

REPORT TITLE: WINCHESTER TOWN ACCOUNT BUDGET FOR 2026/27 (TO BE RECOMMENDED TO CABINET)

22 JANUARY 2026

REPORT OF CABINET MEMBER: Cllr Kelsie Learney, Cabinet Member for Climate and Nature Emergency

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WARD(S): TOWN WARDS

PURPOSE

This report presents the current financial projections for the Town Account for the period 2025/26 to 2029/30 and financial sensitivities, in order that recommendations can be made to the Cabinet on the budget to be set within the Winchester Town area for 2026/27.

RECOMMENDATIONS:

1. Agrees the draft budget for 2026/27 and the indicative projections for the strategy period as shown in Appendix 1;
2. Considers the Council Tax precept for the Town area which it wishes to recommend to Cabinet, noting the requirements for the Council to keep within overall referendum requirements.
3. That the Corporate Head of Economy and Community has the delegated authority to approve the grant criteria and allocations, in consultation with the Winchester Town Forum (Grants and Community Empowerment) Informal Group, the Cabinet Member for Community and Engagement.
4. Approves the £60,000 grant budget for 2026/27 be allocated: £20,000 to Citizens Advice, £20,000 to Play to the Crowd and £20,000 to the Winchester City Community grant scheme.

5. Approves a £57k capital budget and authority to spend, funded from S106 sport contributions, to be allocated: £7k for electronic scoreboards for cricket at KGV, and up to £50k for cricket nets at North Walls.
6. Approves a one-off revenue budget of £15k for a Speed indicators feasibility study.

## IMPLICATIONS:

### 1 COUNCIL PLAN OUTCOME

- 1.1 The responsibilities of the Town Forum are delivered within the wider goals of the Council Plan. The Town Forum focuses on themes in the plan by delivering targeted services. This budget paper is proposed in the context of maintaining the momentum we have built up to achieve our goals.
- 1.2 We deliver our greener faster agenda via the open spaces we look after. We contribute to 'living well' via the careful management of open spaces, play areas, having close ties with Planning policy and looking after our heritage sites. We work very closely with Winchester City of Sanctuary, making Winchester a welcoming city to all.
- 1.3 By working with the BID and direct with businesses and the culture offer we have within the city, we strongly support our vibrant local economy.

### 2 FINANCIAL IMPLICATIONS

- 2.1 Identifying and analysing the financial risks and pressures helps to ensure the effective prioritisation of resources in order to deliver the Council Strategy and maintain a balanced budget.

### 3 LEGAL AND PROCUREMENT IMPLICATIONS

- 3.1 None directly in this report, though individual projections are subject to review by Legal Services and Procurement where required.

### 4 WORKFORCE IMPLICATIONS

- 4.1 Services provided by the Town Forum are budgeted for within this paper. Any future changes to services or service levels may impact on the workforce who deliver those services. Should there be any proposed changes following the recommended review, each case for change will identify the impact on the resources.

### 5 PROPERTY AND ASSET IMPLICATIONS

- 5.1 None directly resulting from this paper.

### 6 CONSULTATION AND COMMUNICATION

- 6.1 This paper has been discussed with the town account informal group and relevant staff. Recommendations agreed at town forum will go to Cabinet in February as part of the General Fund budget. To note that the town budget is part of the general fund budget consultation process and Cabinet papers.

### 7 ENVIRONMENTAL CONSIDERATIONS

- 7.1 The budget is shaped to support the Council Plan and priorities within it.

8 PUBLIC SECTOR EQUALITY DUTY

8.1 None

9 DATA PROTECTION IMPACT ASSESSMENT

9.1 None required

10 RISK MANAGEMENT

10.1 The main source of funding for baseline recurring expenditure is the town precept. As a stable source of funding overall financial risk is therefore relatively low but consideration must be taken of the requirement for the town to keep within government referendum limits (a restriction not currently applicable to parish councils).

