

REPORT TITLE: GENERAL FUND BUDGET 2021/22

11 FEBRUARY 2021

REPORT OF CABINET MEMBER: Cllr Neil Cutler Deputy Leader and Cabinet Member for Finance and Risk

Contact Officer: Richard Botham Tel No: 01962 848421 Email rbotham@winchester.gov.uk

WARD(S): ALL

PURPOSE

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.

This report 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).

RECOMMENDATIONS:

That Cabinet recommend that Council:-

1. Agree the level of General Fund Budget for 2021/22, and recommend the summary as shown in Appendix A.
2. Support the investment proposals set out in section 15 of this report, 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. Approve the savings proposals set out in section 16 of the report, 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. Recommend the level of Council Tax at Band D for City Council services for 2021/22 be increased to £147.38.
 9. Note the Council Tax requirements per parish area, listed in Appendix E.

IMPLICATIONS:1 COUNCIL PLAN OUTCOME

- 1.1 Key priorities set out in the Council Plan remain unchanged. A “refresh” of the Strategy is set out in CAB3286 elsewhere on this agenda. The proposed “refresh” takes account of the budget constraints but maintains a focus on:
- a) Carbon neutrality programme – The budget includes both revenue and capital funding to support this programme which remains central to all Council work.
 - b) Central Winchester regeneration – Proposals for future phases will be set out in a report to Cabinet scheduled for March 2021
 - c) Economic recovery – The Council continues to play a critical role in supporting the economic recovery of the district.
 - d) Maintaining high quality services - Whilst this report recommends measures to reduce net operating costs, maintaining the existing high quality services remains a key priority and can be supported by the budget.
 - e) Living Well – A focus on Health and Wellbeing – Proposals to refresh the Health and Wellbeing strategy have been reviewed by the Health and Environment Policy Committee and will be considered by Cabinet later in the year. This will include an increased emphasis on working with partners rather than focussing on direct delivery of programmes by Council teams
 - f) Homes for All – Targets for New Homes Delivery are fully funded through the Housing Revenue Account Business Plan. Funding to support the establishment of the Housing Company is included in the budget as agreed in September 2020.
- 1.2 To balance the need to maintain a focus on these key priorities whilst achieving a balanced budget, the forecast deficit will be addressed by:
- a) Careful use of reserves (funding key projects/provision for risk)
 - b) A review of fees and charges
 - c) An ongoing transformation and efficiency programme
 - d) Effective asset management
 - e) Supporting and enabling partners through grant funding

2 FINANCIAL IMPLICATIONS

- 2.1 The detail behind the proposed 2021/22 general fund budget is set out in the supporting information section of the report, including funding assumptions, growth pressures, proposals for additional investment to support the delivery of the Council Plan and reductions and actions required to achieve a balanced budget.
- 2.2 CAB3276 dated 16 December 2020 highlighted the potential budget shortfall in 2021/22 of £3.7m, based on the assumption that the current economic pressures will result in income which funds council services reducing by up to 20% in the next year, offset by additional Government support announced in the Spending Review. This assumption is subject to significant potential variance and this is reviewed later in the report.
- 2.3 The final Government Settlement was more positive than predicted in CAB3276. The detail is included in section 18 of this report but reduces the forecast deficit to £3m for 2021/22. It also provided additional support for Covid related work and for local Council Tax Support.
- 2.4 A summary of vacancy management and operational savings that are currently being implemented were set out in CAB3276 and totalled £2.4m (£1.1m from staffing/vacancy management and a further £1.3m of other operational changes see Appendix B). It also set out a further £648,000 of additional options for savings, all of which are recommended for approval as part of this report (although £10,000 will be retained in 2021 only to support the transition of delivering sports and physical activity programmes from the council to other partners in 2021 – see section 16.2 h)).
- 2.5 With the uncertainty associated with the pace of economic recovery, it is proposed to address any actual shortfalls in excess of £3m from the Transitional Reserve, which was established in October 2019 (CAB3178 refers) specifically to mitigate against future funding pressures.
- 2.6 Some unavoidable additional expenditure is required to support the delivery of the Council Plan priorities, as set out in section 15 and including:
- a) £120,000 additional annual base budget costs in relation to delivery costs for the Movement Strategy and the Meadowside Leisure Centre operating costs.
 - b) Provision of up to £2m to support the delivery of the next phase of Central Winchester (CWR) Regeneration works, subject to a full business case being approved. In addition, it is proposed to fund the provision of an interim open space at the Friarsgate site at a cost of £250,000. Both of these items are to be funded from the Major Investment Reserve.

- c) £250,000 to support additional costs in relation to responding to and recovering from the impact Covid 19, funded from the Government Settlement Covid “tranche 5” grant
- d) £169,000 additional contribution to the Council Tax Hardship Fund funded directly from the Government Settlement grant issued for this purpose.

3 LEGAL AND PROCUREMENT IMPLICATIONS

- 3.1 Under section 151 of the Local Government Act 1972 a local authority has to make proper arrangements for the administration of its financial affairs. Under s28 of the Local Government Act 2003 a local authority has to review its budget calculations from time to time during the financial year and take appropriate action if there is any deterioration of its budget.
- 3.2 The Council is required under Chapter 3 of the Local Government and Finance Act 1992 to set a council tax for the forthcoming year along with its budget estimates. The decision must be made by 11 March of the preceding year. The Council's prospective income from all sources must be equal to its proposed expenditure.
- 3.3 The Council is also required to set a balanced budget, taking into account a range of factors, including consultation feedback and decisions must be taken in accordance with the Council's duties in the Equality Act 2010.
- 3.4 The approval of the budget and setting of the Council Tax is a decision reserved to Full Council under the Local Government Act 2000 and the Local Authorities (Functions and Responsibilities) Regulations 2000 (as amended). Under these regulations, the Cabinet makes recommendations as to the setting of the council tax and budget to Full Council.

