
SOUTHAMPTON CITY COUNCIL

MINUTES OF THE COUNCIL MEETING HELD ON
17TH FEBRUARY 2010

Present:

The Mayor, Councillor Mizon
The Sheriff, Councillor Cunio
Councillors Baillie, Ball, Barnes–Andrews, Baston, Beckett, Mrs Blatchford, Bogle, Burke, Capozzoli, Cooke, Mrs Damani, Daunt, Davis, Dean, Dick, Drake, Fitzgerald, Fitzhenry, Fuller, Galton, Hannides, Holmes, Jones, Letts, McEwing, Marsh-Jenks, Matthews, Moulton, Norris, Odgers, Osmond, Payne, Rayment, Samuels, Slade, Smith, Sollitt, Stevens, Thomas, Walker, Wells, White, Willacy, P. Williams and Dr R. Williams.

81. APOLOGIES

It was noted that apologies for absence had been received from Councillor Parnell.

82. DEPUTATIONS, PETITIONS AND PUBLIC QUESTIONS

It was noted that no requests for deputations, petitions or public questions had been received.

83. EXCLUSION OF THE PRESS AND PUBLIC – CONFIDENTIAL PAPERS INCLUDED IN MINUTE 84

RESOLVED that in accordance with the Council's Constitution, specifically the Access to Information procedure rules contained within the Constitution, the press and public be excluded from the meeting in respect of any consideration of the confidential appendix to minute 84.

Appendix 4 to the report was not for publication by virtue of category 3 of paragraph 10.4 of the Access to Information procedure rules as contained in the Constitution. It is not in the public interest to disclose this information because it contains confidential and commercially sensitive information relating to the potential funding sources for the Sea City Museum Scheme and the financial impact of certain possible options upon other parties and the Council's financial position. Given the commercial sensitivity of this information, in that its disclosure could adversely impact upon the parties and the Council's negotiating positions and therefore have an adverse impact on the parties and the Council's financial position, it is considered that the public interest in withholding this information at this time is greater than the public interest in disclosing it.

84. COUNCIL TAX SETTING AND RELATED MATTERS

(a) GENERAL FUND CAPITAL PROGRAMME 2009/10 TO 2012/13

(b) GENERAL FUND REVENUE BUDGET 2010/11 TO 2012/13

The reports of the Cabinet Member for Resources and Workforce Planning were submitted seeking approval of the updated Capital Programme for 2009/10 - 2012/13 together with the latest estimated overall financial position on the General Fund Revenue Budget for 2010/11 - 2012/13 and outlining the main issues that needed to be addressed in considering the Cabinet's budget proposals. The recommendations therein as amended by Executive Budget Resolution 2010/11 to comprise the Executive's budget proposals were moved by Councillor Moulton and seconded by Councillor Smith (copies of reports circulated with agenda and appended to signed minutes and a copy of the amended Executive Budget resolution as circulated at the meeting attached as appendix A to these minutes).

The Council agreed to suspend Council Procedure Rules 14.2, 14.4, 14.5, 14.6, 14.7, 14.8, 14.9 and 16.2:-

- (i) to enable the above items to be considered together;
- (ii) to enable any amendments to be proposed, seconded and considered at the same time;
- (iii) to enable any amendment to be re-introduced later into the meeting; and
- (iv) to revise the time allowed for speakers as follows:-

Movers of motion	-	20 minutes
Seconders	-	10 minutes
Other Speakers	-	4 minutes

An amendment setting out the Labour Group's budget proposals (Labour Budget Resolution 2010/11) was moved by Councillor Marsh-Jenks and seconded by Councillor R Williams (copy attached as Appendix B to these minutes).

A further amendment setting out the Liberal Democrat Group's budget proposals (Liberal Democrat Budget Resolution 2010/11) was moved by Councillor Sollitt and seconded by Councillor Baston (copy attached as Appendix C to these minutes).

UPON BEING PUT TO THE VOTE THE LIBERAL DEMOCRAT GROUP PROPOSALS WERE DECLARED LOST.

UPON BEING PUT TO THE VOTE THE LABOUR GROUP PROPOSALS WERE DECLARED LOST.

UPON BEING PUT TO THE VOTE THE EXECUTIVE BUDGET PROPOSALS AS AMENDED WERE DECLARED CARRIED.

RESOLVED that the General Fund Capital Programme 2009/10 to 2012/13 and the General Fund Revenue budget 2010/11 to 2012/13 as amended by Executive Budget Resolution 2010/11 (appendix A to these minutes) be adopted.

NOTE: Councillors Beckett, Mrs Blatchford, Burke, Capozzoli, Cooke, Cunio, Matthews, Odgers and Slade declared personal interests in the above matter, in view of their status as School Governors, and remained in the meeting during the consideration of the matter.

85. HOUSING REVENUE ACCOUNT BUDGET REPORT

The report of the Cabinet Member for Housing and Local Services was submitted seeking approval to the Housing Revenue Account budget proposals including the proposed 2010/11 Housing Revenue Account (HRA) revenue estimates for all of the day to day services provided to Council tenants in the City, together with the proposed rent and service charge increases for council tenants from April 2010 and the HRA capital programme for the period to 2012/13, which will include an assessment of the resources available to finance major housing capital projects in the City (copy of report circulated with agenda and appended to signed minutes).