Risk	Mitigation	Opportunities
<i>Failure to set a balanced budget over the medium term.</i>	<i>Financial projections are shown up until 2029/30 and the scenario planning highlights the potential sensitivities. Planning over a longer period will help to ensure understanding of the scale of the financial challenges and early planning enables enough lead in time for the implementation of the budget options.</i>	<i>Long term strategic planning.</i>  <i>Transformational efficiency savings.</i>
<i>High levels of contractual inflation and the continuation of current precept referendum limits.</i>	<i>Medium term financial planning and sensitivity analysis highlighting the challenges posed by high inflation.</i>	<i>Transformational efficiency savings.</i>
<i>Council's service priorities are not reflected in the budget.</i>	<i>The budget planning process, including the process of outcome based budgeting and the informal account group meetings which review the detailed budgets and strategy.</i>	<i>Ensure the prioritisation of resources to best meet the outcomes of the authority.</i>
<i>Changes in local government structures create additional risk and pressure on town budgets and reserves.</i>	<i>Ensure the town reserve is adequately resourced in order to deal with the risks faced within the town account.</i>	<i>Transformational efficiency savings.</i>

<i>The re-tender of the grounds maintenance contract which expires in 2027.</i>	<i>Medium term financial projections include annual inflationary uplifts. There will be soft market testing and opportunity to review service levels.</i>	<i>Transformational efficiency savings. Ensuring best value is achieved from the contract.</i>
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## 11 SUPPORTING INFORMATION:

- 11.1 This budget report has been produced within an environment of ongoing financial challenges for the town account. Past high inflation had a significant impact on town budgets and unavoidable growth, such as tree care, has put further pressure on the town account budget. Increasing expenditure puts a significant strain on the town account which is predominantly funded by the town precept, which is subject to government referendum principles.
- 11.2 The Winchester Town Forum (Informal Account) Group met in January 2026 and their recommendations are contained within this report.

### **Winchester Town Precept**

- 11.3 The town forum recommended a precept for 2025/26 of £90.08 (per band D property), which was approved at Council in February 2025. The decision on the level of council tax for 2026/27 will be taken at Council in February 2026.
- 11.4 The town will need to consider its proposed strategy for the Town Precept but will need to bear in mind that any decisions will be subject to 'referendum limits' and may be impacted by decisions taken on the level of district Council tax.
- 11.5 It has now been confirmed the overall referendum limit for the Council in 2026/27 be either 2.99% or +£5, which means +2.99% applies as the higher limit. This would mean the maximum district and town increase would be just under 3%. The maximum increase for the town or district are interrelated, for example if the district increased by a lower percentage then the town could increase by a higher percentage and still remain within the overall referendum limit.
- 11.6 The council tax base for 2026/27 was confirmed in November and has resulted in a small increase in the tax base for the town area from 15,143 to 15,170. This is a lower than average increase in the tax base.
- 11.7 This paper assumes a core precept increase of 5% (£4.50) to £94.58 for 2026/27. Potential options relating to the precept are shown below.

## Effect of increasing the Town Precept 2026/27

% Precept Increase	Additional Precept £	Precept	Additional Precept Forecast £
0%	0.00	£90.08	£0.00
1%	0.90	£90.98	£13,665
2%	1.80	£91.88	£27,331
3%	2.70	£92.78	£40,996
4%	3.60	£93.68	£54,662
5%	4.50	£94.58	£68,327
6%	5.40	£95.48	£81,993

## Budget Review 2026/27

11.8 Increased tree maintenance led to an in-year growth pressure of £60k which was approved at November Town Forum (WTF341). This increased pressure reflects increasing maintenance requirements in recent years as a result of regular tree surveys. The main causes are due to climatic elements leading to increased workload and also known diseases such as Ash die back. A baseline growth request of £30k per annum is included in Appendix 1 and will need to be subject to regular review, especially given the additional requirements seen in 2025/26.

11.9 Speed indicator signs have risen in popularity in parish areas around the district in recent years. Approval is sought in this paper for a one-off revenue budget of £15k to explore the feasibility of introducing speed signs within the town area.

11.10 A corporate governance review has commenced in order to determine whether to set up a Town Council from April 2027. The budget projections shown in Appendix 1 are based on the current town account which will remain in place for 2026/27 budget setting.

11.11 Fee and charge increases are delegated to the S151 Officer. Increases for the main income areas such as Cemeteries and Tennis Courts are proposed to increase by CPI inflation.

11.12 **Community Infrastructure Levy (CIL)** – the Neighbourhood CIL (Town) receivable balance stood at £0.827m as at April 2025. Commitments include £0.495m towards North Walls Pavilion; £0.008m towards the KGV Park Plan; £0.050m towards Abbots Barton and Hyde Scouts Facility; and £0.050m towards the extension of Chesil Theatre.