4 WORKFORCE IMPLICATIONS

- 4.1 The proposals set out in this report have no direct impact on the workforce. However, as set out in CAB3276, the £1.1m reduction in the council's salary costs through changes currently being implemented does result in a reduction in the overall establishment by 28 posts across a range of services. A number of these posts are currently vacant although the changes have resulted in 12 staff being at risk of redundancy. Severance costs are projected at £300,000 but are expected to be significantly less than this, as a number of vacant posts are being retained and provide redeployment opportunities for the "at risk" staff. It is proposed that these costs will be met from capital receipts (CAB3283 elsewhere on this agenda refers) with any remainder being funded from revenue in the 2020/21 financial year.
- 4.2 Capitalisation of Redundancy Costs - When making redundancies in order to make ongoing revenue savings, there are often considerable one-off costs which can adversely impact the revenue budget. Ordinarily capital resources, such as capital receipts, can only be used on capital expenditure (i.e. the

creation or enhancement of a capital asset). However, in 2018 the MHCLG Secretary of State issued a direction to local authorities in order to give local authorities the freedom to use capital receipts from the sale of their own assets (excluding Right to Buy receipts) to help fund the revenue costs of transformation projects and release savings, including through redundancy. By using capital receipts, the council is able to avoid the negative impact on its annual revenue budget of one-off costs but this will reduce the available resources for future capital projects.

- 4.3 It is recommended that the council adopts this flexible approach to the use of capital receipts to cover final severance costs in relation to the staff changes.
- 4.4 The Spending Review made announcements in relation to the "Public Sector Pay Freeze". However, provision for pay inflation has been retained in the base budget.

5 PROPERTY AND ASSET IMPLICATIONS

- 5.1 A key strand of the council's financial and treasury strategies is to maximise income from its assets and seek to manage risk by achieving a balanced portfolio of assets. Achieving a balanced budget is not reliant on additional disposals of assets. However, a number of "rent reviews" are due and these could impact on income projections. Other projects included in the capital programme will aim to generate income, such as Bishops Waltham Depot and the Goods Shed proposals.

6 CONSULTATION AND COMMUNICATION

- 6.1 A range of options were considered as part of CAB3276 – General Fund Budget Options and Medium Term Financial Strategy dated 16 December 2020 aimed at addressing future shortfalls and at supporting key Council Plan priorities whilst addressing the financial pressures arising from Covid. These options have since been subject to consultation with a range of stakeholders.
- 6.2 Officers presented the options to the local council briefing in November and to the Chamber of Commerce/BID business briefing in December. This was followed by the publication of a Budget Summary and an on line budget consultation which received over 70 responses broadly supporting the proposals set out in the summary and this report. In response to questions regarding savings proposals set out in the report, responses were mixed but with more agreement than disagreement for all proposals with the exception of reductions to small grants. A link to the results is included as a background paper to this report.
- 6.3 The Scrutiny Committee discussed the report at its meeting held on 2 February 2021. A number of questions were raised, particularly in relation to the staffing changes summarised in Appendix B, which form part of executive decisions already subject to implementation and included in this report for information. At the conclusion of questions and debate, the Committee

agreed that there were no particular matters that it wished to raise for Cabinet to consider further.

7 ENVIRONMENTAL CONSIDERATIONS

7.1 Whilst proposals in this report recommend budget savings from service efficiencies and reductions, the commitment to carbon neutrality remains. Revenue budget provision approved in October 2019 has been retained in full and the capital programme includes proposals specifically aimed at reducing carbon emissions.

7.2 Reducing the operating footprint of the council's Winchester operations will directly result in a reduction in carbon emissions from council buildings. "Work at home" arrangements have also resulted in a significant reduction in travel to work mileage. The impact of both of these measures is currently being assessed.

8 EQUALITY IMPACT ASSESSEMENT

8.1 This document is part of the budget consultation process and the public sector equality duty is considered alongside any relevant budget options.

9 DATA PROTECTION IMPACT ASSESSMENT

9.1 All projects set out in this report and the Capital Programme will be subject to individual data protection impact assessments.

10 RISK MANAGEMENT

Risk	Mitigation	Opportunities
<p><i>Property</i> <i>Commercial tenants unable to pay rents or subject to business failure</i></p> <p><i>Slowdown in commercial property investment, meaning that the council's development schemes achieve less interest or less income than expected</i></p>	<p>Rent abatement process established to support tenants, although deferrals of rent remain the main option where appropriate.</p> <p>The council's advisors are reviewing the property investment market and will provide advice as to timing of any marketing.</p>	
<p><i>Legal</i> <i>The council is unable to balance the revenue budget resulting in the issuing of a S114 notice</i></p>	<p>Proposals set out in this report, including the strategy for management of reserves mitigate</p>	<p>Present a balanced budget in difficult circumstances</p>

	against this.	
<i>Timescales Slower than projected economic recovery affecting income received by the council</i>	The council is actively supporting high street recovery through a EM3 LEP grant working with local partners The council has £12m uncommitted revenue reserves available to support further increases to the projected deficit	
<i>Financial The council is unable to balance the revenue budget</i>	Proposals set out in this report, including the strategy for management of reserves mitigate against this.	
<i>Risk of lower than projected demand for income generating services specifically parking as well as leisure centre operations</i>	The council has around £12m of uncommitted revenue reserves available which can be utilised as a last resort.	

11 SUPPORTING INFORMATION:

- 11.1 CAB3276 dated December 2020 set out the Medium Term Financial Strategy and proposed a 2021/22 budget based on a forecast of 20% reduction in income to reflect current and emerging market conditions. It projected a potential £3.7m deficit and set out proposals to reduce operating costs by £3m, funding any remaining deficit from the Transitional Reserve.
- 11.2 Since December, the full detail of the Government settlement has now been confirmed and is set out in paragraph 17 below. This has resulted in an additional £1m grant funding for the council, allowing a balanced budget for 2021/22 without a contribution from the Transitional reserve. However, £494,000 of the grant is to cover additional Covid related expenditure in 2021/22 and whilst initially a proportion of this will be retained in the

Transitional reserve, it will be drawn down throughout the year if and when required to offset losses and additional expenditure.

