



Budget 2024/25 Consultation

Summary of all feedback

southampton
dataobservatory 

Data, Intelligence & Insight Team

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- Southampton City Council undertook public consultation on to seek views on the new budget proposals for 2024/25. This included asking for feedback on the following proposals:
 - Council tax premiums for second home owners and homes that have been empty for more than a year
 - Increases in rent and landlord controlled heating costs in council owned homes.
- This consultation took place between **23 November 2023 and 17 January 2024.**
- The aim of this consultation was to
 - Communicate clearly to residents and stakeholders the budget proposals for 2024/25;
 - Ensure any resident, business or stakeholder who wished to comment on the proposals had the opportunity to do so, enabling them to raise any impacts the proposals may have, and;
 - Allow participants to propose alternative suggestions for consideration which they feel could achieve the objectives in a different way.
- This report summarises the aims, principles, methodology and results of the public consultation; it provides a summary of the consultation responses both for the consideration of decision makers and any interested individuals and stakeholders
- It is important to be mindful that a consultation is not a vote – it is an opportunity for stakeholders to express their views, concerns and alternatives to a proposal; equally, responses from the consultation should be considered in full before any final decisions are made
- This report outlines in detail the representations made during the consultation period so that decision makers can consider what has been said alongside other information



Southampton City Council is committed to consultations of the highest standard, which are meaningful and comply with the *Gunning Principles* (considered to be the legal standard for consultations):

1. Proposals are still at a formative stage (a final decision has not yet been made)
2. There is sufficient information put forward in the proposals to allow 'intelligent consideration'
3. There is adequate time for consideration and response
4. Conscientious consideration must be given to the consultation responses before a decision is made



New Conversations 2.0
LGA guide to engagement



Rules: The Gunning Principles

They were coined by Stephen Sedley QC in a court case in 1985 relating to a school closure consultation (R v London Borough of Brent ex parte Gunning). Prior to this, very little consideration had been given to the laws of consultation. Sedley defined that a consultation is only legitimate when these four principles are met:

- 1. proposals are still at a formative stage**
A final decision has not yet been made, or predetermined, by the decision makers
- 2. there is sufficient information to give 'intelligent consideration'**
The information provided must relate to the consultation and must be available, accessible, and easily interpretable for consultees to provide an informed response
- 3. there is adequate time for consideration and response**
There must be sufficient opportunity for consultees to participate in the consultation. There is no set timeframe for consultation,¹ despite the widely accepted twelve-week consultation period, as the length of time given for consultee to respond can vary depending on the subject and extent of impact of the consultation
- 4. 'conscientious consideration' must be given to the consultation responses before a decision is made**
Decision-makers should be able to provide evidence that they took consultation responses into account

These principles were reinforced in 2001 in the 'Coughlan Case (R v North and East Devon Health Authority ex parte Coughlan²), which involved a health authority closure and confirmed that they applied to all consultations, and then in a Supreme Court case in 2014 (R ex parte Moseley v LB Haringey³), which endorsed the legal standing of the four principles. Since then, the Gunning Principles have formed a strong legal foundation from which the legitimacy of public consultations is assessed, and are frequently referred to as a legal basis for judicial review decisions.⁴

¹ In some local authorities, their local voluntary Compact agreement with the third sector may specify the length of time they are required to consult for. However, in many cases, the Compact is either inactive or has been cancelled so the consultation timeframe is open to debate

² BAILII, [England and Wales Court of Appeal \(Civil Decision\) Decisions](#), Accessed: 13 December 2016.

³ BAILII, [United Kingdom Supreme Court](#), Accessed: 13 December 2016

⁴ The information used to produce this document has been taken from the Law of Consultation training course provided by The Consultation Institute



- The agreed approach for this consultation was to use an online questionnaire as the main route for feedback; questionnaires enable an appropriate amount of explanatory and supporting information to be included in a structured way, helping to ensure respondents are aware of the background and detail of the proposals.
- Respondents could also write letters or emails to provide feedback on the proposals: emails or letters from stakeholders that contained consultation feedback were collated and analysed as a part of the overall consultation.
- The consultation was promoted in the following ways:
 - Press release;
 - Council e-bulletins;
 - Social media channels;
 - Tenants' Link;
 - Southampton City Council website.
- All questionnaire results have been analysed and presented in graphs within this report. Respondents were also given opportunities throughout the questionnaire to provide written feedback on the proposals. All written responses and questionnaire comments have been read and then assigned to categories based upon sentiment or theme.



Like all councils, Southampton City Council is facing increasing demand on services at the same time as costs are rising.

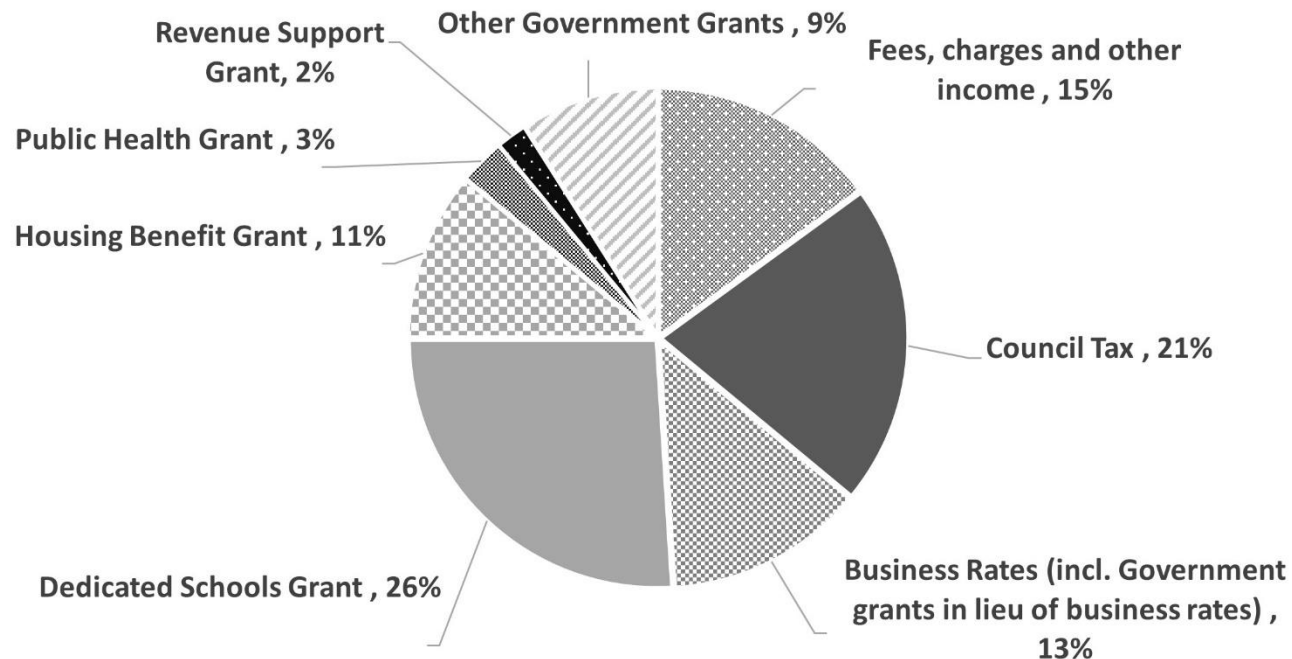
Despite finding savings, efficiencies and additional income of £18 million so far this year, the increasing demand for services, the costs incurred in delivering them, and the ongoing national economic situation are having a significant impact on our budget forecast with a shortfall of up to £38.4 million expected next financial year (2024/25). This is equivalent to around 10% of the council's £371 million revenue budget excluding schools (the gross budget available to spend on delivering day to day services). In addition to the proposals in the consultation, we are working on opportunities to drive further efficiencies and savings on a continuous basis.

The Housing Revenue Account (HRA) is the budget we use to cover the costs of providing social housing across the city and it is wholly funded by the rents our tenants pay. To make the budget sustainable, we are proposing to increase some payments made into the HRA. Whilst we need to ensure we have sufficient funds to provide home improvements and invest in our housing stock, the budget is under significant pressure from increased costs.



Sources of income

The sources of council funding for the current financial year are set out below and we expect the breakdown to be broadly similar for 2024/25.



This questionnaire will cover the following **key budget proposals**:

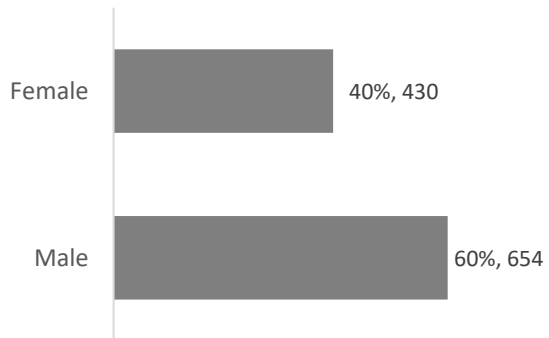
1. Council tax premiums for second home owners and homes that have been empty for more than a year.
2. Increases in rent, and landlord-controlled heating costs in council owned homes.



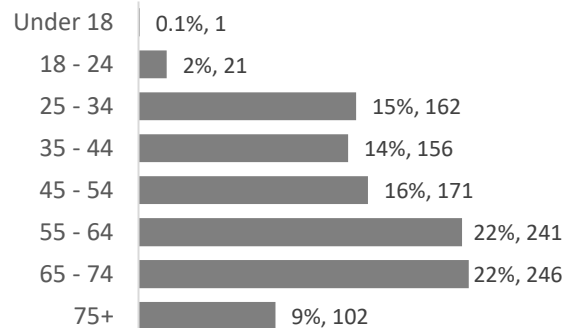
Who were the respondents?