- The principles for spending the Winchester Town Forum's share of CIL were approved in November 2016 (see WTF245), in order to provide for the community led improvement of the environment and infrastructure in the Winchester Town.

- Based on historic receipts around £150k to £200k of town CIL is expected per annum. There are risks around relying on this funding as reductions in development in the town area or changes to the CIL scheme could significantly impact on future receipts. As such this future forecast is used for planning purposes but is not to be committed to schemes as certain funding.

11.13 The following central case assumptions have been used in the financial forecast shown in Appendix 1:

	2026/2027 Forecast	2027/2028 Forecast	2028/2029 Forecast	2029/2030 Forecast
<u>Assumptions:</u>				
Contract inflation	4%	3%	3%	3%
Percentage increase in tax	5%	3%	3%	3%
Tax Base	Actual	1.8%	1.8%	1.8%

11.14 The sensitivity of the above assumptions is as follows:

- Contract Inflation is around £10k per 1%.
- A 1% precept increase generates additional funding of just under £14k per annum.
- A 1.8% tax base increase generates additional funding of c£26k per annum. Whilst 1.8% is a reasonable long-term forecast increase per annum, there can be significant year-on-year deviations to this average.

## Community Grants

11.15 The £60,000 budget line detailed for Grants and Vision Delivery (in the Medium-Term financial position draft budget options WT341) is to be allocated as follows, in line with previous years distribution of the fund: £20,000 to Citizens Advice, £20,000 to Play to the Crowd and £20,000 to the Winchester City Community grant scheme for the next financial year.

11.16 The Communities Manager consulted on this recommended allocation, with the Winchester Town Forum (Grants and Community Empowerment) Informal Group and the Cabinet Member for Community and Engagement which has led to allocation above for the financial year 2026/27.

## Proposed use of remaining S106 Sport contributions

11.17 There is a balance of £275k for S106 Sport contributions within the town area, with £218k allocated to the North Walls pavilion which will be used in this financial year.

11.18 This leaves £57k which is proposed to be used for:

- a) Electronic scoreboards for cricket at KGV approx. £7k. When the pavilion was first built, the idea was to facilitate scoring from the veranda, which can't be done as the existing scoreboards are too small to be seen at a distance
- b) Cricket nets at North Walls at a cost of up to £50k. This is a desirable facility for cricket clubs as well as the community.

11.19 The nets will need to be installed to coincide with the finish of the pavilion build, in early March 2026.

### **Capital Expenditure**

- 11.20 Capital expenditure is either funded directly from the Town Account Earmarked Reserve, external funding such as CIL, or through the General Fund and repaid over the life of the asset (along with interest).
- 11.21 In January 2017 (WTF250) the Town Forum approved a strategy to fund the long-term requirements of the play area refurbishment up until the end of 2024/25, from the Town Account Earmarked Reserve. Play area refurbishments in the town make up the largest proportion of town capital expenditure.
- 11.22 There is currently a total budget of £0.350m in the capital programme for play area refurbishments to the end of 2029/30.

### **Reserves**

- 11.23 The Winchester Town Account earmarked reserve is available to support planned one-off expenditure over the medium term as well as a contingency balance of 15% of the total annual net expenditure which is set aside to deal with any urgent / unexpected requirements.
- 11.24 The medium-term forecasts shown in Appendix 1 currently show the reserve balance achieving this target based on a precept increase of 5% in 2026/27.
- 11.25 Currently the capital budget forecasts listed above, particularly the significant programme of play area refurbishments are planned to be funded from the Town reserve. It is therefore important that long term planning ensures funding is in place to support these projects.

11.26 It should be noted that the forecast reserve balance shown in Appendix 1 does fluctuate on a year-by-year basis and individual end of year balances are impacted by 'lumpy' one-off expenditure such as the play area refurbishments.

### **12 OTHER OPTIONS CONSIDERED AND REJECTED**

- 12.1 Proposing no precept increase for 2026/27. This option was rejected as it would not leave the town in a financially sustainable medium-term position.

BACKGROUND DOCUMENTS:-

Previous Committee Reports:-

Winchester Town Account Medium Term Financial Position (Draft Budget Options) –  
WTF341 – November 2025

Winchester Town Account Financial Planning and Assumptions for 2025/26 to  
2029/30 – WTF340 – September 2025

Town Account Budget for 2025/26 – WTF336 – January 2025

Other Background Documents:-

None

APPENDICES:

Appendix 1: Medium Term Financial Projections