- 11.3 Despite the additional grant included in the Government settlement the forecast deficit remains at £3m for 2021/22 and £12m total deficit over the next four years. The need to urgently reduce net expenditure is unavoidable. A programme of efficiencies is currently being implemented and the recommendations set out in this report will support that.
- 11.4 Relying wholly on reserves to fund the projected deficits would severely impact on the overall sustainability of council finances and services and cannot be recommended. However, the report does recommend some reliance on reserves, both to support key projects and services, fund a proportion of the projected deficit by reducing the annual contribution to reserves and, in the case of losses being higher than forecast, to mitigate the risk of higher deficits.
- 11.5 Rather than focussing purely on reducing net costs, it is essential that any budget report underpins key priorities. Whilst it is essential to ensure a balanced budget can be achieved and the projected deficits addressed, the budget options set out in this report aim to maintain high quality services; support the delivery of key programmes such as the Climate Emergency, the Movement Strategy and Central Winchester Regeneration; and also supports economic recovery and the health and wellbeing of residents across the district.

12 Income Projections

- 12.1 Accurately projecting income levels for 2021/22 with any certainty is not possible. Receipts will be subject to so many potential factors beyond the council's control, including the extent of future controls/lockdowns; the pace of economic recovery; consumer confidence; and future trends in working practices.
- 12.2 Income losses from sales, fees and charges in the current year are projected to be in the region of 60% and have in part been covered by Government grant and the "co-payment" scheme, which covers 75% of losses to June 2021.
- 12.3 The spending review announcements on the 25 November 2020 confirmed that the co-payment scheme will continue to the end of Q1 2021/22. This gives some greater assurance into 2021/22. However, in the event of further "lockdowns" and/or income losses being well in excess of 20%, some further Government intervention will be needed to assist councils in avoiding the need for section 114 notices.
- 12.4 CAB3276 modelled income scenarios which set out the impact if income losses exceeded 20% ranging between £3.7m if losses amounted to 20% of net income to £5.5m if losses reached 30%. Whilst the risk of losses being

higher than forecast has increased as a result of the latest lockdown announcements, it is likely that additional Government support would be available should this be realised. Therefore, rather than assume higher losses at this stage and propose further budget cuts to fund them, reducing the council's capacity to support the recovery, it is recommended that the savings proposals set out in CAB3276 be implemented, but that any additional losses be covered from the Transitional reserve.

- 12.5 In order to address this risk, very tight control of all spend will be maintained throughout the year with a detailed monthly review of actual spend and income. It is proposed that Cabinet will have to consider the need for revising the budget at least once during 2021/22 and more frequently if significant variances are realised.

13 2020/21 Revised General Fund Budget

- 13.1 The revised budget approved by Council in September 2020 (CAB3256 refers) highlighted the risk of increased deficits should a further "lockdown" occur. However, it is currently projected that the revised budget can be funded without additional demand on reserves in the 202/21 financial year. Collection Fund arrears remain lower than projected and Government support for income losses as well as additional grants received should result in a balanced budget by the end of March 2021.

14 General Fund budget forecast and proposals

- 14.1 Appendix A shows the budget proposals for 2021/22 and forecasts for future years through to 2030. The proposals take full account of the Government funding announcements and assumptions on future funding as set out above. They also take full account of unavoidable budget pressures set out below, along with the proposals for investment to help deliver Council Plan priorities, operational savings as set out in Appendix B and additional proposals to address the projected shortfalls.
- 14.2 Changes to pension fund contributions following the recent actuarial assessment which will result in general fund savings of £850,000 per annum in 2020/21 to 2022/23. Projections assume this reduction doesn't continue beyond 2023 and so it is proposed this reduction continues be added to the transitional reserve to help mitigate the impact of the shortfalls rather than be removed from longer term baselines.
- 14.3 The summary financial position shown in appendix A explains how the budget has been balanced for 2021/22, subject to the approval of the proposals set out later in the paper. The net surplus / (deficit) figures include all additional resources so the proposal lines below represent gross impacts before any re-investment.

15 Budget Recommendations – Proposals for Additional Expenditure

15.1 Despite the pressures currently faced and the projected deficit, some additional spend is required in 2021/22, including:

- a) Movement Strategy – CAB3276 set out proposals to make the fixed term transport surveyor post permanent to ensure the ongoing delivery of the Movement Strategy proposals at a cost of £60,000 per annum.
- b) Meadowside Leisure Centre – The proposals for a new operator contract for the centre are set out in report CAB3285 which will be considered by Cabinet in February 2021. The report will set out options in relation to the future service, potential operating costs and further investment in the building. Pending a decision on the matter, a base budget provision of £60,000 per annum has been included in this report. If a new contract is approved, operating costs in 2021 may be higher as a direct result of Covid 19. This would be assessed later in the year and additional costs would need to be met from Covid related grants or reserves.
- c) Local Council Tax Support – The Government Settlement included additional provision of £169,000 to cover additional Local Council Tax support. It proposed to add this provision to the Hardship Fund approved by Council in May 2020 (report CL156 refers) to cover the potential for increased demand on this fund in 2021.
- d) Covid related costs/recovery – The Government Settlement included £494,000 as the 5th tranche of Government Covid related support. It is recommended to set aside £250,000 to cover additional cost of delivering the business and community related programmes (predominantly short term staff related demands). The remaining £244,000 will be retained in the Transitional reserve and drawn down if required.
- e) No increase to parking charges – Report CAB3211 dated February 2019 approved the principle of annual inflation increases to parking charges. However, with parking charges only increased in October 2020, it was agreed by Cabinet in December 2020 to not implement a further increase in April 2021. However, this will result in the budgeted income increase of £100,000 per annum not being realised and so additional provision is required to account for this. It is proposed to refresh the Parking and Access Strategy later in 2021.

