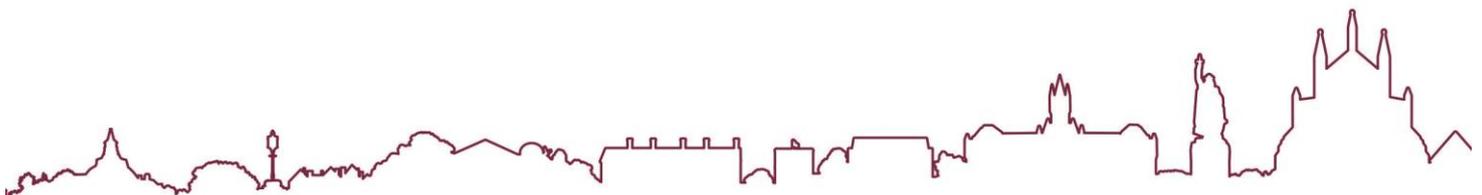


At its meeting on the 26 February 2026, full Council made the decision set out below following recommendations of Cabinet. In line with Part 4.5 of the Winchester City Council constitution - Budget and Policy Framework Rules (Para 2.4), the Council's decision will become effective on the expiry of five clear days after the publication of this notice of decision, unless the Leader objects to it in that period.

Agenda item: General Fund Budget 2026/27 (CAB3541 REVISED)

RESOLVED:

- 1. That the level of General Fund Budget for 2026/27 be agreed and the summary be recommended as shown in Appendix A of CAB3541, as amended, due to the late change in the Government's local government financial settlement announced by MHCLG on 10 February 2026.**
- 2. That in relation to the Greener Faster Council Plan priority:
 - a. a growth of £30,000 be approved to increase the annual Town Account tree maintenance budget as a result of risks associated with the effects of climate change and associated tree disease.****
- 3. That in relation to the Healthy Communities priority of the new Council Plan:
 - a. the revised income bands for the Council Tax Reduction scheme for working age applicants (set out in Appendix E of the report) be approved, that ensure claimants continue to receive the appropriate level of support after the DWPs increase in Universal Credit rates with effect from 1 April 2026.****
- 4. That in relation to the Efficient and Effective priority:
 - a. a growth to the annual expenditure budget of £89,000 be approved for improvements to make the way our residents' contact us is easier and faster.****
- 5. That other service expenditure annual budgets be amended as follows, in response to revised estimates:
 - a. Utility budget increased by £150,000 in order to cover the additional forecast utility costs from 2026/27.**
 - b. An additional budget of £115,000 per annum from 2026/27 for the Corporate Head of Resources.**
 - c. A growth of £130,000 to reflect the net budget pressure of the migration of the Land Charges service to HM Land Registry.**
 - d. A net budget saving of £215,000 per annum to reflect changes to forecast employers' pension contributions and rates.****



6. That one-off service expenditure budgets be approved as follows:

a. A £470,000 digital transformation budget, relating to the implementation of improvements to make our residents' digital contact with us easier and faster, with £400,000 funded from the digital transformation reserve and £70,000 funded from the transitional reserve.

b. A Town Account budget of £15,000 for feasibility work related to speed indicators within the town area, funded by the town reserve.

c. £1.7m for essential structural and repair works to the Guildhall to maintain this listed civic building (and required prior to further decision making on the future operating model of the Guildhall and Abbey House) funded from Property - Asset Management Reserve, and delegates authority to:

i. the Strategic Director to appoint, in accordance with the council's Contract Procedure Rules (CPRs), all necessary consultants to prepare design work for the works required to the Guildhall through a competitive bid process or framework;

ii. the Strategic Director to undertake a procurement exercise to obtain bids or use of a framework to appoint a contractor(s) for the works required to the Guildhall, in accordance with the council's CPRs;

iii. the Strategic Director to appoint the relevant contractors and to negotiate and agree contractual heads of terms with the contract appointment; and

iv. the Service Lead: Legal to prepare and enter into all relevant agreements, negotiate the contractual agreements and see them to completion to enable the Guildhall works.

7. That following a review of earmarked reserves they be amended as follows:

a. £2m of the Major Investment Reserve be re-allocated to the Property Reserve to fund maintenance requirements of corporate properties.

b. £1m from the Major Investment Reserve be re-allocated to the Car Parks Property Reserve to fund maintenance of and investment in parking.

c. An additional £500,000 per annum be set aside into the Property Reserve, for the maintenance of and investment in operational assets.

8. That the sum of £1,434,779 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 17 and Appendix D of the report.

9. That the Council Tax for the Special Expenses in the Winchester Town area at Band D for 2026/27 be increased by 5% (£4.50) to £94.58.

10. That the surplus balance on the Council Tax Collection Fund for distribution to this Council, calculated in January 2026 of £107,910, be approved.

11. That the level of Council Tax at Band D for City Council services for 2026/27 be increased to £168.49, an increase of £4.83 reflecting an average Council tax increase of 2.95% (the maximum allowed under the referendum limit of 2.99% when combined with the increase to the Special Expenses for the town area).

12. That the carry forward of the balance of the Council Tax Exceptional Hardship Fund in 2025/26 to 2026/27 be approved in order to extend this vital support for those on low income.

Reasons:

The purpose of report CAB3541 is to consider and recommend to Council the 2026/27 General Fund Revenue Budget. The report had been updated following the meeting of Cabinet to have regard to updates that had been reported to that meeting (which are referenced in the minutes of that meeting).

The report details the proposals for additional savings, spending and investment for the year ahead in order to support core council services and enhance delivery of the priorities in the Council Plan 2025-2030.

The Medium-Term Financial Strategy (report CAB3522 in November 2025) 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. This shows that, although the council's financial position to 2029 is stable, there are increasing forecast deficits in the longer term. Forecast deficits from 2029/30 are largely due to the impact of the Government's funding settlement 'Fair Funding 2.0' which included their long promised full baseline reset of business rates. Strong business growth in the district over the last decade has mean the district benefitted from retaining a greater proportion of business rates locally. The reset will see much of that growth now shared nationally rather than retained locally.

As set out in the Medium-Term Financial Strategy report in November (CAB3522) this budget for 2026/27 has limited 'budget options'. Instead, it focusses on continuing to deliver greener faster initiatives and maintaining the council's existing, high quality and resilient services. At the same time, it includes provision for preparing the council for the implementation of the Government's Local Government Reorganisation (LGR) plans. The council's 'unitary ready' transition plan is being formed around three themes:

- Focusing on the delivery of our Council Plan priorities, ensuring service stability and delivering continuous improvement through our established transformation challenge programme.

- Preparing our systems, processes and services for a smooth transition and continuing our digital transformation.
- Developing and supporting our workforce to adapt confidently and thrive in change.

The implementation cost to Winchester of Local Government Reorganisation cannot be known until the Government decides the final configuration in March 2026. The LGR submissions highlighted costs to the entire Hampshire & Isle of Wight area of between £128m and £132m. The Transitional Reserve will be the first funding source for the council's contribution towards these implementation costs.

At its meeting on 26 February 2026, Council asked questions and then debated the recommended minute of Cabinet, and the details set out in the corresponding report (CAB3541 Revised). Two amendments to the recommendations were proposed—one from the Green Group and one from the Conservative Group. Each amendment was subject to questions and debate before being put to the vote. Neither amendment was carried.

Date of Publication of notice:

27 February 2026