

## Decisions taken by the Council on Thursday, 22 February 2024

At its meeting on the 22 February 2024, 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 2024/25 (CAB3444)

#### RESOLVED:

1. That the level of General Fund Budget for 2024/25 be agreed, and recommend the summary as shown in Appendix A of report CAB3444.
2. That the Greener Faster and carbon reduction investment proposals set out in section 14 of the report be approved, including:
  - a. £200,000 per annum for the carbon reduction measures on waste and recycling vehicles to enable the change to HVO fuel.
  - b. £1,400,000 per annum (less assumed 80% government funding) to expand recycling services to include food waste collections.
  - c. £400,000 per annum to implement other changes to the collection of recyclables.
  - d. £250,000 reduction in the annual waste income budget to reflect proposed changes to the Hampshire Inter Authority Agreement on waste.
3. That in relation to the Cost of Living focus of the Council Plan, the following be approved:
  - a. In the absence of any government funded scheme, the allocation of up to £100,000 from the Cost of Living / Living Well reserve to wholly or partially fund a local Council Tax Support Fund for 2024/25 in accordance with section 19 of the report.
  - b. Extending the council tax Exceptional Financial Hardship Fund, with the remaining balance of 2023/24 funding (£38,000 as at Jan 2024), to 2024/25 to support any council tax payers experiencing exceptional hardship, regardless of whether they are in receipt of Council Tax Reduction.
  - c. A discretionary 7.7% cap for 2024/25 on the annual increase in rent for Partnered Home Purchase scheme property owners, in line with the increase in social and affordable rents to existing tenants and for shared owners in the HRA.

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4. That in relation to the council's Homes for All priority the following be approved:
- a. an additional £20,000 per annum contribution to the New Burdens Reserve to support the Preventing Homelessness Strategy, including funding the increased costs of providing temporary accommodation for homeless households where required.
  - b. to reduce the long term empty property period from 2 years to 1 year, of the 100% council tax premium which applies to all unoccupied and unfurnished property.
5. That in relation to the council's TC25 transformation programme the following be approved:
- a. The £607,000 of immediately recognised TC25 savings set out in section 13 of the report be reassigned to contributions to the Transitional Reserve for 2024/25 and 2025/26 to support the delivery of the wider transformation programme.
  - b. A new budget of £100,000 per annum for the support and coordination of digital channel shift work across the council's services.
  - c. The transfer of the £130,000 of additional 4% Funding Guarantee income to the transitional reserve to invest in the TC25 transformation programme.
6. That the unavoidable budget growth of £100,000 per annum to fund increased external audit fees be approved.
7. That savings in corporate property budgets for Non Domestic Rates (NNDR) of £177,000 to reflect reduced liabilities be approved.
8. That service income annual budgets be amended as follows, in response to revised estimates:
- a. Building control fees reduced by £100,000
  - b. Land charges income reduced by £100,000
  - c. Legal services reduced by £50,000
  - d. Garden waste service income increased by £90,000
  - e. Car parking income increased by £100,000
9. That the sum of £1,273,758 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.
10. That the Council Tax for the Special Expenses in the Winchester Town area at Band D for 2024/25 be increased by the maximum allowed under the referendum limit of 2.99% combined between the town and district.
11. That the surplus balance on the Council Tax Collection Fund for distribution to this Council, calculated in January 2024 of £118,152.14, be approved.

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12. That the level of Council Tax at Band D for City Council services for 2024/25 be increased to £159.36, an increase of £4.07 reflecting an average Council tax increase of 2.6%.

13. That the new Council Tax Reduction scheme income bands (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 2024 be approved.

**Reasons:**

The purpose of report CAB3444 is to consider and recommend to Council the 2024/25 General Fund Revenue Budget. The report details the proposals for additional savings, spending and investment for the year ahead in order to support core council services and enhance continued delivery of the priorities in the Council Plan. There is particular focus on the Greener Faster priority by investing in enhanced recycling and food waste collection, and decarbonisation of our waste vehicle fleet, which will cut the Council's carbon emissions by 25%. Support for residents experiencing Cost of Living hardship is maintained by uprating the Council Tax Reduction scheme and additional funding for the Council Tax Hardship schemes, while the Council continues to maintain its community grants scheme. The financial landscape is particularly challenging for local government with more than one in five councils at risk of financial failure within the next 12 months if they do not receive significant additional income or make substantial cuts to services (1).

Winchester City Council faces many of the same pressures, particularly the uncertainty about future funding, with no indication of settlements beyond this next year. However, due to sound financial management in the difficult last 5 years, it is in a strong and stable position in the short term. The General Fund budget shown in Appendix B of report CAB3444 shows a balanced position for 2024/25 without needing to draw down reserves to achieve this. The Medium-Term Financial Strategy (report CAB3430 in November 2023) set out the forecast position for the medium term. Projections have now been updated and the new Medium Term Financial Plan (MTFP) is shown at Appendix A of the report. This shows that, although the council's immediate financial position to 2026 is stable, there are increasing forecast deficits in the longer term. To address these future pressures, the Council has embarked on an organisation wide transformation programme in order to close the £3m gap in funding within 3 years. Transformation Challenge 2025 (TC25) has already identified immediate savings of £0.6m which have been removed from the baseline budget. Transformational changes over the next few years are underway, focusing on digital redesign to enhance service delivery while producing savings, income generation and contracts review.

(1) Grant Thornton UK 'Financial Foresight' analysis at January 2024

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**At its meeting on the 22 February 2024, Council considered the following amendment:**

*Amend the recommended minutes by the addition of a new recommendation 2e: The removal of overnight parking charges in city centre car parks, funded by the deletion of long-term vacant posts from the establishment.*

This amendment was voted upon but not carried.

**Date of Publication of notice:**

23 February 2024