Total responses
1220 questionnaire responses
1 email response
1221 responses in total

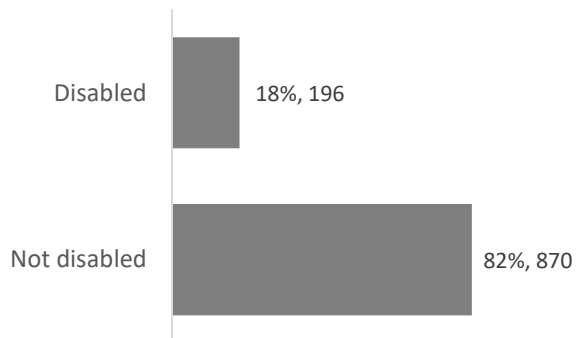
Sex



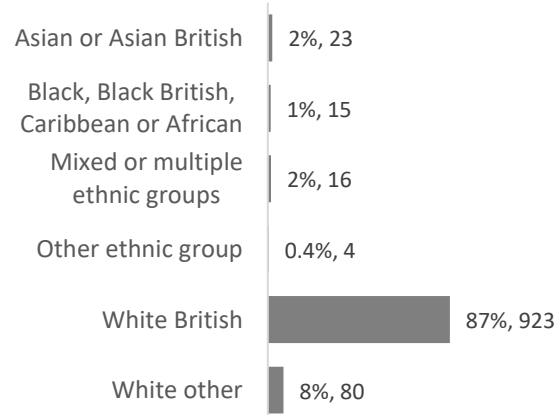
Age



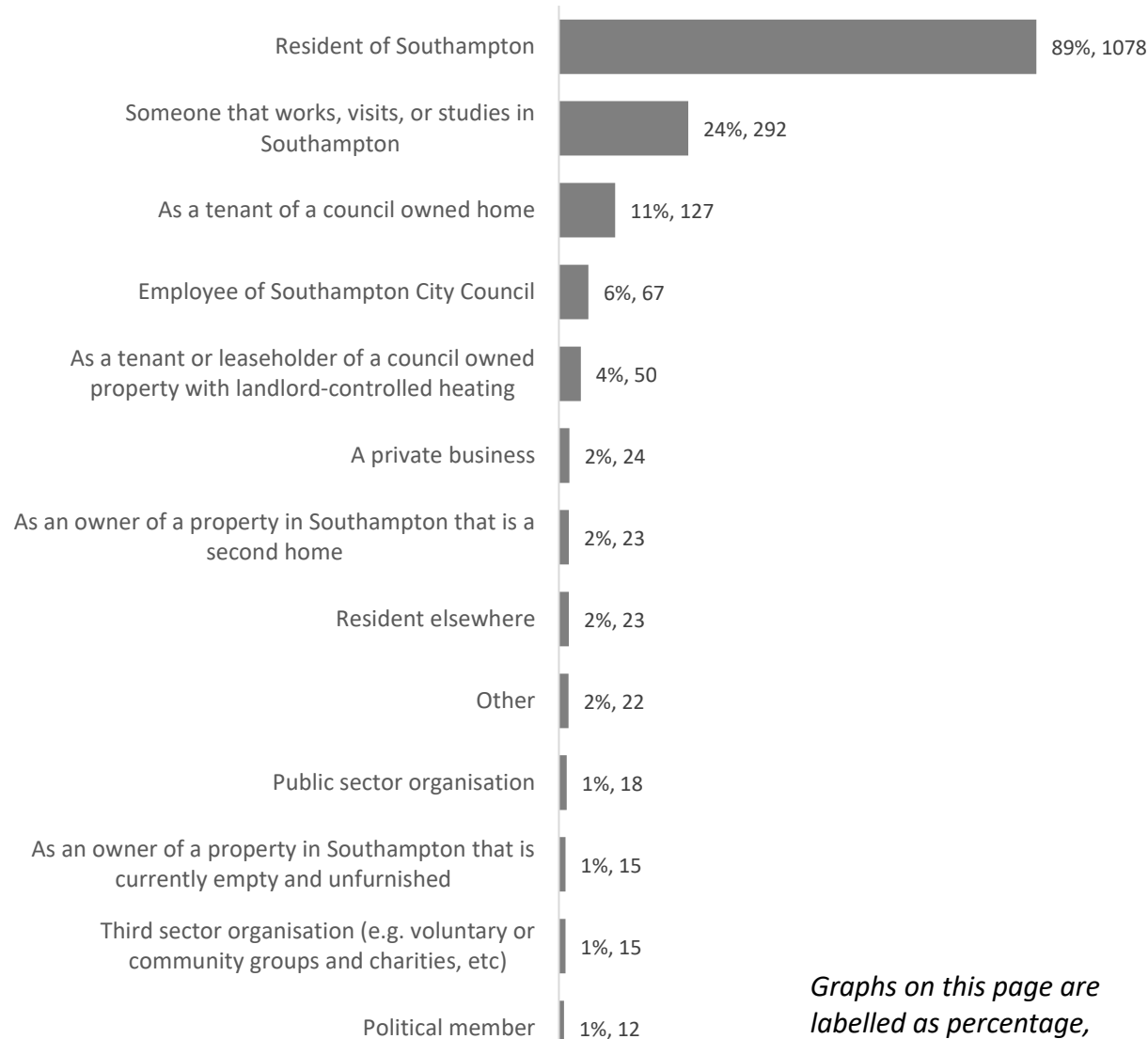
Disability



Ethnicity



Interest in the survey



Graphs on this page are labelled as percentage, count.

Responses & analysis

Summary of key findings



Summary of key findings

INTRODUCE COUNCIL TAX PREMIUM OF 100% FOR PEOPLE WITH SECOND HOMES

Agree / disagree with proposal



Total agree/
positive



Total disagree/
negative



Positive / negative impact of proposal



INTRODUCE COUNCIL TAX PREMIUM OF 100% FOR PEOPLE WITH PROPERTIES THAT HAVE REMAINED EMPTY FOR 12 MONTHS OR MORE

Agree / disagree with proposal

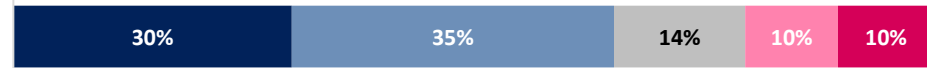


Positive / negative impact of proposal



INCREASE HOUSING RENTS IN LINE WITH GOVERNMENT CAP

Agree / disagree with proposal



Positive / negative impact of proposal



INCREASE LANDLORD-CONTROLLED HEATING CHARGES

Agree / disagree with proposal



Positive / negative impact of proposal





- On average, **the majority of respondents either ‘strongly agreed’ or ‘agreed’ with all proposals** in the Budget Consultation.
- **The majority (82%) of respondents agreed** with the proposal to **introduce council tax premium of 100% for people with second homes**, with 41% saying that this could have no impact on them.
- **The majority (86%) agreed** with the proposal to **introduce council tax premium for people with properties that have remained empty for 12 months or more**, 40% saying this could have no impact on them.
- However, respondents who were **owners of a property in Southampton that is a second home or empty and unfurnished had a lower level of agreement**. For example, 36% of this group agreed with the proposal to introduce premiums for second homes, and 64% said this could have a negative impact.
- **The majority (65%) of respondents agreed** with the proposal to **increase housing rents in line with the government cap**, with 45% saying that this could have no impact on them.
- **The majority (64%) of respondents agreed** with the proposal to **increase landlord-controlled heating charges**, with 46% saying that this could have no impact on them.
- However, responses to the housing charges-related proposals among **tenants of Council-owned homes**, and respondents with **landlord-controlled heating, showed a higher level of disagreement and a higher negative impact**. For example, less than half of both groups agreed with the **proposal to increase rents** (39% and 48% *agree* respectively), both also said that this proposal could potentially have a **negative impact** (70% and 47% *negative impact*).

Responses & analysis

Proposed council tax premiums



Proposed council tax premiums for second home owners and homes that have been empty for more than a year

We are proposing to:

- Introduce a council tax premium in 2025/26 of 100% for people with **second homes**. This means doubling the council tax that they will have to pay. As of 27 September 2023, there are 906 properties currently registered as being potentially second homes.*
- Introduce a council tax premium in 2024/25 of 100% for people with **properties that have remained empty** for 12 months or more. Currently we charge a premium of 100% where a property is empty and unfurnished for a period of 2 years or more.**

The aim of these proposals is to:

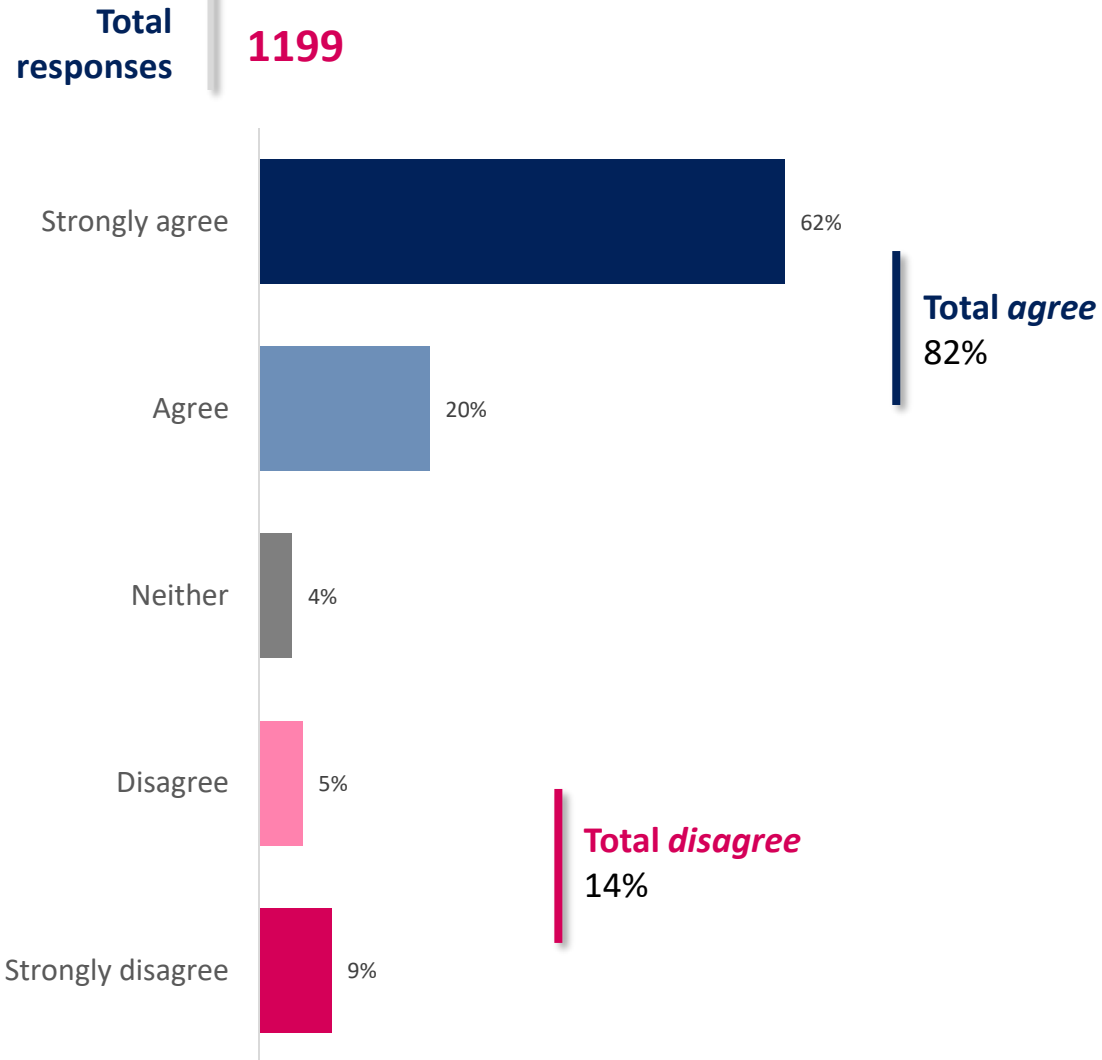
- Incentivise the occupation of empty properties
- Discourage, or generate additional income from, second home ownership in order to ensure the supply of homes to meet local housing needs

We estimate this would generate approximately £350,000 in 2024/25, rising to over £1million in future years.