15.2 In addition to the additional spend detailed above, there will be significant costs in relation to the Central Winchester Regeneration work (CWR) (bringing forward the procurement of partners for delivering/managing key elements of the scheme as well as other property related costs). Up to £2m will be required to support this work and final figures will be confirmed in a detailed report that will be brought to Cabinet in March. It is proposed that this be funded from the Major Investment Reserve (MIR), subject to the formal

approval of the business case. It is also proposed to fund the provision of an interim open space at the Friarsgate site at a cost of £250,000 from this reserve.

- 15.3 There is also a risk of higher than budgeted operating costs for the new leisure centre in the short term due to social distancing and Covid related impact on demand. The potential for additional costs is currently being assessed, as is the potential for any additional costs to be covered by Government grant. An application for over £200,000 has already been made to cover additional operator costs to March 2021
- 15.4 The proposal for CWR costs to be met from the MIR would commit almost the whole of that important reserve. With the additional risks in relation to leisure operating costs, it is proposed to move £1.5m from the Transitional reserve to the Major Investment reserve. Over £2.5m will be retained in the Transitional reserve which would continue to provide mitigation against the risk of overall costs being higher than forecast over the next year. The summary of reserves included at Appendix 3 takes account of this change.

16 Budget Recommendations – Proposals for reducing operating costs

- 16.1 To achieve a balanced budget, CAB3276 set out a range of efficiency measures currently being implemented. These were set out in detail in Appendix B of that report and included vacancy management and staffing changes to reduce overall staffing costs by £1.1m and a range of operational changes which reduced net expenditure by a further £1.3m. The appendix is repeated again in this report for information.
- 16.2 In addition to the above operational savings, additional savings options were included in the December report. The following changes are recommended:
- a) Council Tax – As set out in paragraph 17 below, it is recommended that Council tax be increased by 3%
 - b) Fees and Charges – It is recommended that fees and charges for services be increased by an average of 3% (not including parking charges – see 15.1 e) above or the new garden waste service).
 - c) Building Control fees – Building Control fees do not currently recover the cost of delivering chargeable services. A 10% increase would ensure appropriate costs are recovered and therefore not subsidised by general council tax payers.
 - d) Cashless Parking – The last year has seen a very significant drop in cash being used to pay for off street parking. However, the costs of collecting it remain high. It is proposed to install contactless machines to supplement the new “Ringo” phone and app payment options achieving a saving of £75,000 per annum by 2023 and a £30,000 saving in 2021/22.

- e) Reduced annual contributions to reserves - The existing base budget assumes additional annual contribution to reserves including £350,000 to the Parking and Transport reserve and £300,000 to the asset reserve. The parking reserve currently totals £2,500,000 and it is proposed to reduce annual contributions to £150,000 for the next four years, which is considered appropriate in light of the existing parking investment programme. The Asset Management reserve currently totals £3,500,000. This is considered to be a reasonable provision in light of the existing Asset Management Strategy. The need for further contributions to the reserve will be reviewed during 2021 when the strategy is reviewed and refreshed.
- f) Small grants – The council’s small grants programme has been undersubscribed in the last two years and it is recommended to reduce the provision by £15,000.
- g) Core Grants – It is proposed to review all core grants with a view to reducing provision by 20% over the next two years. For 2021/22, the “Play to the Crowd” grant is due for renewal and it is recommended that this be reduced by 20% to £147,200.
- h) Delivery of Sports and Physical Activity Programmes/Criterium – The annual criterium event did not take place in 2020 and it is recommended that the council’s financial support for the event be discontinued. Some resource will be retained to support the transition of delivering sports and physical activity programmes from the council to other partners in 2021. However, this will achieve a saving of £19,000 in 2021/22 and £29,000 per annum for future years.

17 Collection Fund

- 17.1 Business Rates – The business rates collection fund forecast balance is due for return at the end of January and this section will therefore be updated before the report is dispatched for Cabinet. Government have confirmed that any losses in 2020/21 are to be spread over a three year period.
- 17.2 Council Tax - Regulations require the Council to approve the collection fund balance at 31 March, calculated at 15 January preceding. For council tax a deficit of £184,426 resulted from 2019/20 and £1,013,058 is estimated for 2020/21, totalling £1,197,484. This is shared between the County Council (£856,786.81), the Police & Crime Commission (£140,852.80), the Fire & Rescue Authority (£46,000.64) and this Council (£153,843.75). Under new guidance introduced due to Covid the 2020/21 deficit must be spread over the three year period from 2021/22 to 2023/24.
- 17.3 The council tax referendum limits have been confirmed at 2% for lower tier authorities. However, shire districts (such as Winchester) will be able to increase their precept by not more than £5 (equivalent to just over 3% for this council). Central Government spending power projections assume that all authorities will increase their precepts by the maximum amount.

