

EXTRACT OF MINUTES

CABINET

13 FEBRUARY 2019

GENERAL FUND BUDGET 2019/20

(CAB3132)

Councillor Ashton gave a presentation on the overall Council budget and finances for 2019/20. His presentation referred to the above report, together with:

- General Fund (CAB 3132)
- Medium Term Financial Strategy (CAB3131);
- Capital Investment Strategy (CAB3134); and
- Treasury Management Strategy Statement (CAB3133).

It also included some consideration as of the Housing Revenue Account (HRA) Budget (Report CAB3111(HSG) refers).

The presentation was available on the Council's website from the following page:
<https://democracy.winchester.gov.uk/ieListDocuments.aspx?CId=136&MId=176&Ver=4>

In summary, Councillor Ashton highlighted the following elements of the proposals.

- recommendation to freeze the Council Tax levels for 2019/20 (noting that other precepting authorities were recommending increases of differing levels);
- Maintaining and improving Council services and infrastructure to meet its strategic aims;
- taking an entrepreneurial approach to increasing income streams;
- concentrating on improving effectiveness and efficiency of Council services;
- Mitigating the impact of Government grants which were set to reduce to zero or negative;
- Proposed new policies regarding Council Tax on vacant dwellings and for care leavers;
- Strategic Asset Purchases would be required to produce a "double win" of furthering the Council's strategic aims and a financial return;
- The Council's accounts had been delivered on time against shorter timescales;
- The Council had a healthy level of reserves and a low level of liabilities compared to assets.
- The contents of the reports had been considered by The Overview and Scrutiny Committee at its meetings on 28 January and 4 February 2019 which had not made at recommendations to be considered by Cabinet.

At the invitation of the Chairman, Councillors Weir and Thompson addressed Cabinet as summarised below.

As Chairman of the Winchester Town Forum, Councillor Weir drew attention to comments that had been made about the Forum's decision to increase the precept

on the Town Account by 3% for 2019/20 and she offered Cabinet Members the opportunity to ask any questions they might have regarding the Forum decision.

Cabinet Members had no questions to ask at this point and the Chairman requested that they contact Councillor Weir directly should any be forthcoming.

Councillor Thompson raised the following points, in summary:

- expressed concern that the budget proposals did not include any detailed plan to reduce the predicted funding gap;
- The Medium Term Financial Strategy included reference to high level options to meet the challenge but did not specify that the options were. If there were difficult choices to be made it was important that all Councillors were made aware;
- Support additional policies regarding empty homes but this would not achieve significant increases in income;
- Where were the ambitions regarding improving the environment or reducing carbon footprint?
- Believed it was unacceptable to include the proposed funding for the new leisure centre as one line within the budget report without further justification or explanation;
- Concern about the impact of proposed funding for the leisure centre on other budgets;
- In response to a request that the Liberal Democrat group offer alternative suggestions for the budget, she emphasised that this was the role of the administration.

Councillor Ashton responded to Cabinet Members' questions on his presentation and the contents of the four finance reports listed above. In addition, the Strategic Director: Services (Interim) advised that the proposal to remove the one month exemption for empty dwellings would have a minor impact on the Housing Revenue Account but it would be minimised by the Council's good record on void turnaround (the void average was 15 days). The Strategic Director: Resources confirmed that the Council compared favourably to others on financial resilience.

Cabinet thanked the Finance Team and other Council Officers involved in preparation and administration of the Council's finances.

Cabinet agreed to the following for the reasons outlined above and set out in the Report.

RECOMMENDED:

1. THAT THE LEVEL OF GENERAL FUND BUDGET FOR 2019/20, UPDATED FORECAST FOR 2018/19 AND THE SUMMARY AS SHOWN IN APPENDIX A OF THE REPORT BE AGREED.

2. THAT THE POLICY AS PREVIOUSLY AGREED BY THE COUNCIL ON 14 JULY 1999 (MIN 186 REFERS) BE 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 £967,333 BE TREATED AS SPECIAL EXPENSES UNDER SECTION 35 OF THE LOCAL GOVERNMENT FINANCE ACT 1992 IN RESPECT OF THE WINCHESTER TOWN AREA, APPENDIX D.

3. THAT THE COUNCIL TAX FOR THE SPECIAL EXPENSES IN THE WINCHESTER TOWN AREA AT BAND D FOR 2019/20 BE INCREASED TO £69.19.

4. THAT THE DEFICIT BALANCE ON THE COUNCIL TAX COLLECTION FUND FOR DISTRIBUTION TO THIS COUNCIL, CALCULATED IN JANUARY 2019 OF £1,712, BE APPROVED.

5. THAT THE LEVEL OF COUNCIL TAX AT BAND D FOR CITY COUNCIL SERVICES FOR 2019/20 BE HELD AT £138.92.

6. THAT THE COUNCIL TAX REQUIREMENTS PER PARISH AREA, LISTED IN APPENDIX E BE NOTED.

7. THAT THE IMPLEMENTATION OF A 100% PREMIUM ON COUNCIL TAX FOR ALL PROPERTIES THAT HAVE BEEN VACANT FOR 2 YEARS OR MORE WITH EFFECT FROM 1ST APRIL 2019 BE APPROVED.

8. THAT THE FUTURE IMPLEMENTATION OF A 200% AND 300% PREMIUM ON COUNCIL TAX FOR ALL PROPERTIES THAT HAVE BEEN VACANT FOR 5 YEARS AND 10 YEARS, OR MORE, WITH EFFECT FROM 1ST APRIL 2020 AND 2021, RESPECTIVELY BE APPROVED.

9. THAT THE 1 MONTH DISCOUNT FOR ALL COUNCIL TAX PROPERTIES THAT BECOME VACANT (A PROPERTY WHERE NO ONE LIVES WHICH IS SUBSTANTIALLY UNFURNISHED) ON OR AFTER 1ST APRIL 2019 BE ABOLISHED.

10. THAT THE INTRODUCTION OF A FULL REDUCTION FROM COUNCIL TAX WITH EFFECT FROM 1ST APRIL 2019 FOR CARE LEAVERS LIVING ON THEIR OWN UNTIL THE DAY BEFORE THEIR 25TH BIRTHDAY BE APPROVED, AS DETAILED BY THIS REPORT.

11. THAT THE REMAINING MINOR DETAILS OF THE IMPLEMENTATION OF CHANGES TO COUNCIL TAX LISTED IN POINTS 7. TO 10. ABOVE BE ALLOWED TO BE DETERMINED BY THE HEAD OF REVENUES AND BENEFITS, IN AGREEMENT WITH THE STRATEGIC DIRECTOR (RESOURCES).

12. THAT IT BE NOTED THAT FEES AND CHARGES WILL BE INCREASED WITH A TARGET INFLATIONARY INCREASE OF 2.4%. SOME INDIVIDUAL CHARGES MAY INCREASE AT DIFFERENT RATES

OR NOT AT ALL (FOR EXAMPLE SOME CHARGES SUCH AS PLANNING FEES ARE SET BY CENTRAL GOVERNMENT).