Amendment moved by Councillor Payne and seconded by Councillor Marsh-Jenks:

To add a further recommendation :-

- xiii) To commit the City Council to bid for future rounds of the 'Housing Stimulus Programme' for local authority new build schemes, where it is financially viable to do so and to include the financial implications of those bids in future updates of the HRA business plan.

UPON BEING PUT TO THE VOTE THE AMENDMENT WAS DECLARED LOST

UPON BEING PUT TO THE VOTE THE MOTION AS SUBMITTED WAS DECLARED CARRIED

RESOLVED:

- (i) that the Tenant Association representatives be thanked for their input to the capital and revenue budget setting process and that their views as set out in the report be noted;
- (ii) that with effect from the 5th April 2010, it be agreed that the current

average weekly dwelling rent figure of £63.57 should increase by 2.45%, which equates to an average increase of £1.56 per week, and that the following to calculate this increase be approved:

- That the percentage reduction applied to all dwelling rents should be 0.9%, equivalent to a reduction of £0.57 per week
- That the revised phased introduction of the Government's Rent Restructuring regime should be followed, giving an increase in average rent levels of 2.96% (£1.88 per week)
- That the final step should be a further increase in average rent levels of 0.39% (£0.25 per week) for the caps and the limits adjustment and,

to note that:

- The total percentage increase in individual rents will vary according to the restructured rent of their property in 2012/13;

- (iii) that no increase in the charges for garages and parking spaces for 2010/11 be agreed;
- (iv) that no increase in tenants' service charges for 2010/11 be agreed;
- (v) that the Housing Revenue Account Revenue Estimates as set out in Appendix 1 to the report be approved;
- (vi) that the revised Housing Revenue Account Capital Programme set out in Appendix 2 to the report, which includes total spending of £82.214M on work that meets the definition of "affordable housing", be approved;
- (vii) that the use of resources to fund the HRA Capital Programme as shown in Appendix 3 to the report be approved, including the following use of unsupported (prudential) borrowing:
 - £2.150M to support the overall programme (unchanged from the report in September 2009)
 - £3.356M to fund the new build programme that is not funded from HCA grant
 - £2.600M to fund the digital TV proposals if this is more cost effectively purchased rather than leased
 - £0.870M to fund the estate regeneration programme pending the receipt of capital receipts from sale of the sites and
 - £3.100M of short term borrowing to sustain the programme in 2010/11, which can be repaid by the end of 2012/13;
- (viii) that because the final HRA subsidy papers had not yet been received from the Government, delegated authority be granted to the Executive Director for Neighbourhoods, in consultation with the Executive Director for Resources and following consultation with the Cabinet Member for Housing and Local Services, to make changes to the recommendations in the report if there is a material difference

between the final subsidy papers and the draft subsidy papers that have been used in compiling these estimates;

- (ix) to note the savings that have been made in the budget process, as set out in paragraphs 13 to 15;
- (x) that it be noted that, rental income and service charge payments will be paid by tenants over a 48 week period;
- (xi) that it be noted that, the overall shortfall in resources of £2.561M to fund the capital programme is within the tolerances set by the Executive Director for Resources in the approved Medium Term Financial Strategy and that plans are in place to close this gap as set out in paragraph 31 of the report; and
- (xii) that delegated authority be granted to the Executive Director for Resources, following consultation with the Cabinet Members for Housing and Local Services and Resources and Workforce Planning, the Executive Director for Neighbourhoods and the Solicitor to the Council, authority to determine the Council's response to the "buy-out" offer for Reform of Council Housing Finance if the response is required in such a period that it is not possible to submit a report to Council.

86. ANNUAL TREASURY MANAGEMENT STRATEGY AND PRUDENTIAL LIMITS 2009/10 – 2012/13

The report of the Executive Director of Resources was submitted seeking approval of the Annual Treasury Management Strategy and Prudential Indicators for 2009/10 – 2012/13, as required under the provisions of the Local Government Act 2003 (copy of report circulated with agenda and appended to signed minutes).

With the consent of the meeting, Councillor Moulton altered and moved his motion and Councillor Smith seconded:-

To add a further recommendation :-

- vii) Approve the minimum credit rating for counterparties for long term investments as A+ as long as they are also backed by the Government Guarantee Scheme.

UPON BEING PUT TO THE VOTE THE MOTION AS AMENDED WAS DECLARED CARRIED

RESOLVED:

- (i) that the Council's Prudential Indicators as detailed in Appendix 2 to the report be approved;
- (ii) that the 2010 MRP Statement be approved;

- (iii) that the Treasury Management Strategy for 2010/11 as outlined in the report be approved;
- (iv) that the amendments to Standing Orders to comply with the revised CIPFA guide on Treasury Management as detailed in paragraph 7 of the report be approved;
- (v) that delegated authority be granted to the Executive Director of Resources following consultation with the Cabinet Member for Resources and Workforce Planning to approve any changes to the Prudential Indicators or borrowing limits that will aid good treasury management, for example increase the % for variable rate borrowing to take advantage of the depressed market for short term rates. Any amendments will be reported as part of quarterly financial and performance monitoring and in revisions to this strategy; and
- (vi) that the minimum credit rating for counterparties for long term investments as A+ be approved as long as they are also backed by the Government Guarantee Scheme.