- 17.4 Therefore, to assist in addressing short to medium term projected shortfalls, the proposed budget set out in Appendix A assumes a 3% increase in council tax for the district and an estimated increase of 3% for the Winchester town area, in 2021/22.
- 17.5 The current level of tax for the District is £143.09 (Band D equiv.). The proposed tax for 2021/22 is £147.38, an increase of £4.29.
- 17.6 In considering the level of district tax, regard has to be had to the tax for the town area in order to ensure that the overall increase does not exceed the referendum limits.
- 17.7 The current level of tax for the town is £71.27 (Band D equiv.). An increase of 3% would increase this to £73.41.
- 17.8 The council is required to present a council tax resolution document to the Council meeting for final approval of all precepts and council budgets for 2021/22. The current precept table is awaiting confirmation from a number of parishes who have their budget meetings w/c 27th January 2021 so a precept table will be dispatched for Council meeting.
- 18 Government Funding – 2021/22
- 18.1 The fair funding review is now planned for implementation from April 2022. This includes proposed changes to the new homes bonus scheme and business rates retention system and is forecast to cause significant financial pressures on the council's budget over the medium term.
- 18.2 The Government funding settlement was released just before Christmas. This included additional "one off" funding, over and above the estimates included in CAB3276 dated December 2020 of just over £1m, for 2021/22 only. The additional funding is detailed below. Final confirmation of the settlement is expected in February.
- a) Lower Tier Services Grant - £461,000 – This is a new grant for 2021/22 using "New Homes Bonus" returned surplus. This provision has no spending obligations and it is recommended that it be used to reduce the deficit forecast for 2021/22.
 - b) COVID funding Tranche 5 - £494,000, – Demands on council teams in responding to the impact of Covid19 and the recovery process has been significant. Section 15 above recommends that £250,000 of this provision be used initially to create a budget to support that process. The remainder will be retained in the Transitional reserve until clear spending plans are brought forward.
 - c) Local Council Tax Support Grant - £169,000 – This provision gives additional support to the cost of the Local Council Tax Support scheme at a time when demand is high. It is therefore recommended that this be added to the existing Hardship Fund.

18.3 Business rates retention:

- a) The baseline funding level (BFL) will remain at £2.23m.
- b) In addition to the BFL, growth in retained rates is forecast at £4.92m, giving a total business rates retention of £2.69m.
- c) The forecast in Appendix A assumes a full reset of business rates retention from April 2022.

18.4 New Homes Bonus:

- a) Government announced that the current scheme will end with no indications of whether it will be replaced with a new reward scheme. Legacy payments are forecast to continue until 2022/23.
- b) The total 2021/22 reward of £1.938m (£0.556m relates specifically to 2021/22). This provision was reflected in CAB3276 in December 2020.

18.5 Other government grants (2021/22, £0.349m):

- a) The rural services delivery grant which will be £49,000.
- b) Homelessness reduction grant will be £300,000 and again will be used directly to address homelessness and rough sleeping.
- c) New burdens payments relating to Universal Credit and other changes have not yet been confirmed.
- d) The Sales, Fees and Charges compensation for lost income grant is currently confirmed until the end of June 2021. As this scheme is based on actual lost income there is not currently an estimate of the amount to be claimed.

19 Winchester Town charge – Section 35

19.1 In accordance with Section 35 of the Local Government Finance Act 1992 the council has taken the decision in previous years to treat all expenses of the council as general expenses other than those identified as special expenses. The council endorsed this policy in February 2020.

19.2 Special expenses are costs incurred for the provision of an amenity or service that is primarily for the benefit of one locality. In the Winchester district these expenses are levied by the council to cover the costs of local services in the Winchester “Town” area which elsewhere would be dealt with by parish councils.

19.3 The services currently covered by special expenses are listed in Appendix D.

19.4 It is recommended that the policy as previously agreed by the council on 14 July 1999 (minute 186), and confirmed in the budget and council tax report for

2020/21 is endorsed again. This is 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 will be treated as Special Expenses under Section 35 of the Local Government Finance Act, 1992 in respect of the Winchester "Town" area, summarised in Appendix D.

- 19.5 The Winchester Town Forum are due to meet on 28 January 2021 in order to recommend the budget which is currently set out in Appendix D, including a proposed Council Tax increase of 3% for 2021/22.

20 Earmarked Reserves

- 20.1 The strategy for managing reserves was set out in CAB3276 dated December 2020 and forms part of the overall Medium Term Financial Strategy that was approved as part of that report.

- 20.2 Total General Fund earmarked reserves, including proposals in this paper, are forecast to reduce from £28.4m at 01 April 2020 to £20.1m at 31 March 2025. The forecast closing balances (31 March 2025) of key earmarked reserves are summarised below;

- a) Operational reserves (£2.5m), significantly the major investment reserve, are revenue reserves which can be used to support revenue or capital expenditure, for example major projects.
- b) Risk reserves (£4.3m), such as business rates retention, are available to mitigate risks faced by the council. The overall levels are reviewed each year in line with the medium term financial strategy.
- c) Asset reserves (£6.7m), such as the asset management reserve, are used to maintain existing council assets and are supported by spending plans such as the asset management plan.
- d) Restricted reserves (£6.6m), such as the Community Infrastructure Levy, can only be used for restricted purposes and therefore must be considered separately to other reserves which can be used for wider purposes.

- 20.3 An updated summary of earmarked reserves is included at Appendix C. These have all been reviewed as part of the budget process and the levels are considered to be appropriate.

21 Balances / risk reserves

- 21.1 The council also maintains a general balance which is held to mitigate against any potential financial risks. These could be known risks or completely unforeseeable risks. As a general guide the minimum balance will be 15% of net revenue expenditure and so the current balance of £2.789m can give

some additional cushioning particularly against the uncertainty of government funding over the medium term projections.

- 21.2 A minimum balance of £1m is held within the business rates retention reserve in order to provide mitigation against the short term risks of a reduction in income, for example an unexpected increase in successful appeals.

22 Adequacy of reserves and robustness of estimates

- 22.1 There are specific requirements under Section 25 of the Local Government Act, 2003, for the Chief Finance Officer to provide a positive assurance statement about the adequacy of proposed financial reserves and the robustness of estimates made for the purposes of the budget calculation.
- 22.2 Reserves are detailed in this report and specific comment is made on the most significant balances. The general fund working balance is discussed above and is considered to be adequate.
- 22.3 When considering the robustness of estimates for the budget calculation for the current year savings and increased income proposals included in the budget must be considered to be achievable. Considerable savings have been achieved to date, and the recent experience has been that compensating savings have been found to cover unforeseen growth pressures. The purpose of reserves, in particular the general fund working balance, is to provide a cushion for these variations.
- 22.4 The S151 officer is able to provide positive assurance on the robustness of the estimates, within the context of the overall budget and reserve levels, for the purpose of the budget calculations for the next year.

