

CABINET

8 February 2024

Minute Extract

1. **GENERAL FUND BUDGET 2024/25**
(CAB3444)

Councillor Cutler introduced the report and highlighted that its contents had been previously considered at Scrutiny Committee on 6 February 2024 and the draft minutes from this meeting had been circulated to those present.

At the invitation of the Leader, Councillor Godfrey addressed Cabinet as summarised briefly below.

He acknowledged that the budget was generally in line with the Medium Term Financial Strategy and the cautious approach being taken as there was no indication of government settlement levels beyond March 2025. However, he believed the council was overstating its financial difficulties due to the level of reserves. He noted that the TC25 savings announced to date were due mainly to increases in fees and charges and queried when further details regarding the required £2.4m savings per annum would be available. As had been raised at Scrutiny Committee, he queried the proposed increase in building control fees and requested further information regarding the financial impact of reducing the long-term empty property criteria from two years to one.

The Chief Finance Officer and Section 151 Officer confirmed that the information requested regarding the change in the empty property criteria would be circulated to members for their information in advance of the Council meeting on 22 February 2024. She advised that the current council tax collection rate was 99.1%.

Councillor Cutler responded to comments made above and also the comments made by Scrutiny Committee, including clarifying the following:

- a. The reasons for the proposed decision in connection to building control fees included consideration of wider issues surrounding continuation of the service.
- b. The amount proposed for the exceptional hardship fund was considered to be sufficient but it could be reviewed if necessary during the course of the next year.
- c. Providing examples of recent additional government and other body grants that had been received which were outside of the core budget process.

The Chief Finance Officer and Section 151 Officer advised that since the report had been published further government instructions had been received regarding the use of the additional 4% Funding Guarantee income stipulating that it should be used in the creation of efficiency savings. Consequently, the proposal to use the funds for a reserve in relation to the delivery of a food waste collection service be removed (previously recommendation 2.e of the

report) and instead the £130,000 be allocated to the transitional reserve to invest in the TC25 transformation programme. This was agreed as set out in new recommendation 5.c below.

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

RECOMMENDED (TO COUNCIL):

- 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.**
- 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.

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.