

SOUTHAMPTON CITY COUNCIL
EXECUTIVE DECISION MAKING

RECORD OF THE DECISION MAKING HELD ON 23 FEBRUARY 2021

Present:

Councillor Hammond	-	Leader of the Council
Councillor Rayment	-	Deputy Leader and Cabinet Member for Customer and Organisation
Councillor Fielker	-	Cabinet Member for Health and Adults
Councillor Kaur	-	Cabinet Member for Culture and Homes
Councillor Leggett	-	Cabinet Member for Green City and Place
Councillor Shields	-	Cabinet Member for Stronger Communities
Councillor Barnes-Andrews	-	Cabinet Member for Finance & Income Generation

Apologies: Councillor Dr Paffey

31. FINANCIAL MONITORING FOR THE PERIOD TO THE END OF DECEMBER 2020

DECISION MADE: (CAB 20/21 31166)

On consideration of the report of the Cabinet Member for Finance and Income Generation, Cabinet agreed the following:-

General Revenue Fund

- i) Note the forecast outturn position for business as usual activities is a £4.59M surplus after applying corporate funds, as outlined in paragraph 4 and in paragraph 1 of appendix 1.
- ii) Note the performance of treasury management, and financial outlook in paragraphs 11 to 15 of appendix 1.
- iii) Note the Key Financial Risk Register as detailed in paragraph 18 of appendix 1.
- iv) Note the performance against the financial health indicators detailed in paragraphs 22 and 23 of appendix 1.
- v) Note the performance outlined in the Collection Fund Statement detailed in paragraphs 27 to 32 of appendix 1.
- vi) Notes the financial position arising from COVID-19, as outlined in paragraphs 4 to 9 of Appendix 1.

Housing Revenue Account

- vii) Note the forecast outturn position on business as usual activities is a surplus of £0.18M as outlined in paragraph 5 and paragraphs 24 and 25 of appendix 1.
- viii) Notes the financial position arising from COVID-19, as outlined in paragraph 26 of Appendix 1.

Capital Programme

- ix) Notes the revised General Fund Capital Programme, which totals £661.70M as detailed in paragraph 1 of appendix 2.
- x) Notes the HRA Capital Programme is £212.17M as detailed in paragraph 1 of appendix 2.
- xi) Notes that the overall forecast position for 2020/21 at quarter 3 is £122.94M, resulting in a potential surplus of £58.30M, as detailed in paragraphs 4 and 5 of appendix 2.
- xii) Notes that the capital programme remains fully funded up to 2024/25 based on the latest forecast of available resources although the forecast can be subject to change; most notably regarding the value and timing of anticipated capital receipts and the use of prudent assumptions of future government grants to be received.
- xiii) Notes that £5.84M has been added to the programme with relevant approvals. These changes are detailed in annex 2.1 to appendix 2.
- xiv) Approves slippage and rephasing as detailed in paragraph 2 and 3 of appendix 2. Noting that the movement has zero net movement over the 5-year programme.
- xv) Notes changes to the capital programme arising from COVID-19 as detailed in paragraphs 6 and 7 of appendix 2.

32. THE REVENUE BUDGET 2021/22, MEDIUM TERM FINANCIAL FORECAST 2021/22 TO 2024/25 AND CAPITAL PROGRAMME 2020/21 TO 2025/26

DECISION MADE: (CAB 20/21 31164)

On consideration of the report of the Cabinet Member for Finance and Income Generation, Cabinet agreed the following:-

General Fund

- i) Notes the general budget consultation process that was followed as detailed in paragraphs 34 to 39.
- ii) Notes that the budget consultation feedback has been taken into consideration by the Cabinet and has informed their final budget proposals. Further details are contained within the Members Room document 3.
- iii) Notes the Equality and Safety Impact Assessment process that was followed as set out in paragraphs 40 to 43. The updated ESIA's and Cumulative Impact Assessment are available documents in the Members Room, documents 1 and 2.
- iv) Note the forecast outturn position for 2020/21 as set out in paragraphs 29 to 32 of Appendix 1.
- v) Approves the revised Medium Term Financial Forecast (MTFF) for the period 2021/22 to 2024/25 attached as Annex 1.1.
- vi) Approves the 2021/22 General Fund Revenue Budget as detailed in Annex 1.1(a) of the MTFF at Annex 1.1.
- vii) Notes that the Executive's budget proposals are based on the assumptions detailed within the MTFF and that this includes an increase in the Adult Social Care precept of 3.00% and an increase in the general council tax of 1.99%, allowable under general powers to increase council tax without a referendum.
- viii) Approves additional general fund pressures totalling £36.81M in 2021/22 as detailed in paragraph 50 of Appendix 1.