23 OTHER OPTIONS CONSIDERED AND REJECTED

- 23.1 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.
- 23.2 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.

BACKGROUND DOCUMENTS:-

Previous Committee Reports:-

[CAB3211 dated 12 February 2020 - Medium Term Financial Strategy, Budget and Council Tax 2020/21](#)

[CAB3256 dated 16 September 2020 - Revised General Fund Budget 2020/21](#)

[CAB3276 dated 16 December 2020 - General Fund Budget Options and medium Term Financial Strategy](#)

Other Background Documents:-

Winchester City Council Budget 2021-22 consultation results

APPENDICES:

Appendix A: General Fund Medium Term Financial Projections

Appendix B: Budget Consultation Proposals

Appendix C: Reserves

Appendix D: Winchester Town Account

General Fund Medium Term Financial Projections

Council Tax Base		1.2%	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%
Council Tax - Band D £	3.0%	3.0%	3.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Contractual Inflation	1.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Pay Inflation	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Reduction in Income	20.0%	10.0%	5.0%	0.0%						
General Fund Revenue (£m)	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Funding										
Council Tax (excluding Parish Precepts)	8.519	8.849	9.192	9.467	9.750	10.043	10.345	10.656	10.976	11.307
Retained Business Rates	4.918	2.707	2.423	2.436	2.387	2.387	2.387	2.387	2.387	2.387
New Homes Bonus	1.938	0.970								
COVID Tranche 5	0.494									
Lower Tier Services Grant	0.461									
Local Council Tax Support	0.169									
Damping Forecast		1.752	1.217	0.717						
Other Grants	0.349	0.349	0.349	0.349	0.349	0.349	0.349	0.349	0.349	0.349
	16.848	14.626	13.180	12.969	12.487	12.779	13.081	13.392	13.713	14.044
Investment Activity	1.876	1.319	1.803	1.762	1.740	1.718	1.696	1.672	1.648	1.634
Resources available	18.724	15.945	14.983	14.730	14.227	14.498	14.777	15.064	15.361	15.678
Baseline Net Expenditure										
Gross Income	11.727	13.825	16.048	17.464	17.366	17.566	17.657	17.870	17.957	18.153
Gross Expenditure	-29.101	-29.664	-31.191	-31.974	-32.772	-33.545	-34.333	-35.126	-35.923	-36.741
No Increase in car parking fees 21/22	-0.100	-0.100	-0.100	-0.100	-0.100	-0.100	-0.100	-0.100	-0.100	-0.100
Meadowside Tender	-0.137	-0.066	-0.056	-0.068	-0.043	-0.042	-0.063	-0.052	-0.050	-0.050
Unavoidable Growth - Movement Strategy	-0.060	-0.060	-0.060	-0.060	-0.060	-0.060	-0.060	-0.060	-0.060	-0.060
Baseline resource requirements	-17.671	-16.065	-15.359	-14.739	-15.609	-16.181	-16.899	-17.468	-18.176	-18.798
One-off budgets & Reserve Related Movements	-1.055	-0.209	-0.175	-0.619	-0.769	-0.769	-0.630	-0.181	-0.177	-0.177
Total net resource requirements	-18.726	-16.274	-15.534	-15.358	-16.378	-16.950	-17.529	-17.648	-18.353	-18.975
Budget Surplus / (Shortfall)	-0.000	-0.329	-0.550	-0.628	-2.151	-2.452	-2.752	-2.584	-2.992	-3.298
<i>% of Gross Expenditure</i>	<i>0.0%</i>	<i>1.1%</i>	<i>1.8%</i>	<i>2.0%</i>	<i>6.6%</i>	<i>7.3%</i>	<i>8.0%</i>	<i>7.4%</i>	<i>8.3%</i>	<i>9.0%</i>

Budget 2021/22 - Summary of Proposals

Table 1 - Summary of Staff Changes

Team	Saving	Comment/Impact
Special Maintenance – drainage	£42,300	Team restructure. One vacant post not replaced. No impact on service
Parking restructure	£33,400	Team restructure/review of enforcement team. Positive impact on overall service
Environmental Health	£28,000	Team restructure. 0.5 vacant post not replaced. Some impact but overall service maintained
Planning	£149,600	Team restructure. 3.5 posts not replaced. Some impact on DM service but currently top quartile performance and aim to maintain this. Enforcement team strengthened.
Transformation	£173,500	Revised approach to Transformation agenda is proposed. 3 staff will be “at risk” and an additional vacant Policy Officer post will not be recruited to. No immediate impact on services.
Estates	£98,000	Team restructure inc. merging with Housing Property and New Homes Delivery. Overall service improvement and increased capacity can be achieved by the changes.
Finance	£37,000	New Corporate Head of Finance to be part HRA funded. 0.45 fte vacant post not replaced. Limited impact on service
Revs/Bens	£124,700	3 vacant posts (currently agency) to be deleted once current pressures on team resolved. Impact on service dependent on demand in 2021.
Land Charges	£38,000	Team restructure. 1.43 fte to be deleted (inc. one currently vacant). Limited impact on service
Democratic Services	£10,000	Team restructure. 1 fte to be deleted. Some impact but overall service maintained.