*due to a typographical error the dates were incorrectly listed as 2024/25 in the questionnaire. The proposal would be implemented from 2025/26.

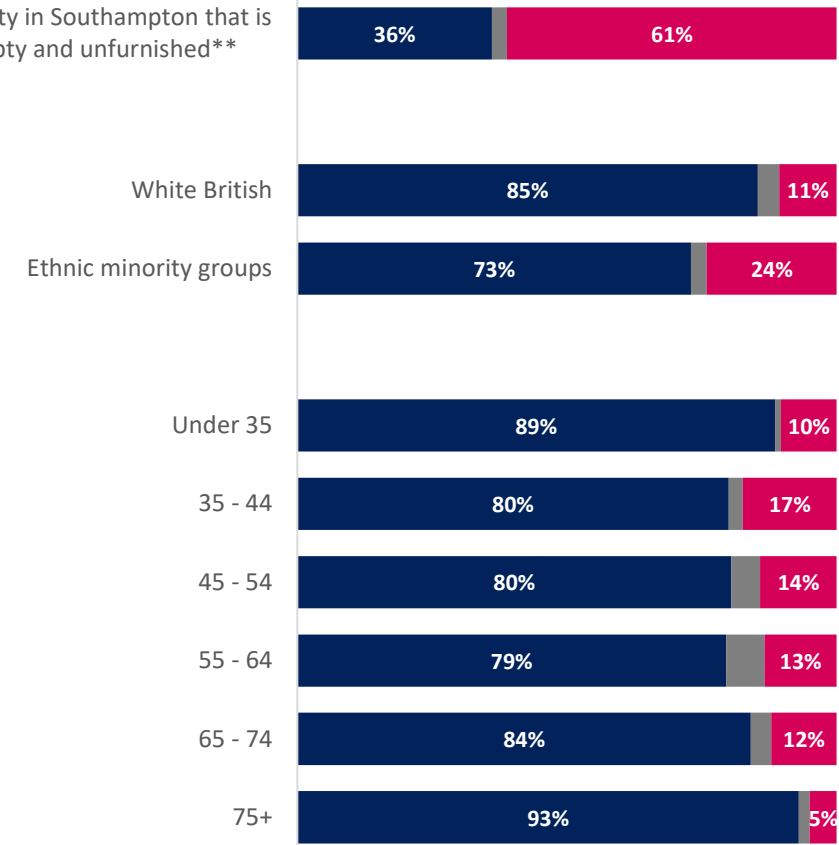
** due to a typographical error the dates were incorrectly listed as 2025/26 in the questionnaire. The proposal would be implemented from 2024/25.

To what extent do you agree or disagree with the proposals to introduce a council tax premium of 100% for people with second homes?



Notable breakdowns:

As an owner of a property in Southampton that is a second home / empty and unfurnished**



■ Agree total ■ Neither ■ Disagree total

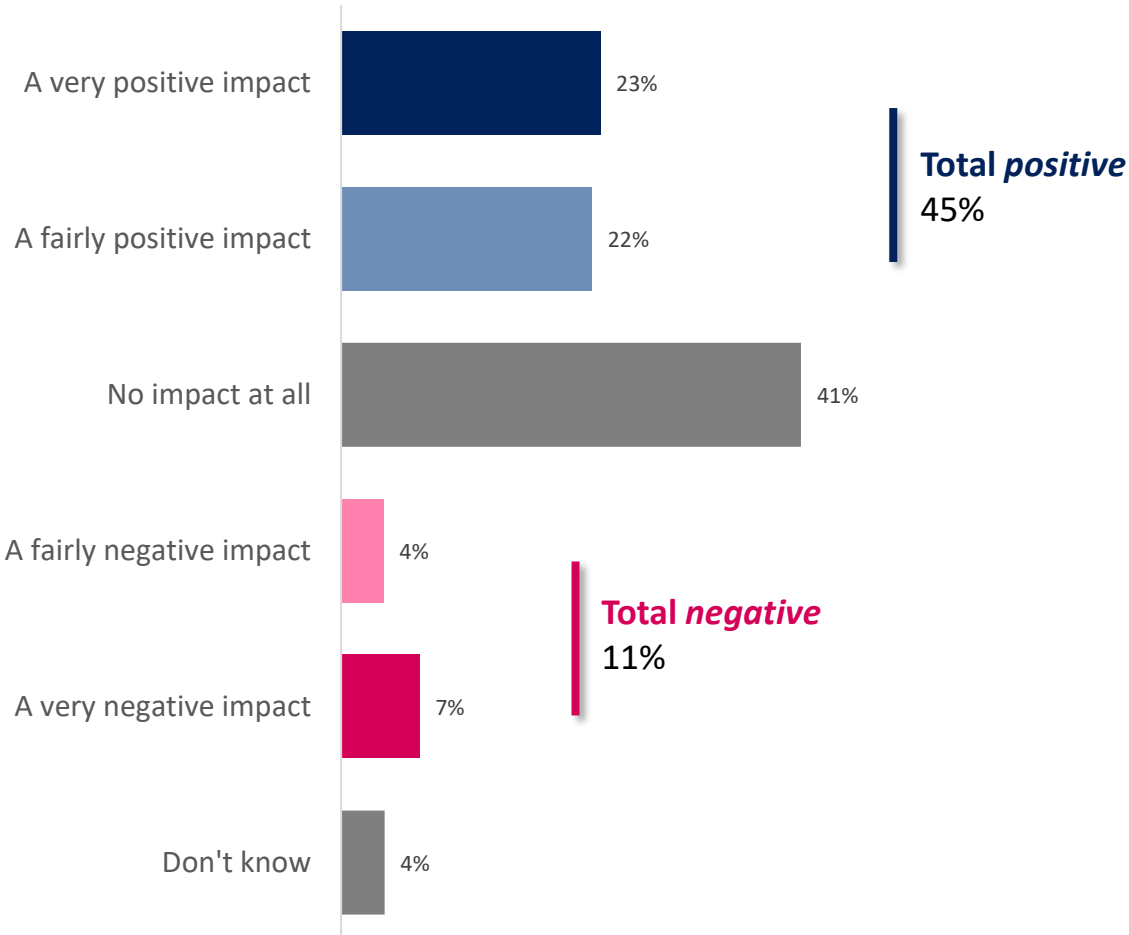
*Small sample size – less than 100

**Small sample size – less than 50



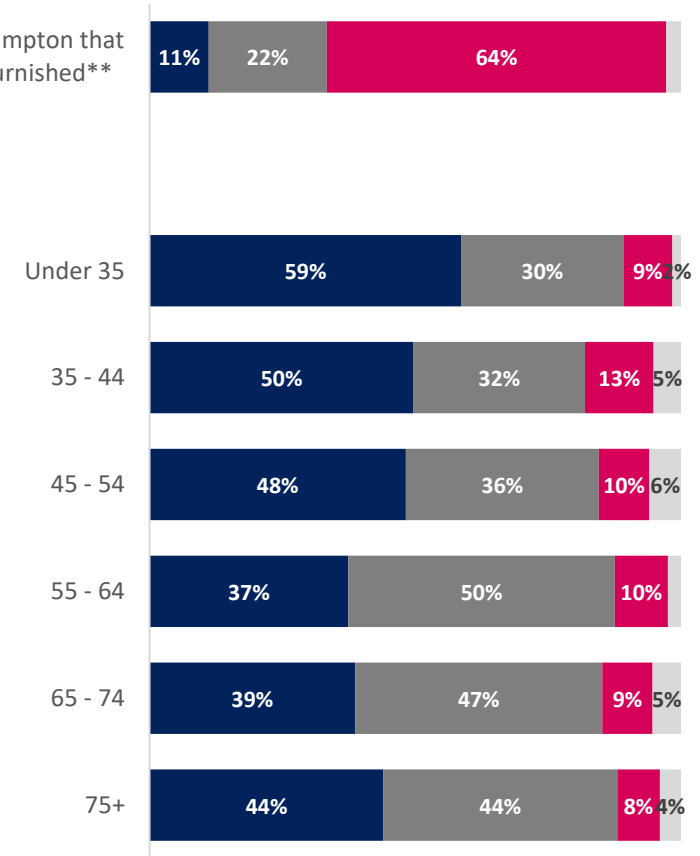
What impact do you feel the proposals to introduce a council tax premium of 100% for people with second homes may have on you or your family, your business or the wider community?

