

EXECUTIVE DECISION MAKING  
RECORD OF THE DECISION MAKING HELD ON 6 FEBRUARY 2012

Present:

Councillor Smith	-	Leader of the Council
Councillor Moulton	-	Cabinet Member for Children's Services and Learning
Councillor Baillie	-	Cabinet Member for Housing
Councillor Fitzhenry	-	Cabinet Member for Environment and Transport
Councillor Hannides	-	Cabinet Member for Resources, Leisure and Culture
Councillor White	-	Cabinet Member for Adult Social Care and Health

Apologies: Councillor

72. HOUSING REVENUE ACCOUNT BUDGET REPORT AND BUSINESS PLAN

DECISION MADE: (Ref: CAB 11/12 7533)

On consideration of the report of the Cabinet Member for Housing and having receiving representations from Members of the Council, Cabinet agreed that the following recommendations be made to Council at the meeting on 15 February 2012:

- (i) To thank Tenant Association Representatives for their input to the capital and revenue budget setting process and to note their views as set out in this report.
- (ii) Following the completion of the full financial assessment of the changes to target rents approved by Council on 16 November 2011 to:
  - Confirm that the target rent for houses will be increased by 5%,
  - Approve a further reduction in the target rent for flats of 0.06% (giving a total reduction of 2.96%) so that the overall average target rent for all dwellings remains unchanged,
  - Approve the indexing of the £2.00 factor in the individual property rent restructuring calculation by RPI plus 0.5% from 2001/02 and the phased implementation of the amended calculation in equal instalments between 2013/14 and 2015/16
  - Confirm that from 2 April 2012, all new tenants will be charged the target rent for the property they move into.
  - Confirm that in all other respects, rents should be set using the Governments Rent Restructuring regime.
- (iii) To agree that, with effect from the 2 April 2012, the current average weekly dwelling rent figure of £69.73 should increase by 7.54%, which equates to an average increase of £5.26 per week, and to approve the following to calculate this increase:
  - That the percentage increase applied to all dwelling rents should be 6.1%, equivalent to an increase of £4.25 per week; and

- That the rent restructuring component of the increase should follow the arrangements set out in recommendation (ii) above, giving an increase in average rent levels of 1.44% (£1.01 per week) and to note that:
  - The total percentage increase in individual rents will vary according to the restructured rent of their property
- (iv) To approve the following weekly service charges from 2 April 2012 based on the full cost recovery approach agreed by Council in November 2011:
  - Digital TV £0.42 (unchanged from 2011/12)
  - Concierge £1.20 (increased by £0.08 from 2011/12)
  - Tower Block Wardens £4.97 (reduced by £0.14 from 2011/12)
- (v) To note that the service charges in supported accommodation will not change from 2 April 2012 but that these will be reviewed in the spring of 2012 in consultation with tenants, with any changes taking effect from October 2012,
- (vi) Subject to consultation with tenants, to approve the introduction of a new cleaning charge for walk up blocks of £0.91 per week, the start date for which will be agreed with tenants
- (vii) To agree that the charges for garages and parking spaces for 2012/13 should be increased by 5.6% in line with the increase in RPI used in the calculation of the increase in average rents.
- (viii) To approve the increase in minimum HRA balances to £2M.
- (ix) To approve the Housing Revenue Account Revenue Estimates as set out in the attached Appendix 1.
- (x) To approve the revised Housing Revenue Account Capital Programme set out in Appendix 2.
- (xi) To approve the 30 year capital and revenue business plans set out in appendices 4 and 5
- (xii) To approve the principles underlying capital spending plans that have been included in the business plan as set out in appendix 6
- (xiii) To note the HRA business planning assumptions set out in appendix 7.
- (xiv) To note that rental income and service charge payments will be paid by tenants over a 48 week period.
- (xv) To note the intention to develop a HRA efficiency programme during 2012/13

### 73. GENERAL FUND REVENUE BUDGET 2012/13 TO 2014/15

DECISION MADE: (Ref: CAB 11/12 7534)

On consideration of the report of the Cabinet Member for Resources, Leisure and Culture and having received representations from Members of the Council, Cabinet agreed to do the following:

- (a) Note the position on the estimated outturn and revised budget for 2011/12 as set out in paragraphs 9 to 18.
- (b) Approve that the Executive Director for Health & Adult Social Care enter into an agreement with NHS Southampton City (NHSSC) under section 256 National Health Act 2006 for a period of two years from 1 April 2011 to transfer a budget to the Council to spend on both services that benefit health

and for post discharge services / re-ablement, as directed within the Local Government Finance Settlement announced on 13 December 2010. The sums to be transferred by NHSSC will be £3.8M and an estimated £4.4M in 2011/12 and 2012/13 respectively.