Housing	£194,000	Team restructure focussing on more generic approach to Housing Options service. Outreach work to be undertaken by partner agencies. 4 technician roles to be deleted (2 currently vacant) and two posts recharged to HRA (to reflect work now wholly with council tenants). Limited impact on service.
Engagement/Sports	£67,300	Team restructure to reflect deletion of Sports/Physical Activity services. 2 posts deleted (manager retained – lead of Health and Wellbeing). Also, 0.5 fte project support post to be deleted. Direct impact on discretionary service - no delivery of Physical activity events/functions (100+ events annually) + GP Referral scheme discontinued (or funded by Health/CCG).
Engineering	£35,000	Not replacing vacant post. No impact on service. Cost of team recharged to external customers (although operated at net cost when this post was filled).
Communications	£83,000	Team Restructure – Vacant Service lead not replaced. 2 vacant posts recruited at more senior grade. 1.6fte net reduction overall but capacity maintained.
	£1,113,800	

Table 2 - Operational Non Staff Savings

Option	Other Savings	Comment
Waste Changes	£300,000	Net impact of latest HCC announcements re waste charges/credits
Reduced provision for "Contingencies"	£121,000	Contingency budget - no longer considered to be required (not spent in 19/20 or 20/21)
Reduced spend on Officer Training (emphasis on webinars)	£50,000	Whilst the commitment to staff development and training remains a key theme of the Council's employment offer, training costs have reduced significantly in recent years as a result of increased emphasis on on-line tutorials and webinars to support "continuous professional development".

Estates - Rent and lease renewals	£78,000	Further increased income potential but this figure recognises current market conditions
West Wing remains closed	£50,000	Net impact of extended closure (savings relate to utilities/cleaning etc). No provision for additional letting included in this figure
Contract Inflation	£78,000	MTFS assumes 1% for 21/22. However, key contracts only subject to 0.2% this year achieving a net saving on assumed base budget.
Guildhall	£500,000	Net saving from changes approved in CAB3256 (£200k through staff changes and reduced net operating costs + £300k per annum est. income from venue only hire/business leasing)
Other	£131,000	A number of smaller operational changes across a range of support services
Total	£1,308,000	

Table 3 - Additional Recommended Savings Options

Option	Other Savings	Comment
Council Tax	-	Budget has been prepared assuming a 3% increase.
Fees and Charges	£40,000	3% increase to all fees and not including parking. MTFS assumes Council tax at 3%
Building Control - Review of fees (10% average increase)	£48,000	Review of charges has identified current charges do not recover full costs and are on average 10% too low, resulting in Gen. Fund subsidy. Market challenge but still considered to be competitive
Car Parking - move to full cashless parking	£30,000	A complete move away from cash payments. With no additional charge and simplified phone payment, alongside “contactless” machines, cash payments avoided completely with no cash collection arrangements (machines constantly subject to theft/damage). Full year savings will increase to £75,000 by 2024.

£200k per year to parking reserve (rather than £350k)	£150,000	Income significantly down which this contribution was to be funded from. £200k annually sufficient to support a positive parking/transport investment programme.
No contribution to asset reserve	£300,000	£300k annual payment but no clear spending plan for reserve. Proposed to suspend revenue contribution for 4 years – but keep under review
Events - Cease support for annual Criterium	£29,000 (£10k to be retained in 21/22 – see comment)	Do not co-ordinate and organise the event. Most cost is associated with hiring the infrastructure (barriers/stewards). Possible family fun cycle element to be delivered in other ways through links with external partners. £10k of this saving will be retained in 2021/22 to support the transition of delivering sports and physical activity programmes from the council to other partners in 2021 (reducing overall saving in 21/22 to £19k).
Grants - Play to the Crowd	£36,000	One year grant agreement with 20% reduction on 20/21 grant
Grants - Reduced provision for small grants	£15,000	These support one off expenditure by local organisations. Demand in recent years has been less than the available budget so reduce by 50%.
	£648,000	

Total Staff	£1,113,800
Total Operational Non-Staff Savings	£1,308,000
Total Additional Savings Options	£648,000
Total 2021/22 Savings Proposals	£3,069,800

GENERAL FUND EARMARKED RESERVES (£000)	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	Outturn	Forecast end of year balances										
OPERATIONAL RESERVES												
Major Investment Reserve	(7,616)	(6,120)	(3,782)	(2,238)	(1,616)	(1,465)	(1,465)	(1,465)	(1,465)	(1,465)	(1,465)	(1,465)
Transformation	(593)	(466)	(430)	(430)	(430)	(430)	(430)	(430)	(430)	(430)	(430)	(430)
Council Plan Support	(145)	(47)	(47)	(47)	(47)	(47)	(47)	(47)	(47)	(47)	(47)	(47)
Community Grants & Commissions	(363)	(301)	(301)	(301)	(301)	(301)	(301)	(301)	(301)	(301)	(301)	(301)
Flood Support Schemes	(67)											
Landscape Mitigation	(14)											
Local Development Framework (LDF)	(382)	(199)										
New Burdens	(389)	(216)	(216)	(216)	(216)	(216)	(216)	(216)	(216)	(216)	(216)	(216)
	(9,569)	(7,349)	(4,775)	(3,231)	(2,609)	(2,458)	(2,458)	(2,458)	(2,458)	(2,458)	(2,459)	(2,459)
ASSET RESERVES												
Property - Asset Management Reserve	(3,310)	(3,494)	(3,394)	(3,294)	(3,194)	(2,894)	(2,594)	(2,294)	(1,994)	(1,694)	(1,394)	(1,094)
Car Parks Property	(2,427)	(2,352)	(2,402)	(2,532)	(2,662)	(2,612)	(2,562)	(2,512)	(2,462)	(2,412)	(2,362)	(2,312)
Information Management and Technology	(532)	(646)	(739)	(907)	(1,073)	(1,236)	(1,279)	(1,171)	(1,185)	(1,245)	(1,203)	(1,265)
	(6,269)	(6,492)	(6,535)	(6,733)	(6,929)	(6,742)	(6,435)	(5,977)	(5,641)	(5,351)	(4,959)	(4,671)
RESTRICTED RESERVES												
S106 (Interest)	(184)	(184)	(184)	(184)	(184)	(184)	(184)	(184)	(184)	(184)	(184)	(184)
Community Infrastructure Levy - General Fund	(8,928)	(8,339)	(6,114)	(6,114)	(6,114)	(6,114)	(6,114)	(6,114)	(6,114)	(6,114)	(6,114)	(6,114)
Community Infrastructure Levy - Winchester Town	(875)	(775)	(180)	(180)	(180)	(180)	(180)	(180)	(180)	(180)	(180)	(180)
Winchester Town Reserve	(387)	(327)	(97)	(192)	(249)	(187)	(174)	(161)	(161)	(161)	(161)	(161)
	(10,373)	(9,624)	(6,574)	(6,669)	(6,726)	(6,664)	(6,651)	(6,638)	(6,638)	(6,638)	(6,638)	(6,638)
RISK RESERVES												
Municipal Mutual Insurance	(139)	(139)	(139)	(139)	(139)	(139)	(139)	(139)	(139)	(139)	(139)	(139)
Transitional Reserve	(1,037)	(2,981)	(2,277)	(3,129)	(3,129)	(3,129)	(3,129)	(3,129)	(3,129)	(3,129)	(3,129)	(3,129)
Business Rates Retention	(1,000)	(1,536)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)
	(2,176)	(4,656)	(3,416)	(4,268)	(4,268)	(4,268)	(4,268)	(4,268)	(4,268)	(4,268)	(4,268)	(4,268)
Total General Fund Earmarked Reserves	(28,387)	(28,121)	(21,300)	(20,902)	(20,533)	(20,132)	(19,812)	(19,341)	(19,005)	(18,716)	(18,323)	(18,036)
General Fund Balance	(2,789)	(2,789)	(2,789)	(2,789)	(2,789)	(2,789)	(2,789)	(2,789)	(2,789)	(2,789)	(2,789)	(2,789)
Usable Capital Receipts Reserve - General Fund	(4,530)	(3,838)	(2,022)	(2,032)	(1,809)	(1,959)	(2,297)	(2,639)	(2,984)	(3,333)	(3,685)	(4,041)

