

## **CABINET**

**12 February 2026**

### **Draft Minute Extract**

#### **GENERAL FUND BUDGET 26/27 (CAB3541)**

Councillor Cutler introduced the report and drew attention to the notification earlier that week that the Government had made a calculation error regarding business rate pooling which had resulted in a reduction in the settlement by just under £1.4 million per annum. The government had agreed one-off Adjustment Support Grants for 26/27 to cover this loss for the current year, however the annual £1.4 million reduction would impact subsequent years. Appendices A (General Fund Medium Term Financial Projections) and C (Reserves) of the report had been updated and circulated to Cabinet and other members present.

Councillor Cutler advised that the government error had been reported to Scrutiny Committee on 10 February and noted that the draft minutes of that committee had been circulated to Cabinet and other members present.

At the invitation of the Leader, Councillors Godfrey and Batho addressed Cabinet as summarised briefly below.

#### **Councillor Godfrey**

Councillor Godfrey criticised the budget as unambitious, arguing that it prioritised retaining millions in reserves over the immediate interests of Winchester taxpayers. He believed that a maximum council tax increase was unnecessary given the generous government settlement and opposed allocating funds for local government reorganisation rather than providing direct services. He urged the council to use its reserves for tangible community benefits, such as home insulation and support for small businesses. Finally, he questioned the high expenditure on the Guildhall, noting that the building would remain largely closed to the public despite the investment

#### **Councillor Batho**

Councillor Batho, acting as the coordinator of community speed watch in Winchester, highlighted the prevalence of motorists exceeding speed limits on residential roads and the resulting concerns expressed by local residents. He supported the proposed budget for 2026/27 regarding feasibility work on speed indicator devices, asserting that these tools effectively remind motorists of speed limits and facilitate the council's active travel objectives. He requested that Cabinet prioritise this feasibility study as soon as possible.

Councillors Cutler, Learney and Tod responded to the comments made, including emphasising the importance of council reserves in the current national climate of high levels of uncertainty.

Councillor Tod also made reference to a question received from Councillor Lee who was unable to attend the meeting.

Councillor Cutler proposed an amendment to the report's first recommendation to reflect the amendment to Appendix A of the report due to the late change in the Government's local government financial settlement referred to above. This was agreed and it was noted that an amended report and appendices would be submitted to Council.

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

### **RECOMMENDED (TO COUNCIL):**

- 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.**

**RESOLVED:**

13. That authority be delegated to the Director (Finance), in consultation with the Cabinet Member for Finance and Transformation, to procure, award and enter into any necessary contract(s) required to progress the Customer Experience Digital Project, within the approved budget envelope.

14. That the proposal to write-off the three individual outstanding Non-Domestic Rate debts totalling £228,435.25, listed in Appendix F of the report be approved, in accordance with Financial Procedure Rule 12.7(f).

15. That the proposal to write-off the debt of £53,649.94 owed by Provident Asset Management in connection with rent arrears of £27,649.94 and dilapidation liabilities for external repairs of £26,000 be approved.