Total responses **1203**



Notable breakdowns:

As an owner of a property in Southampton that is a second home / empty and unfurnished**

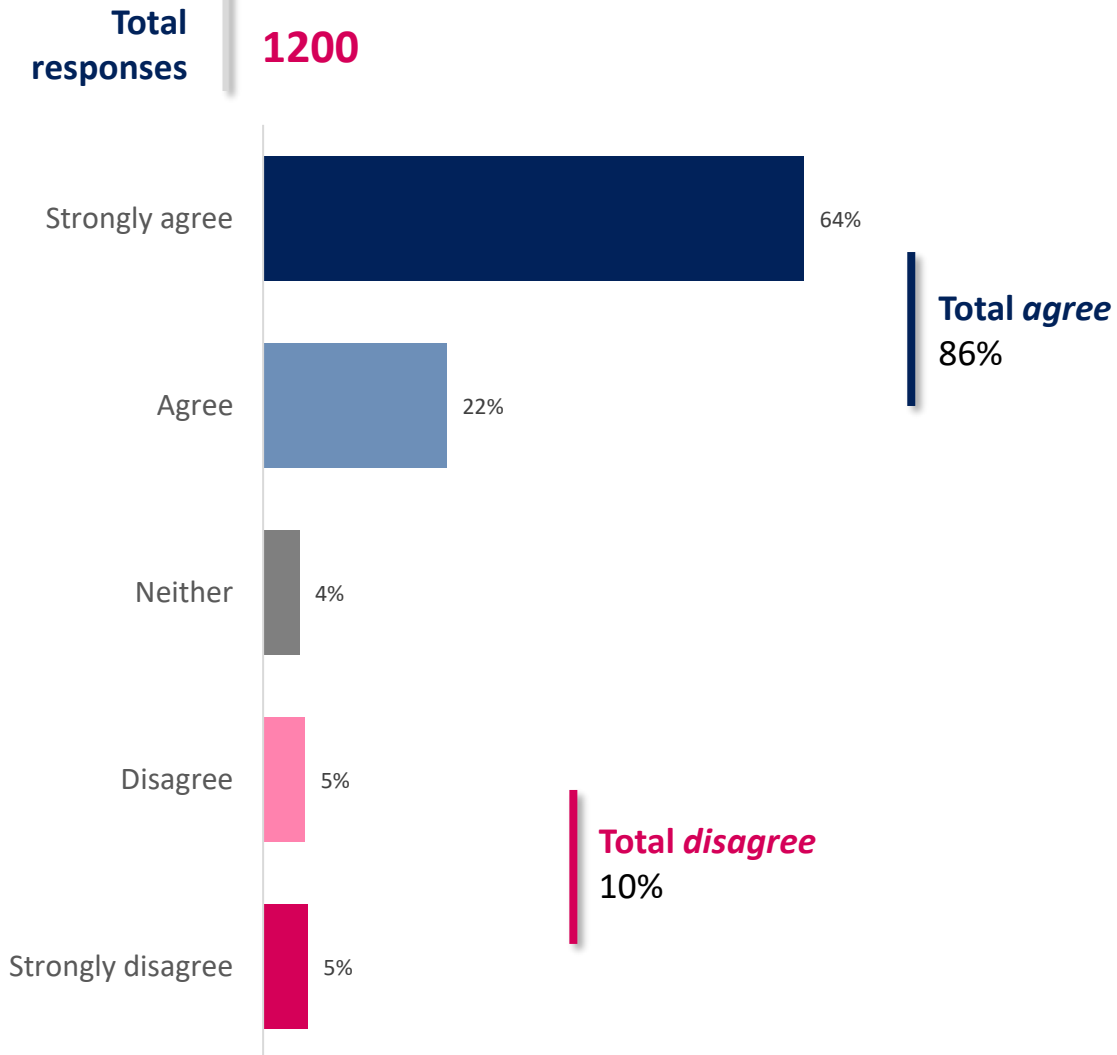


■ Positive total ■ No impact ■ Negative impact ■ Don't know

*Small sample size – less than 100

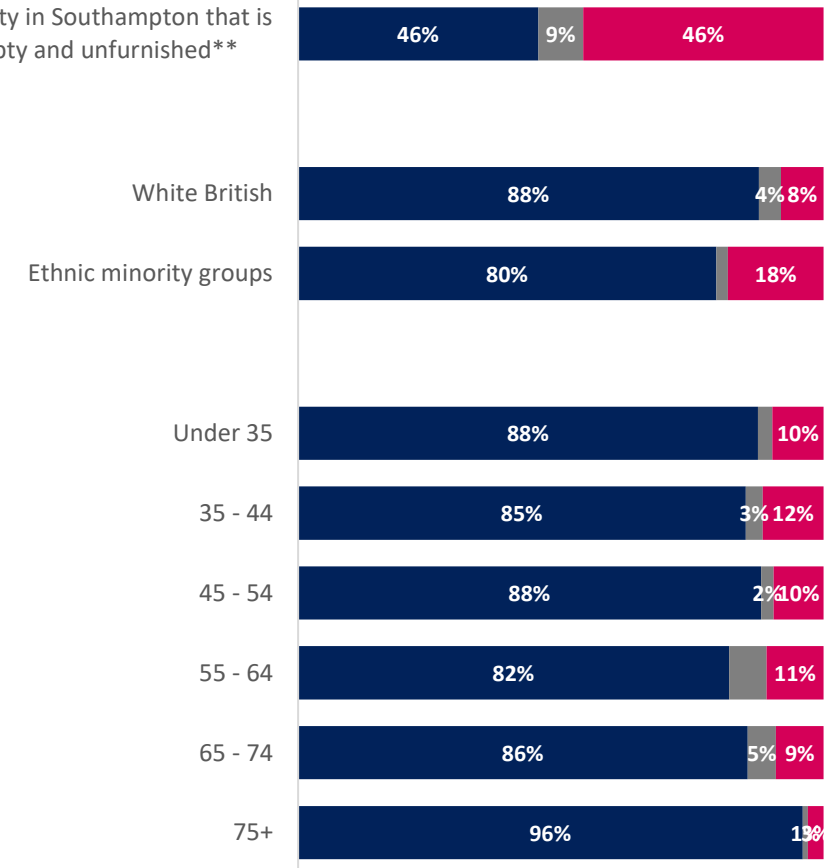
**Small sample size – less than 50

To what extent do you agree or disagree with the proposals to introduce a council tax premium of 100% for people with properties that have remained empty for 12 months or more?



Notable breakdowns:

As an owner of a property in Southampton that is a second home / empty and unfurnished**



■ Agree total ■ Neither ■ Disagree total

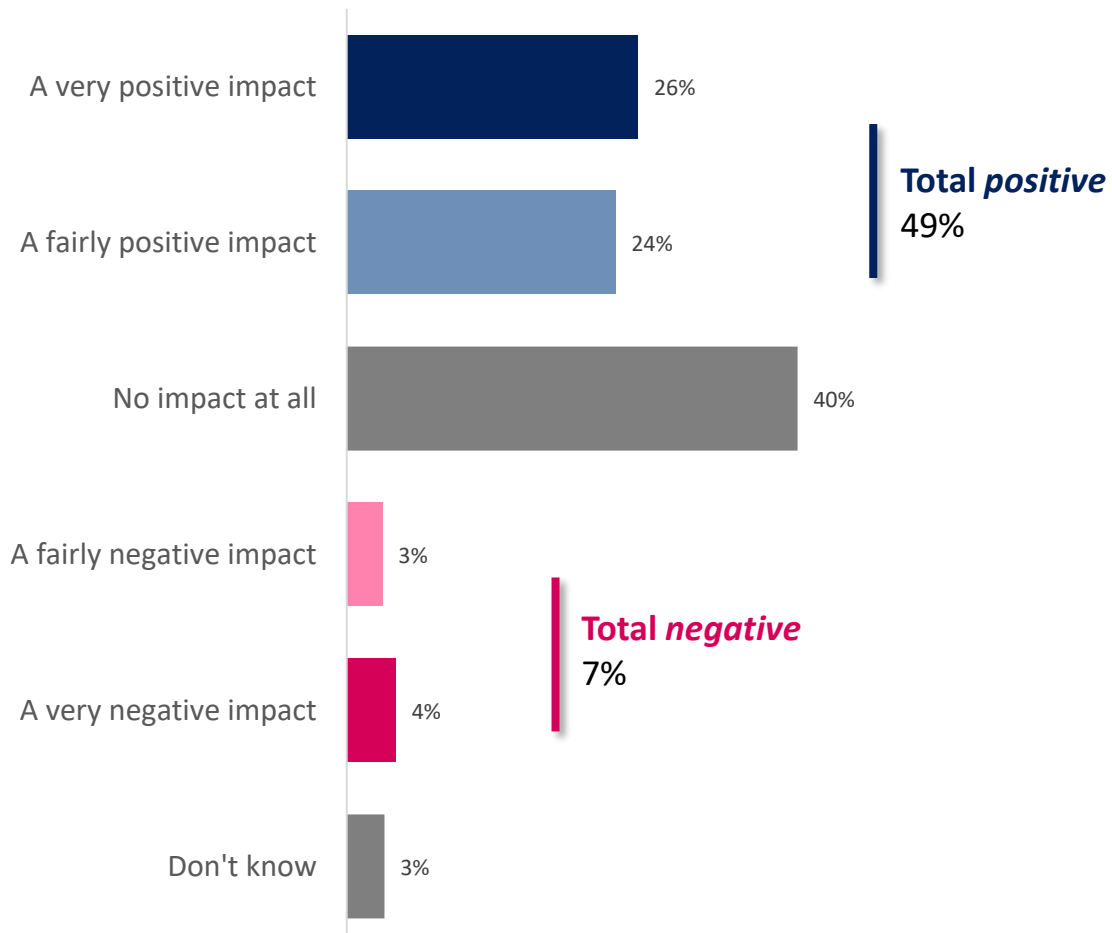
*Small sample size – less than 100

**Small sample size – less than 50



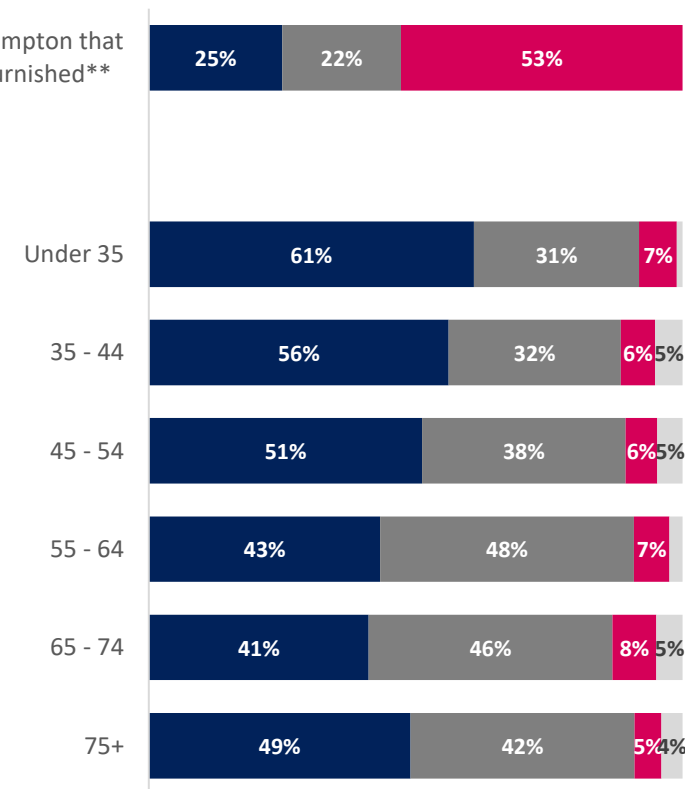
What impact do you feel the proposals to introduce a council tax premium of 100% for people with properties that have remained empty for 12 months or more may have on you or your family, your business or the wider community?