Winchester Town Account

WINCHESTER TOWN ACCOUNT - Financial Projections							
	2020/2021 Forecast	2021/2022 Forecast	2022/2023 Forecast	2023/2024 Forecast	2024/2025 Forecast	2025/2026 Forecast	2026/2027 Forecast
Assumptions:							
Contract inflation		1%	2%	2%	2%	2%	2%
Utilities		5%	5%	5%	5%	5%	5%
Percentage increase in tax		3%	0%	0%	0%	0%	0%
Tax Base	14,126	14,461	14,635	14,810	14,988	15,168	15,350
	£	£	£	£	£	£	£
Cost of Services							
Recurring Budgets:							
Allotments	(1,864)	(1,864)	(1,864)	(1,864)	(1,864)	(1,864)	(1,864)
Bus Shelter Cleaning / Maintenance / New Provision	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Cemeteries	46,286	38,339	40,661	43,043	45,485	47,990	50,559
Christmas Lights	9,115	9,287	9,463	9,642	9,825	10,012	10,202
Neighbourhood Service Officers (Contribution)	45,000	45,000	45,000	45,000	45,000	45,000	45,000
Footway Lighting	20,927	21,226	21,540	21,870	22,216	22,580	22,962
Grants	27,000	27,000	27,000	27,000	27,000	27,000	27,000
Grants Bidding Process and Vision Delivery	33,000	33,000	33,000	33,000	33,000	33,000	33,000
- Theatre Royal (Contribution)	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Support Costs for Grant Scheme	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Maintenance Work to Council Owned Bridges	5,500	5,500	5,500	5,500	5,500	5,500	5,500
Night Bus Contribution	10,119	10,220	10,424	10,633	10,846	11,062	11,284
Public Conveniences (Contribution)	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Recreation Grounds & Open Spaces	642,359	647,324	656,611	666,098	675,790	685,692	695,808
Town Forum Support	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Total Recurring Budgets	924,442	922,032	934,335	946,922	959,798	972,972	986,451
One-off Budgets:							
St Maurice's Covert	5,787						
Community Infrastructure	100,000	100,000					
Local Plan	25,000						
Tree Survey Works	30,704	30,935					
Total One-off Budgets	161,491	130,935					
Total Cost of Services	1,085,933	1,052,967	934,335	946,922	959,798	972,972	986,451
Taxation and Non-specific grant income							
Council Tax Income	(1,006,776)	(1,061,591)	(1,074,330)	(1,087,222)	(1,100,269)	(1,113,472)	(1,126,833)
Interest on Balances	(3,865)	(3,401)	(1,022)	(2,032)	(2,655)	(2,086)	(2,012)
Total Taxation and Non-specific grant income	(1,010,641)	(1,064,992)	(1,075,352)	(1,089,254)	(1,102,924)	(1,115,558)	(1,128,846)
Transfers to/(from) Earmarked reserves							
(Surplus added to Reserves) / Deficit taken from Reserves	75,292	(12,026)	(141,016)	(142,332)	(143,126)	(142,586)	(142,395)
Capital Expenditure funded by Town Reserve	84,000	350,000	40,000	80,000	200,000	150,000	150,000
Release from Town Community Infrastructure Levy Reserve	(100,000)	(100,000)					
Opening Reserve Balance (at 1st April)	(386,526)	(340,141)	(102,167)	(203,183)	(265,515)	(208,641)	(201,227)
Closing Reserve Balance (carried forward)	(327,234)	(102,167)	(203,183)	(265,515)	(208,641)	(201,227)	(193,622)
Closing Reserves forecast as % of net expenditure (Target = 10%)	30%	10%	22%	28%	22%	21%	20%
TAX							
Tax at Band D	£71.27	£73.41	£73.41	£73.41	£73.41	£73.41	£73.41
Increase over previous year (£)	£2.08	£2.14	£0.00	£0.00	£0.00	£0.00	£0.00
Sensitivity							
Council tax % increase required to fund £10,000 expenditure		0.97%					
Council tax £ increase required to fund £10,000 expenditure		£0.69					
+/- 1% increase in Council Tax (£'000s)		10,306					
Band D equivalent (£) per +/- 1% increase in Council Tax		£0.71					