- ix) Approves savings proposals totalling £10.68M that are included in the 2021/22 General Fund Revenue Budget, with £7.14M in 2022/23, as detailed in paragraphs 53 to 56 of Appendix 1.
- x) To note proposals for the use of the Local Council Tax Support Grant will be brought forward during 2021/22, as detailed in paragraph 75 of Appendix 1.
- xi) To delegate authority to the Executive Director for Finance, Commercialisation & S151 Officer, following consultation with the Cabinet Member for Finance and Income Generation, to do anything necessary to give effect to the proposals contained in this report.
- xii) Sets the Band D Council Tax for Southampton City Council at £1,644.39 for 2021/22, a Net Budget Requirement of £173.85M and the Council Tax Requirement for 2020/21 at £105.88M as per Annex 1.2.
- xiii) Notes the estimates of precepts on the council tax collection fund for 2021/22 as set out in Annex 1.3.
- xiv) Agrees that the following amounts be now calculated by the Council for the financial year 2021/22 in accordance with Section 31 and Sections 34 to 36 of the Local Government Finance Act 1992; and Determines in accordance with Section 52ZB of the Act that the Council's relevant basic amount of Council Tax for 2021/22 is not excessive in accordance with principles approved by the Secretary of State under Section 52ZC of the Act.
 - (a) £512,018,229 (Being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act).
 - (b) £406,137,601 (Being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act).
 - (c) £105,880,628 (Being the amount by which the aggregate at (a) above exceeds the aggregate at (b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year). (Item R in the formula in Section 31B(1) of the Act).
 - (d) £1,644.39 (Being the amount at (c) above (Item R), all divided by the tax base of 64,389 (Item T), calculated by the Council, in accordance with Section 31B(1) of the Act, as the basic amount of its Council Tax for the year).

General Fund Capital Programme

- xv) Approves the revised General Fund Capital Programme, which totals £466.43M (as detailed in paragraphs 4 to 6 of Appendix 2) and the associated use of resources.
- xvi) Approves additions of £6.52M which has been added to the General Fund programme requiring approval to spend, by Cabinet/Council subject to the relevant financial limits. These additions are detailed in paragraphs 14 to 23 of Appendix 2 and Annex 2.1.
- xvii) Approves the request to spend £2.50M as part of the SEND work as detailed in paragraph 11 of Appendix 2 and Annex 2.1.
- xviii) Approves the removal of schemes from the capital programme totalling £201.79M as set out in paragraphs 8 and 10 of Appendix 2 and detailed in Annex 2.1.
- xix) Approves the acceptance of government grant funding of £1.68M from the Department of Business, Energy & Industrial Strategy under the Public Sector Decarbonisation Scheme awarded following a bid made by the Green City & Place portfolio as detailed in paragraph 12 of Appendix 2.

xx) Notes that the capital programme remains fully funded up to 2025/26 based on the latest forecast of available resources although the forecast can be subject to change; most notably with regard to the value and timing of anticipated capital receipts and the use of prudent assumptions of future Government Grants to be received.

xxi) Approves the Council's capital strategy detailed in Annex 2.3.

xxii) Approves the Council's MRP strategy detailed in Annex 2.3(a).

xxiii) Approves the Council's investment strategy detailed in Annex 2.3(b).

Housing Revenue Account

xxiv) Approves that, from 1st April 2021, an average rent increase be applied to dwelling rents of 1.33%, as set out in paragraph 9 of Appendix 3, equivalent to an average increase of £1.14 per week in the current average weekly dwelling rent figure of £85.67.

xxv) Approves an increase in weekly service charges of 1.5% as detailed in paragraphs 10 and 11 of Appendix 3 from 1st April 2021 (including supported accommodation).

xxvi) Approves the Housing Revenue Account Revenue Estimates as set out in Appendix 3.

xxvii) Approves the 40 year Business Plans for revenue and capital expenditure set out in Annexes 3.1 and 3.2 of Appendix 3 respectively, that based on current assumptions are sustainable and maintain a minimum HRA balance of £2.0M in every financial year.

xxviii) Approves the increase in heating charges as detailed in paragraph 12 of Appendix 3 and Annex 3.3.

xxix) Approves the revised Housing Revenue Account (HRA) Capital Programme, which totals £376.51M (as detailed in paragraph 22 & 32 of Appendix 3) and the associated use of resources.

xxx) Approves the addition of £164.34M to the HRA Capital Programme and the request for approval to spend £164.34M as detailed in paragraph 31 of Appendix 3.