Total responses **1202**



Notable breakdowns:

As an owner of a property in Southampton that is a second home / empty and unfurnished**



■ Positive total ■ No impact ■ Negative impact ■ Don't know

*Small sample size – less than 100

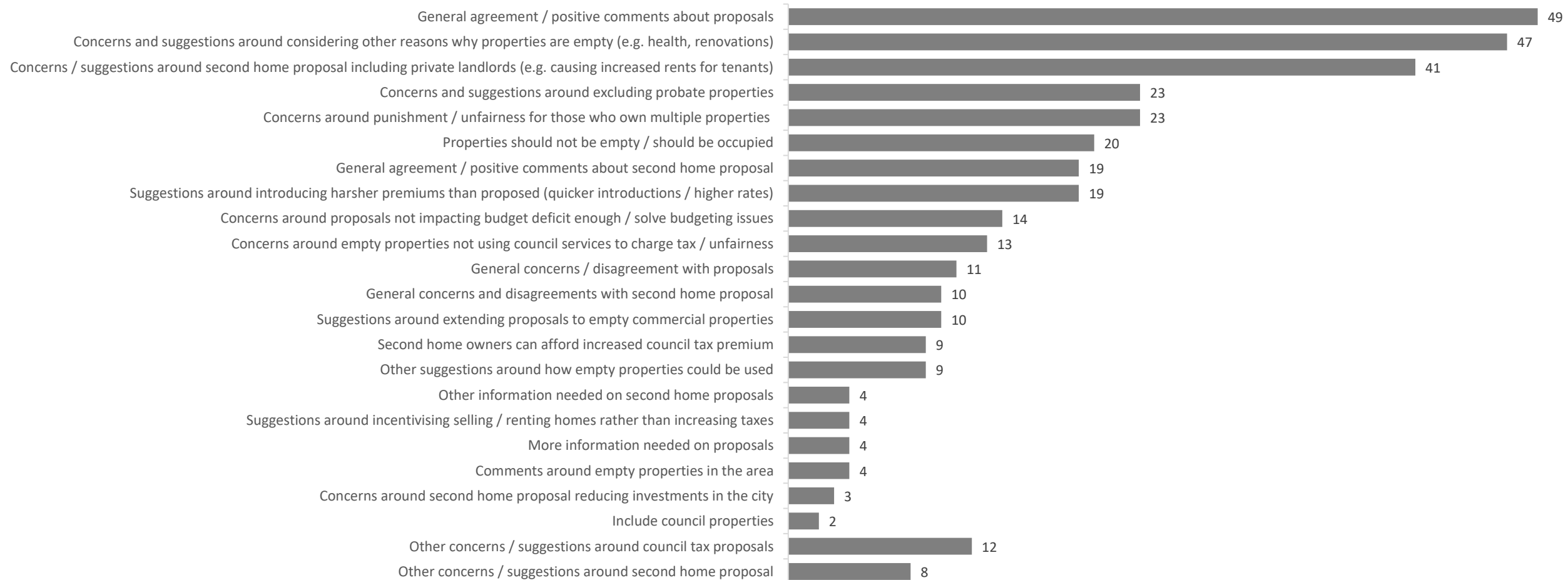
**Small sample size – less than 50

Within the questionnaire, respondents were given the opportunity to provide their own free text comments. Any email or letter responses were also analysed alongside free-text responses in the questionnaire.

The following graphs show the total number of respondents by each theme of comment.

These graphs are in respondent count, rather than percentage.

Comments, impacts, suggests or alternatives:



Responses & analysis

Proposed increases in council owned home costs



Increase in rent and landlord-controlled heating costs in council owned homes

The Housing Revenue Account records all the income and costs associated with the management of council owned homes in the city. This account funds a significant range of services to approximately 16,000 homes for Southampton tenants and their families and to over 2,000 homes for leaseholders such as housing and estate management, repairs, improvements, and statutory compliance activity. The only money coming into this account is from rent, service charges and other charges such as from commercial property. In order to be able to continue to provide and maintain council owned homes in the city, we are proposing the following increase in rent and landlord-controlled heating charges.



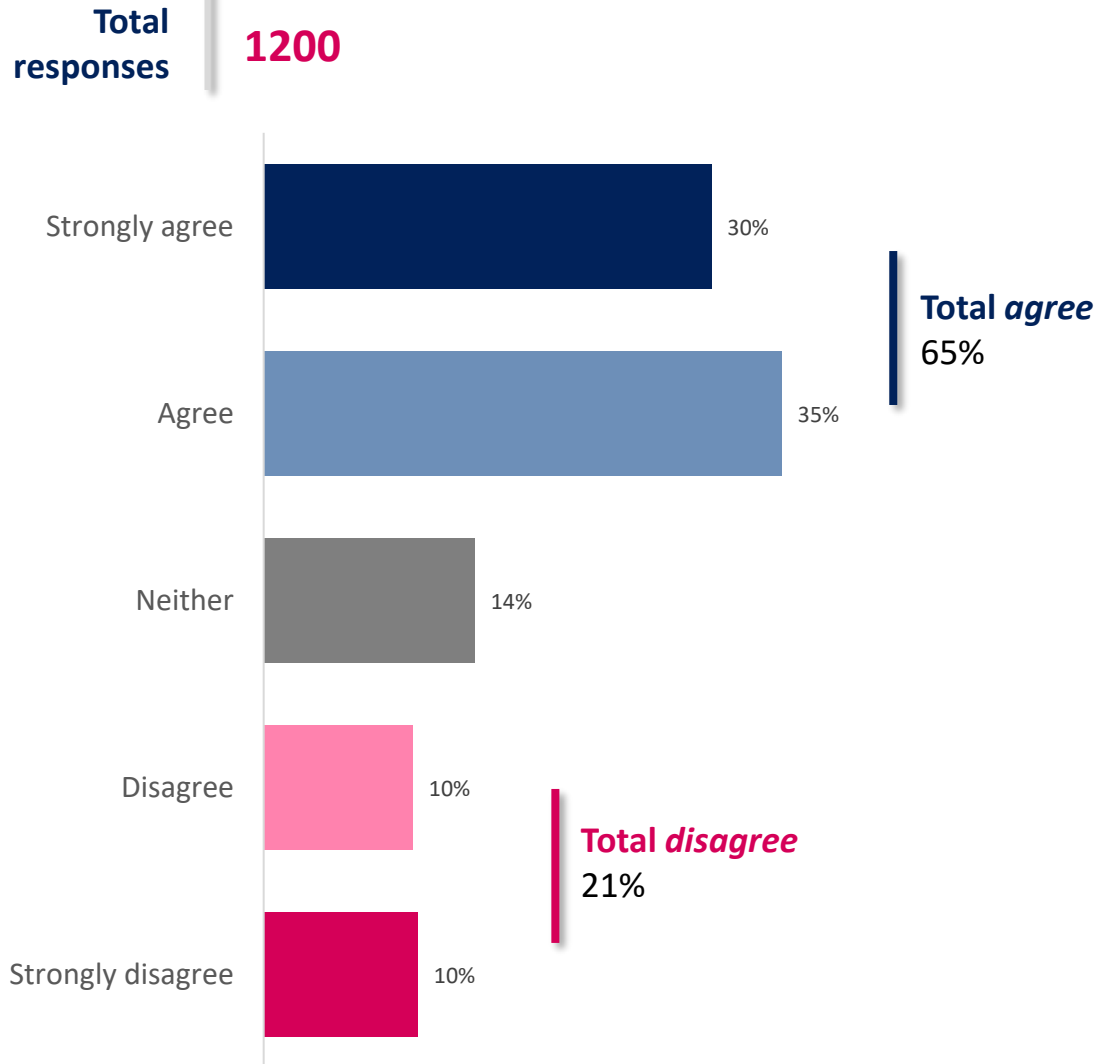
Proposed rent increase

We propose to increase rent from April 2024 in line with Government guidance on social housing rent increases. We are currently allowed to increase it by a maximum of 7.7%.

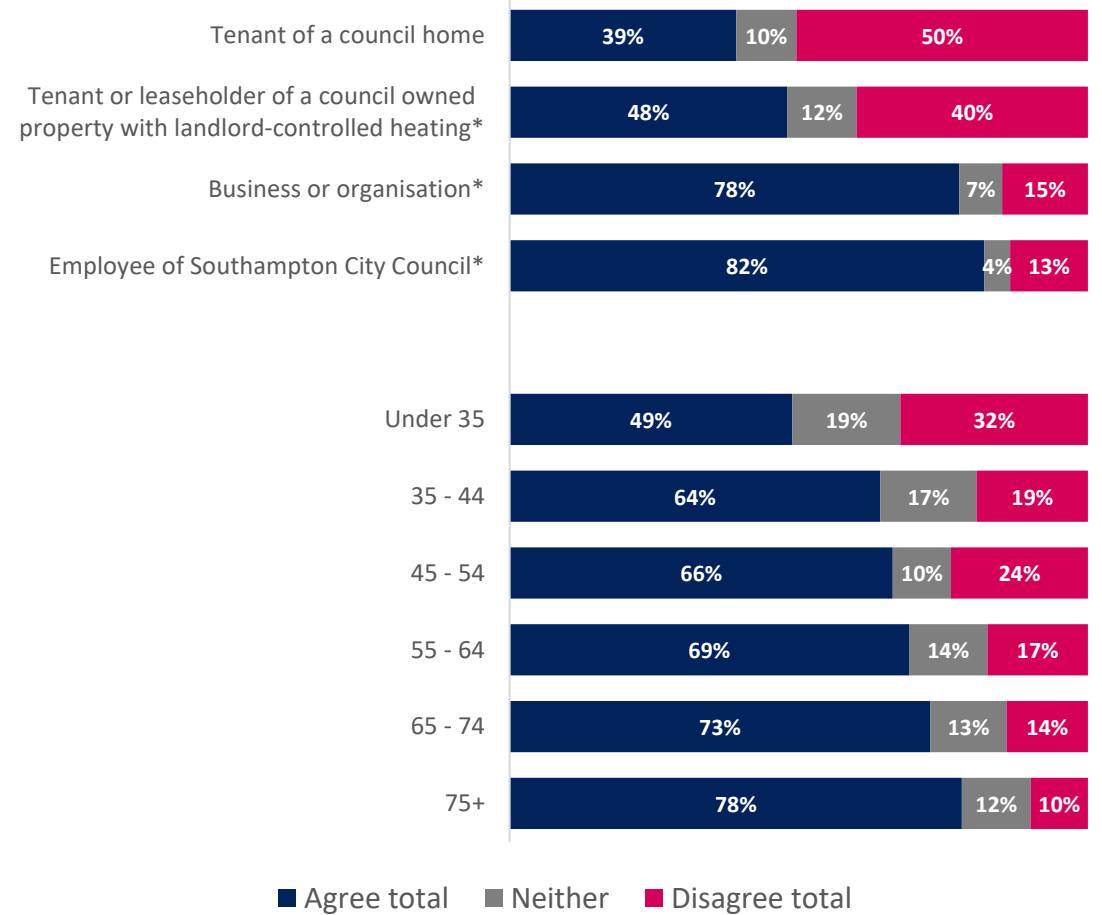
For those who receive Universal Credit and Housing Benefit payments, increases to rent would be covered within those payments. We estimate this is to be the case for around 3 in 4 tenants.