- (c) Delegate authority to the Executive Director for Health & Adult Social Care, in consultation with the Chief Financial Officer and the Head of Legal, HR & Democratic Services, to extend, renegotiate, or enter into any further agreements with NHSSC in relation to any funding streams allocated to NHSSC, or successor body, with the specific purpose of being transferred to the Local Authority under a S256 arrangement and add any such sums to the budget.
- (d) Note the position on the forecast roll forward budget for 2012/13 as set out in paragraphs 23 to 35.
- (e) Note and approve the arrangements made by the Leader, in accordance with the Local Government Act 2000, for the Cabinet Member for Resources, Leisure & Culture to have responsibility for financial management and budgetary policies and strategies, and that the Cabinet Member for Resources, Leisure & Culture will in, accordance with the Budget & Policy Framework Rules as set out in the Council's Constitution, be authorised accordingly to finalise the Executive's proposals in respect of the Budget for 2012/13, in consultation with the Leader, for submission to Full Council on 15 February 2012.
- (f) Recommend that Full Council
  - i. Notes the Consultation process that was followed as outlined in Appendix 1.
  - ii. Notes the Equality Impact Assessment process that was followed as outlined in Appendix 2
  - iii. Approves the revised estimate for 2011/12 as set out in Appendix 3.
  - iv. Approves the use of £563,000 of in year under spend to increase the Interest Equalisation Reserve in 2011/12 to ensure that adequate provision is made for the future increase in interest costs associated with the ongoing utilisation of variable interest rates.
  - v. Notes the position on the forecast roll forward budget for 2012/13 as set out in paragraphs 23 to 35.
  - vi. Approves the revenue bids set out in Appendix 4.
  - vii. Approves the efficiencies, income and service reductions as set out in Appendix 5.
  - viii. Approves the setting up of a Pay Reserve, as set out in paragraph 63.
  - ix. Approves the changes to the discretionary redundancy policy as set out in paragraphs 65 to 72.
  - x. Notes the position of the current negotiations with Trade Unions with respect to Terms & Conditions changes implemented on 11 July.as set out in paragraphs 55 to 64.
  - xi. Agrees to accept the one off Council Tax freeze grant funding for 2012/13 of £2.1M.
  - xii. Approves the General Fund Revenue Budget as set out in Appendix 6, which implements a council tax freeze.
  - xiii. Delegates authority to the Chief Financial Officer to action all budget changes arising from the approved pressures, bids,

- efficiencies, income and service reductions and incorporate any other approved amendments into the General Fund estimates.
- xiv. Approves a revised minimum balance of £5.0M as recommended by the Chief Financial Officer in line with the policy guidance outlined in paragraphs 81 to 83.
  - xv. Notes that after taking these items into account, there is an estimated General Fund balance of £5.1M at the end of 2013/14 as detailed in paragraph 84.
  - xvi. Delegates authority to the Chief Financial Officer, in consultation with the Executive Director of Corporate Services, to do anything necessary to give effect to the recommendations in this report.
  - xvii. Sets the Council Tax Requirement for 2012/13 at £83,205,500.
  - xviii. Notes the estimates of precepts on the Council Tax collection fund for 2012/13 as set out in Appendix 8.
  - xix. Notes the Medium Term Forecast as set out in Appendix 9.
  - xx. Authorises the Chief Executive and Chief Officers to pursue the development of the options for efficiencies, income and service reductions as set out in Appendix 5 for the financial years 2013/14 and 2014/15 and continue to develop options to close the remaining projected gaps in those years.

#### 74. GENERAL FUND CAPITAL BUDGET 2012/13 TO 2014/15

DECISION MADE: (Ref: CAB 11/12 7587)

On consideration of the report of the Cabinet Member for Resources, Leisure and Culture and having received representations from Members of the Council, Cabinet agreed to do the following:

Recommend that Full Council:

- i) Approve the revised General Fund Capital Programme, which totals £168.5M (as detailed in paragraph 4) and the use of resources.
- ii) Approve the forecast over programming of £751,000 as detailed in paragraph 11, which is within the previously approved tolerances and can be compared to the figure reported to Council in September of £8.1M.
- iii) Note that the reduction in the funding deficit is largely down to additional or increased forecast future capital receipts where the timing and exact value is to a degree uncertain.
- iv) Note the forecast funding deficit in 2011/12 as detailed in paragraph 15 that is likely to require temporary borrowing, the revenue implications of which have been reflected in the budget forecast for the General Fund.
- v) Add £4,084,000 to the Environment & Transport capital programme in 2012/13 for Roads which is currently to be funded by direct revenue financing (£2,672,000), Council Resources (£1,272,000 unsupported borrowing), on-street parking surplus contributions (£90,000) and other revenue contributions (£50,000).
- vi) Add £408,000 to the Environment & Transport capital programme for the Salix Energy Efficiency scheme in 2012/13 to be funded by government grants.

- vii) Add £519,000 to the Leisure & Culture capital programme phased £110,000 in 2012/13, £170,000 in 2013/14 and £239,000 in 2014/15 to carry out essential works at the Guildhall to be funded by Council Resources.
- viii) Add £805,000 to the Adult Social Care & Health capital programme for essential refurbishment and improvements at care homes in 2012/13 to be funded by government grant.
- ix) Delegate authority to the Chief Finance Officer in consultation with the Executive Director of Environment and following consultation with the Cabinet Member for Environment & Transport and the Cabinet Member for Resources, Leisure & Culture to add Salix schemes to the capital programme up to the value of £100,000 per year, funded from a self-sustaining budget created from savings generated.
- x) Note that the revised General Fund Capital Programme takes into account the Comprehensive Spending Review (CSR) for 2011/12 and future years.