 on the annual increase in rent for Partnered Home Purchase scheme property owners be approved, in line with the increase in social and affordable rents to existing tenants in the HRA.
6. That the sum of £1,186,879 be treated as Special Expenses under Section 35 of the Local Government Finance Act 1992 in respect of the Winchester Town area as set out in section 16 and Appendix D of the report.
7. That the Council Tax for the Special Expenses in the Winchester Town area at Band D for 2023/24 be increased by 5.5% to £80.93, an increase of £4.22.
8. That the surplus balance on the Council Tax Collection Fund for distribution to this Council, calculated in January 2023 of £39,724.63, be approved.
9. That the level of Council Tax at Band D for City Council services for 2023/24 be increased to £155.29, an increase of £4.00 reflecting an average Council tax increase of 2.65%
10. That the new Council Tax Reduction scheme income bands be approved (set out in Appendix E of the report) that ensure claimants continue to receive the same level of support after the increase in Universal Credit from April 2023.
11. That the distribution of the Government's £150,512 Council Tax Support Fund through a reduction to Council Tax balances be approved, in line with the Government's guidance and additional local criteria, detailed in paragraph 17 of the report.

Reasons:

The purpose of report CAB3388 is to consider and recommend to Council the 2023/24 General Fund revenue budget, which proposes the Council Tax at Band D for the City Council be £155.29, an increase of £4.00 and reflecting an average Council tax increase of 2.65%.

The budget report details the options and investment proposals for the year ahead to deliver the priorities in the Council Plan and to support core council services. It details the use of reserves to ensure the council has a sustainable financial footing as well as allocating revenue funding to deliver the Capital Strategy (CAB3389).

Despite a more favourable than expected local government settlement announcement in December, the council is facing some of the most challenging financial conditions in recent years and to arrive at a balanced budget for 2023/24, £338k of savings proposals have been recommended. The settlement included an unexpected further year of New Homes Bonus. Whilst this does not assist the council to address longer term funding pressures, the report does recommend transferring £2m to reserves during the year to fund "one off" areas of known and uncertain future financial pressures.

Following approval of the refreshed 2023 edition of the Council Plan, this budget report includes proposals to set aside funding to enhance services in the following priority areas:

Greener Faster (£250k) – having declared a Climate Emergency in June 2019, the council is committed to becoming a carbon neutral local authority by 2024; and is aiming for the wider district to be carbon neutral by 2030. Recent roadmap work to inform how the ambitious carbon neutrality targets will be met, has indicated that significant work is required by the council to reduce its carbon footprint sufficiently. It is recommended to create a Greener Faster Reserve to support the council's ambitions to become carbon neutral.

This reserve will enable the council to expand renewable energy; explore the use of council assets for carbon and nutrient offsetting, reduce energy demand in council-owned buildings, lower the carbon footprint of council and contractor vehicles; as well as enhance active travel provision (for instance secure bike parking options). In addition the Future Waste Reserve will enable the Council to roll out improved doorstep recycling including food waste collection at the earliest point practicable.

Future of Waste (£500k) - new services for food waste and other changes to waste and recycling collection will be introduced in early 2025. Whilst the government has committed to new burdens funding for collection authorities, the amount is unknown and we expect the new burdens funding to require supplementing if we are to follow the corporate strategy and require the new vehicles to be low carbon or zero carbon producing. This reserve will support the transition to these new services.

Pride in Place (£150k) – the Council Plan gives enhanced focus on making a visible difference to the district to improve the experience of those living in or visiting it. This reserve will be used to develop a 'toilet strategy' working with parish councils to ensure Winchester is providing safe, clean, appropriately maintained and accessible public conveniences. The reserve will also support the public conveniences upgrade programme and the higher levels of investment and work being undertaken due to anti-social behaviour, vandalism and fly-tipping in the district. This is in addition to extending the current one-off budget funding street scene works under the Pride in Place priority by £50k per annum.

Digital Transformation (£400k) – the council's service to customers is of critical importance and the drive to increase digital platforms to offer 24/7 services continues. The council aspires to make services as easy as possible for customers to access. Work to transform the digital customer experience is needed in various services. This reserve will support the introduction of 'spatial data visualisation' for the Planning service – by procuring a tool to digitally map places, we can help people visualise planning applications, regeneration schemes and the design of wider areas.

Other digital transformation work includes a review of the council's website and Your Winchester app; which both allow customers to report issues, check information and self-serve 24 hours a day, 7 days a week.

Regeneration (£300k) – further to the additional budget requirements for Central Winchester Regeneration (paragraphs 13.5 and 13.8, work to explore whether a viable

scheme can be brought forward in the Station Approach area is underway. It is envisaged that a strategic case will be submitted to Cabinet in June 2023. If this leads to master-planning for the area, seed funding for the consideration and consultation of this will be required.

Cost of Living/Living Well (£170k) – without doubt, many residents are facing financial pressures and the council has worked over the year to support those in greatest need. As well as extending the existing Exceptional Hardship Fund that benefits those council tax payers most in need of financial assistance; this reserve will be used to continue the council's commitment to the principles of the City of Sanctuary (meaning we will continue to support those who arrive from peril) and further support the cost of living initiatives (e.g. through advice services and the business support programme).

In addition, this paper confirms the other spending proposals agreed as a basis for the budget in the Medium Term Financial Strategy report in November (CAB3374).

Alternative Options Considered:

Consideration has been given to not increasing Council tax in 2023/24. However, it should be noted that the Government settlement and additional resources allocated to the Council is a one-year announcement and forecasts still indicate increasing deficits in future years and therefore this cannot be recommended.

The proposals set out in report CAB3388 do result in increasing base budget costs in future years. Consideration has been given to not taking forward the proposals in light of this. However, they are considered to be essential to support the delivery of the Council Plan.

At its meeting on the 23 February 2023, Council considered the following amendment:

Add new recommendation (12) to read:

That the Council takes immediate steps to address the climate emergency and the cost of living crisis by:

- a. Employing five additional fixed term Scale 5 Climate Advisor posts for two years at a total cost of £500k, funded by the Major Investment Reserve.
- b. An additional one-off budget of £250k in 2023/24 in order to support insulation and energy saving projects, funded by the Major Investment Reserve.
- c. Four additional fixed term Scale 5 Business Advisor posts for two years at a total cost of £400k, funded by the Major Investment Reserve.

- d. Reduce the District fees and charges by £70k to the benefit of those residents that need our services.
- e. Increase the baseline Vacancy Management Savings target by £70k by increasing the time and volume of vacant posts.
- f. An 8% one-off Council Tax reduction for those required to pay council tax in this coming year, spread equally across the council tax bands at a cost of £630k plus £50,000 for additional administration and postage costs. This gives a total cost of £680k, to be funded by the Major Investment Reserve.

This amendment was voted upon but not carried.

Date of Publication of notice:

24 February 2023