We estimate this would generate £4,200,000 of additional income per annum. This would allow inflationary pressures to be covered and provide additional investment capacity.

To what extent do you agree or disagree with the proposals to increase housing rents?



Notable breakdowns:



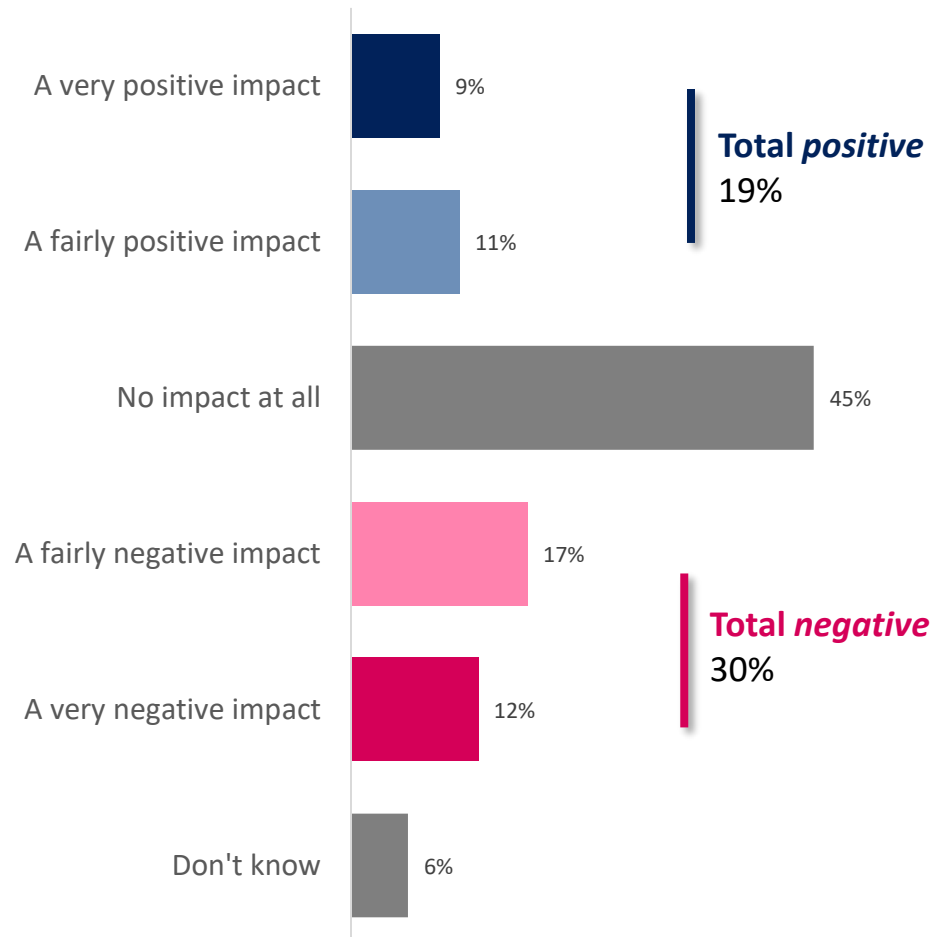
*Small sample size – less than 100

**Small sample size – less than 50

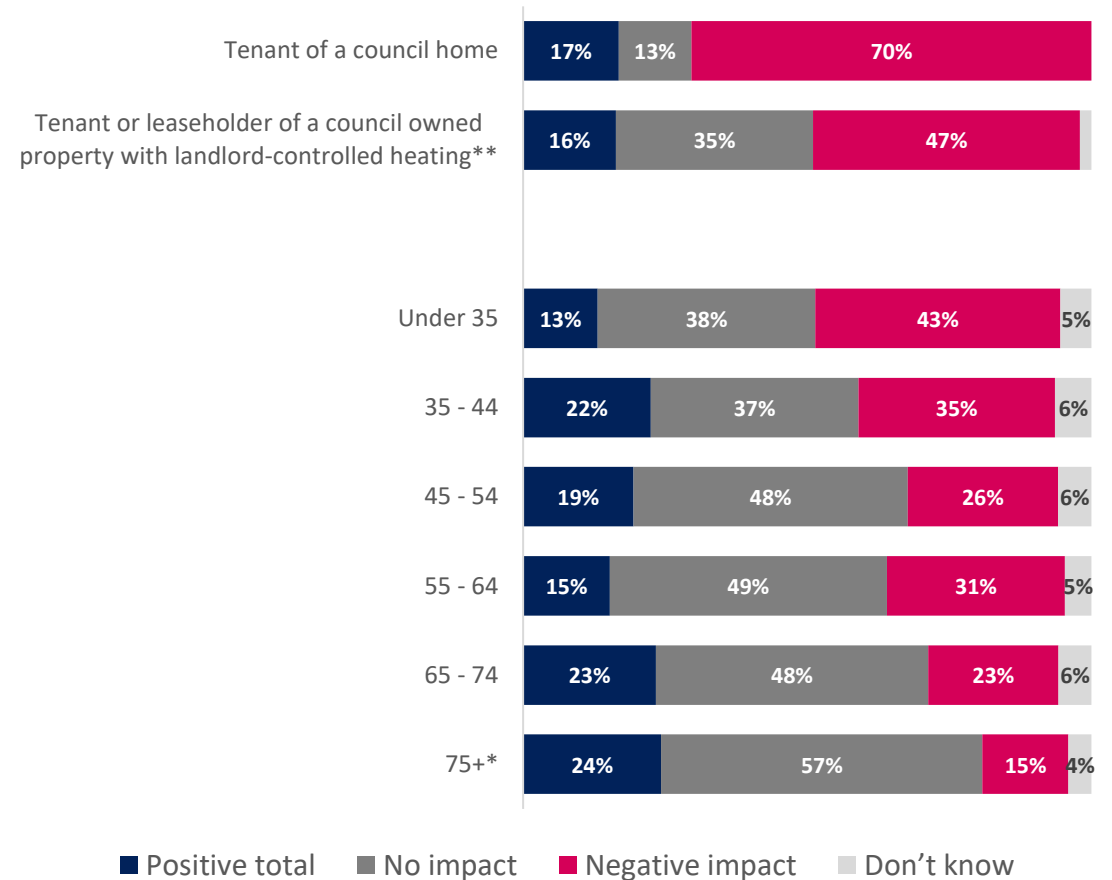


What impact do you feel the proposals to increase housing rents may have on you or your family, your business or the wider community?

Total responses **1197**



Notable breakdowns:



*Small sample size – less than 100

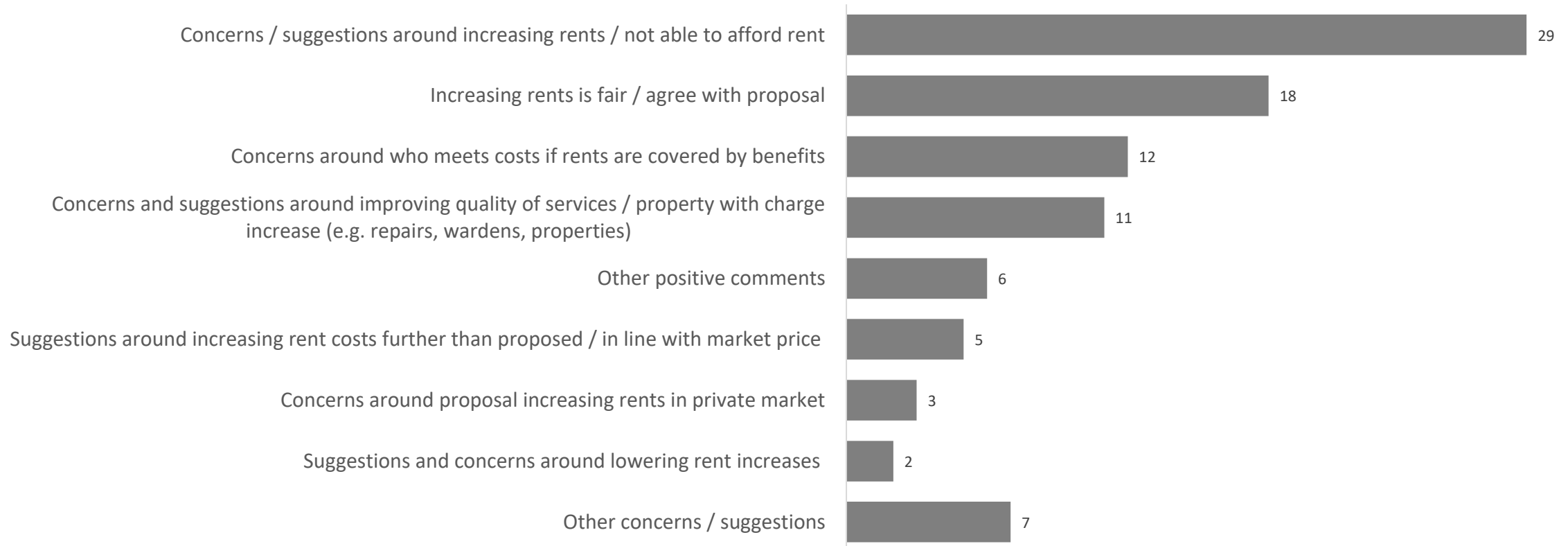
**Small sample size – less than 50

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The following graphs show the total number of respondents by each theme of comment.

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Comments, impacts, suggests or alternatives:





Proposed increase in landlord controlled heating charges

Some tenants and leaseholders of council-owned homes are part of a Landlord Controlled Heating scheme. The council pays for this energy and then charges the tenants and leaseholders who use it. The cost of providing this energy next year is estimated to be around £8.4 million. During the 2022/23 financial year, due to significantly increased energy costs, a significant deficit of £3.6m was incurred on the heating account. The charge increase for the 2023/24 financial year was sufficient to cover costs incurred in that financial year, but insufficient to address this deficit.

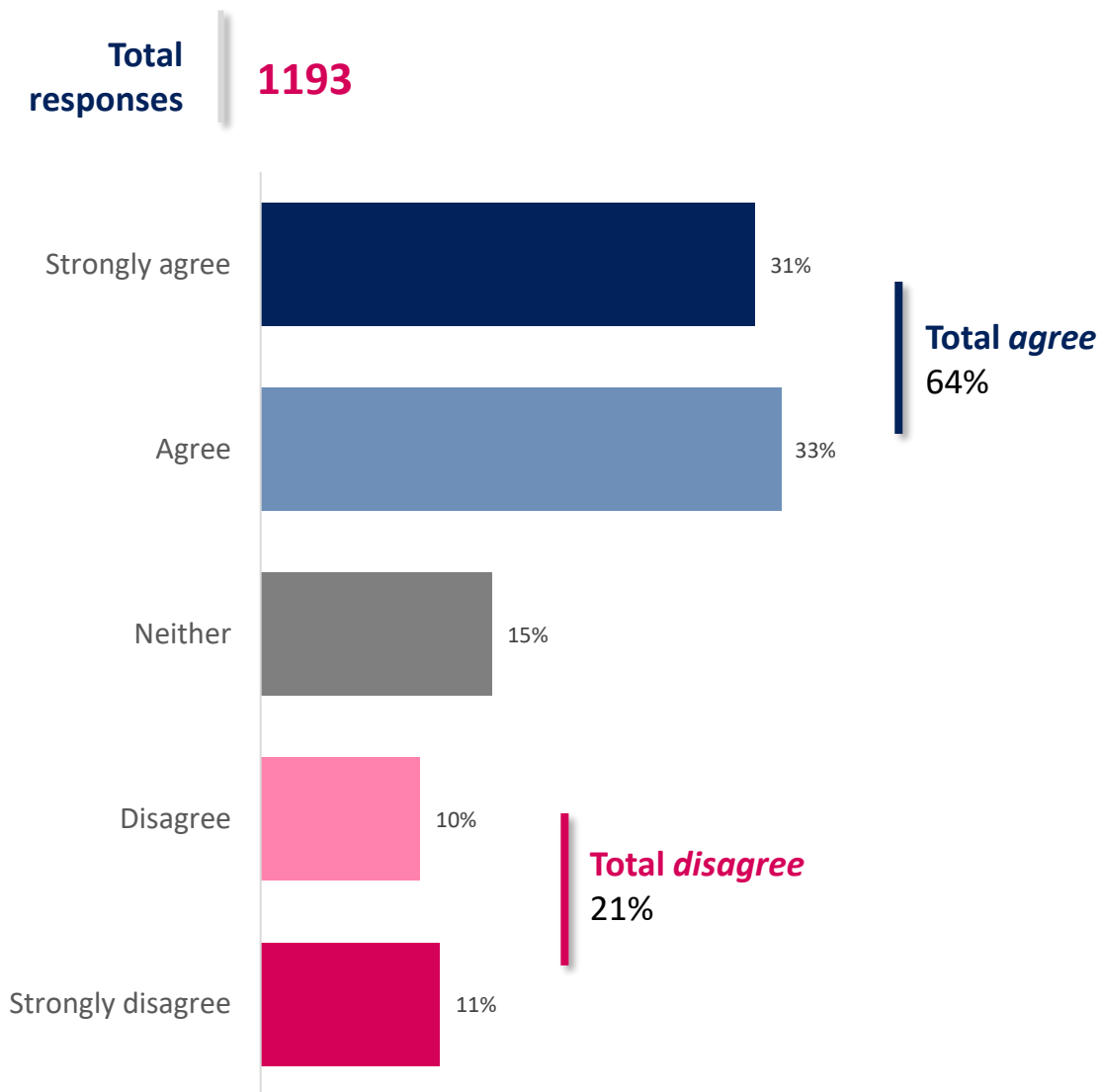
The Council cannot legally maintain a deficit on the account, and therefore must take measures to recover the deficit in a controlled way. We propose to do this by a series of smaller, controlled increases over a period of 5 years, in order to minimise impact on tenants as far as possible and to smooth the impacts of any future changes in energy costs to avoid big swings in charges. The level of increase proposed for 2024/25 would be 6.5%, with a further increase of 5% expected in 2025/26 and beyond.

If a proposed increase of 6.5% were to be implemented, the revised charges would be:

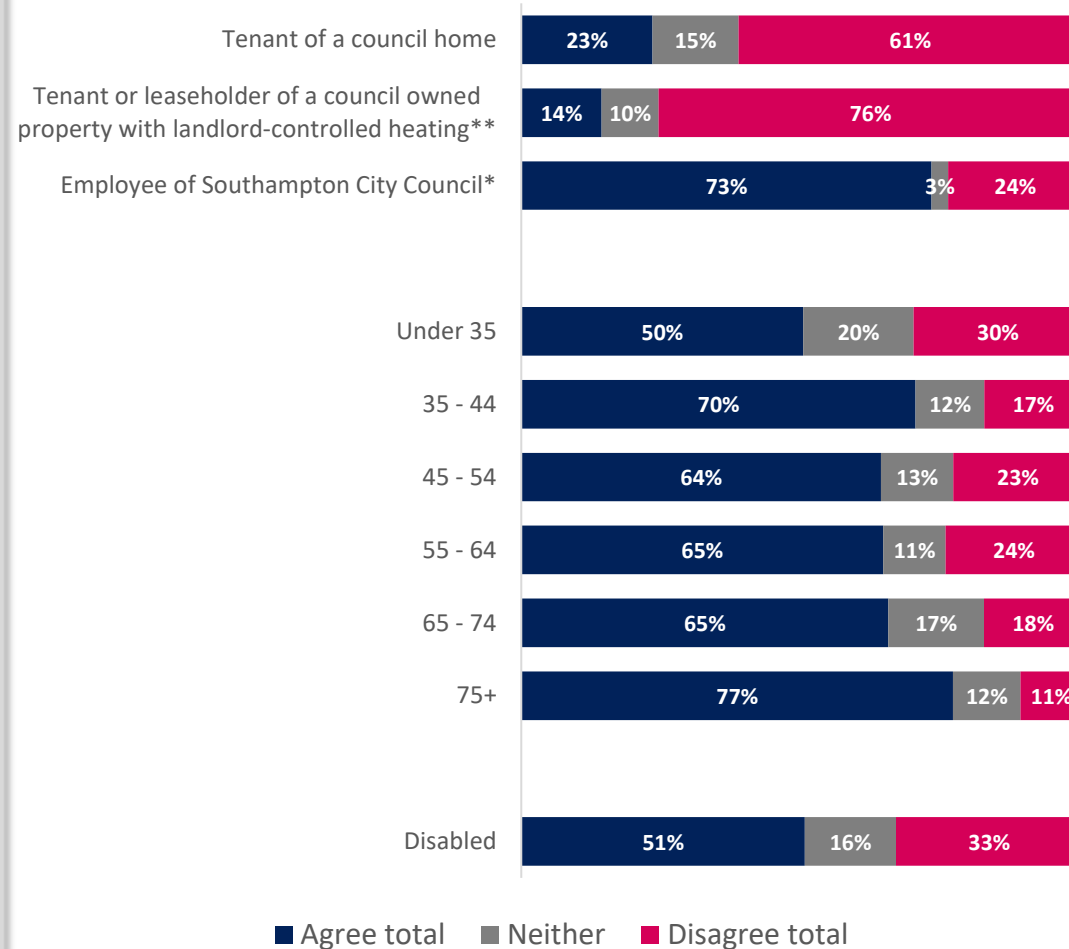
Property Band by Floor area	No of properties	Current weekly charge (£) (2023/24)	Proposed Weekly Charge (£) (2024/25)	Increase £
Band A <40 m ²	1,683	21.29	22.67	1.38
Band B <50 m ²	2,196	25.56	27.22	1.66
Band C <60 m ²	288	29.83	31.77	1.94
Band D <70 m ²	631	34.10	36.32	2.22
Band E <80 m ²	643	38.37	40.87	2.49
Band F <90 m ²	201	42.94	45.73	2.79
Band G <100 m ²	8	47.57	50.66	3.09
Band H <110 m ²	11	52.26	55.66	3.40
Band J <20 m ²	3	7.39	7.87	0.48



To what extent do you agree or disagree with the proposals to increase landlord controlled heating charges?



Notable breakdowns:



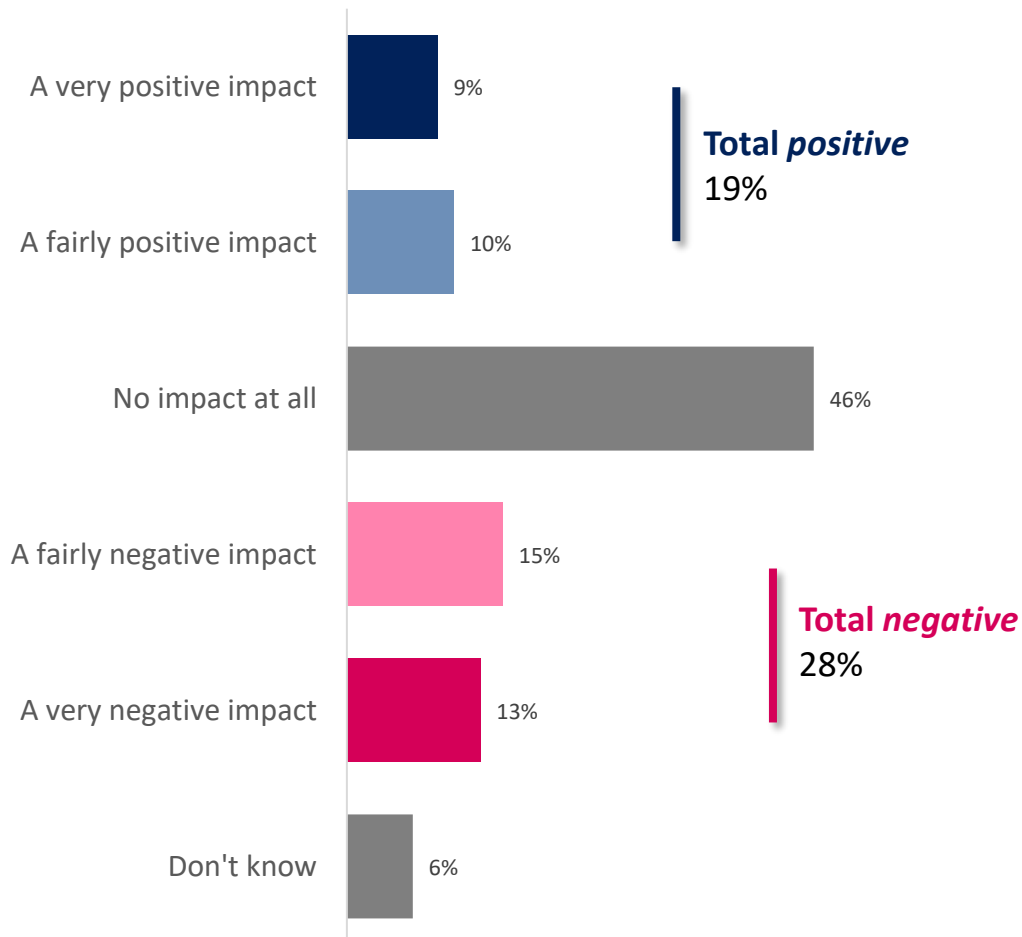
*Small sample size – less than 100

**Small sample size – less than 50

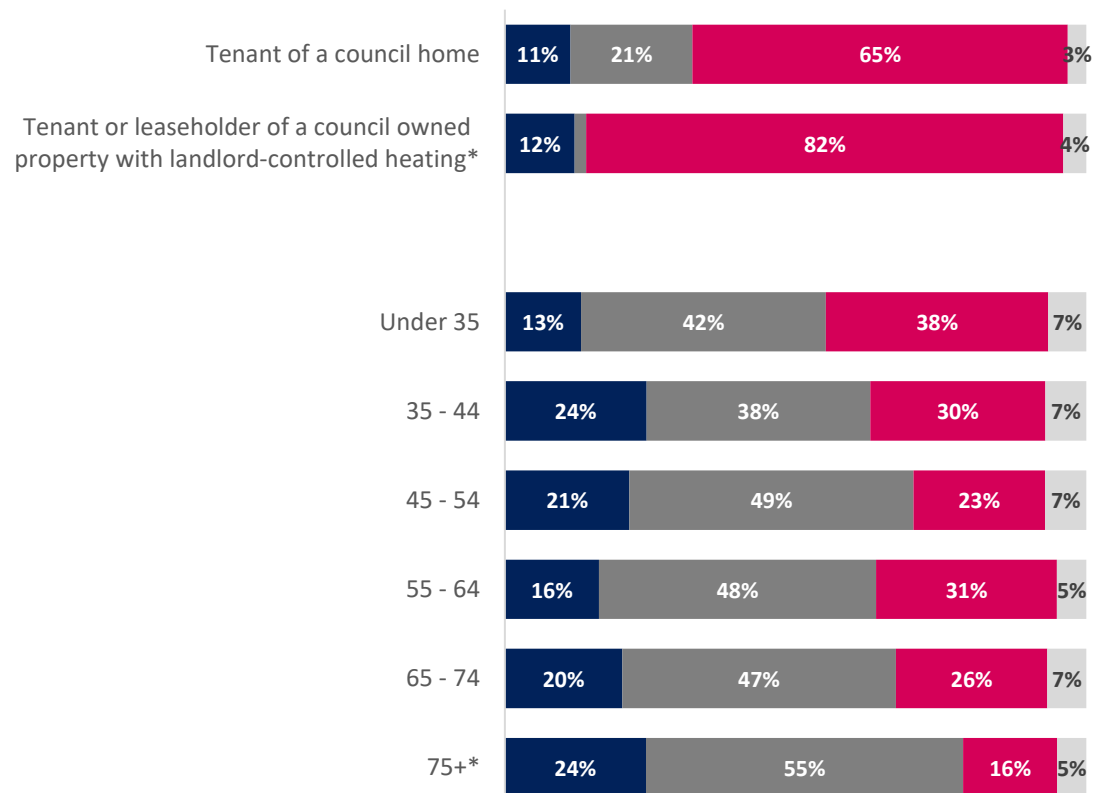


What impact do you feel the proposals to increase landlord controlled heating charges may have on you or your family, your business or the wider community?

Total responses **1191**



Notable breakdowns:



■ Positive total ■ No impact ■ Negative impact ■ Don't know

*Small sample size – less than 100

**Small sample size – less than 50

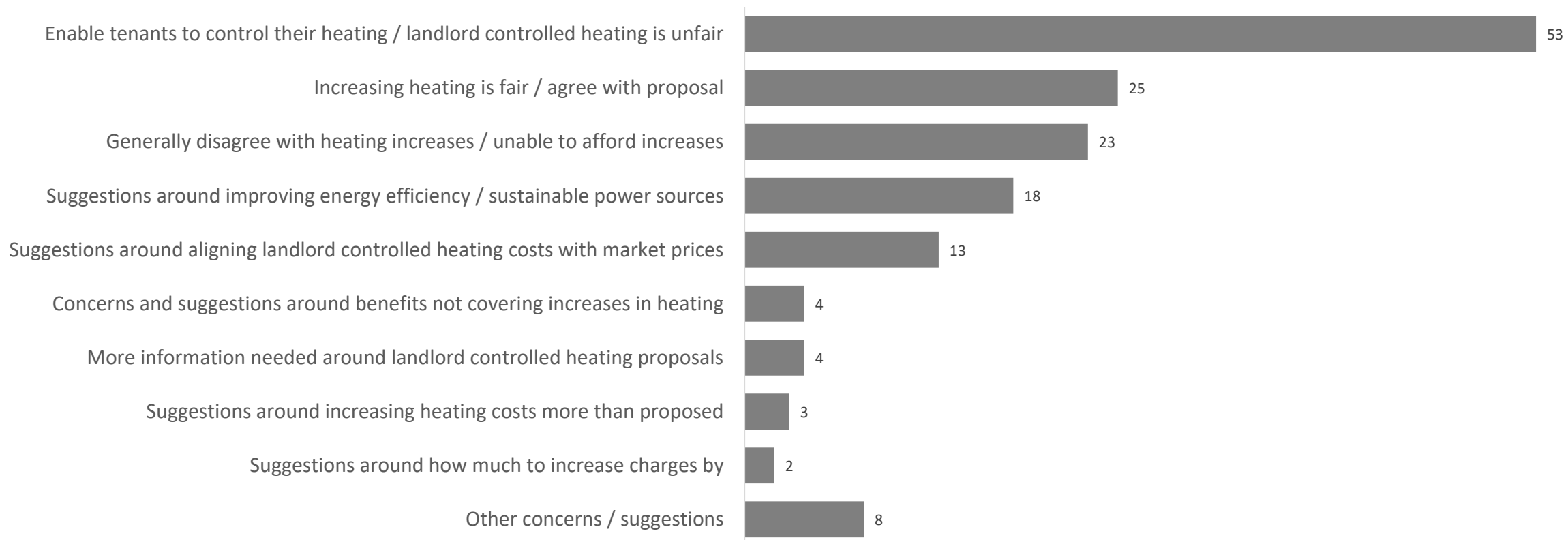


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The following graphs show the total number of respondents by each theme of comment.

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Comments, impacts, suggests or alternatives:



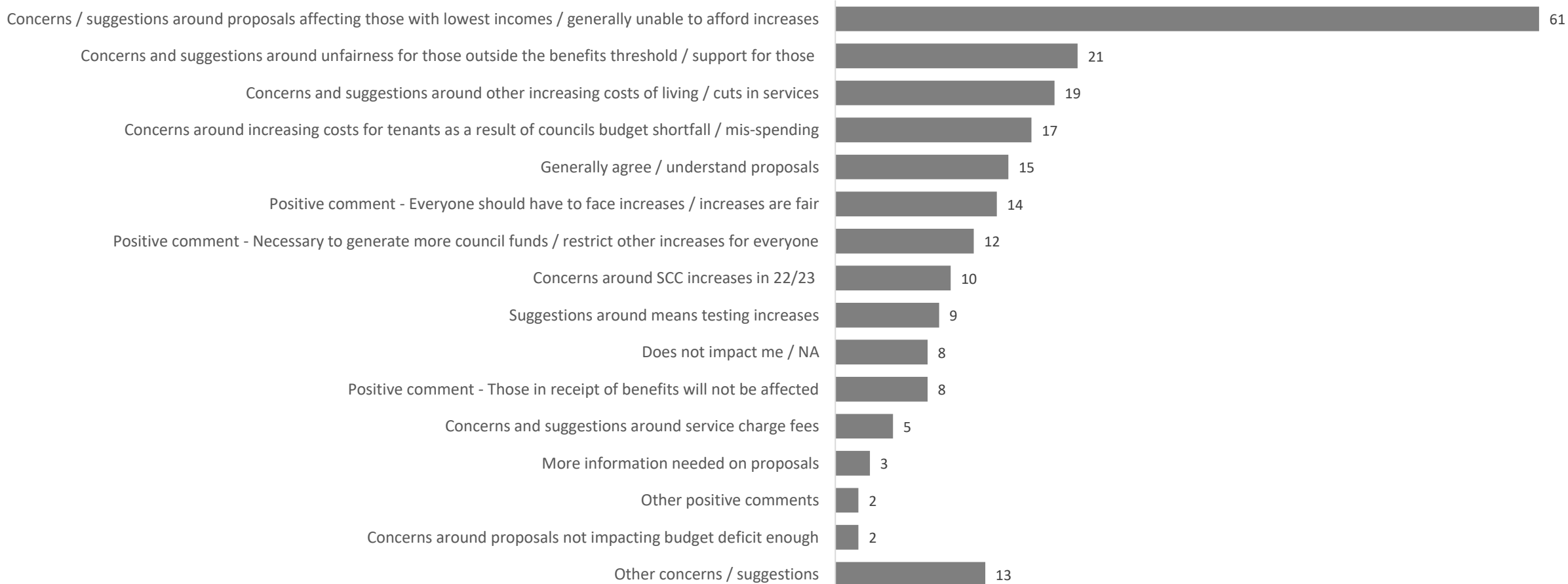


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Comments, impacts, suggests or alternatives:



Responses & analysis

Other comments



Within the questionnaire, respondents were given the opportunity to provide their own free text comments. Any email or letter responses were also analysed alongside free-text responses in the questionnaire. These comments have been coded aside from the proposals, as they were separate comments around Southampton City Council’s budget.

The following graphs show the total number of respondents by each theme of comment.

These graphs are in respondent count, rather than percentage.

Other comments about Southampton City Council budget.

