

Public Document Pack

Overview and Scrutiny Management Committee

Wednesday, 22nd November,
2023 at 5.30 pm

PLEASE NOTE TIME OF MEETING

Council Chamber, Civic Centre,
Southampton

This meeting is open to the public

Members

Councillor Blackman (Chair)
Councillor Moulton (Vice-Chair)
Councillor Evely
Councillor Y Frampton
Councillor Galton
Councillor Greenhalgh
Councillor Lambert
Councillor Dr Paffey
Councillor Quadir

Appointed Members

Catherine Hobbs, Roman Catholic Church
Francis Otieno, Primary Parent Governor
Rob Sanders, Church of England

Contacts

Judy Cordell
Democratic Support Officer
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Mark Pirnie
Scrutiny Manager
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PUBLIC INFORMATION

Overview and Scrutiny Management Committee

The Overview and Scrutiny Management Committee holds the Executive to account, exercises the call-in process, and sets and monitors standards for scrutiny. It formulates a programme of scrutiny inquiries and appoints Scrutiny Panels to undertake them. Members of the Executive cannot serve on this Committee.

Role of Overview and Scrutiny

Overview and Scrutiny includes the following three functions:

- Holding the Executive to account by questioning and evaluating the Executive's actions, both before and after decisions taken.
- Developing and reviewing Council policies, including the Policy Framework and Budget Strategy.
- Making reports and recommendations on any aspect of Council business and other matters that affect the City and its citizens.

Overview and Scrutiny can ask the Executive to reconsider a decision, but they do not have the power to change the decision themselves.

Southampton: Corporate Plan 2022-2030 sets out the four key outcomes:

- **Strong Foundations for Life**.- For people to access and maximise opportunities to truly thrive, Southampton will focus on ensuring residents of all ages and backgrounds have strong foundations for life.
- **A proud and resilient city** - Southampton's greatest assets are our people. Enriched lives lead to thriving communities, which in turn create places where people want to live, work and study.
- **A prosperous city** - Southampton will focus on growing our local economy and bringing investment into our city.
- **A successful, sustainable organisation** - The successful delivery of the outcomes in this plan will be rooted in the culture of our organisation and becoming an effective and efficient council.

Procedure / Public Representations

At the discretion of the Chair, members of the public may address the meeting on any report included on the agenda in which they have a relevant interest. Any member of the public wishing to address the meeting should advise the Democratic Support Officer (DSO) whose contact details are on the front sheet of the agenda.

Access is available for disabled people.

Please contact the Democratic Support Officer who will help to make any necessary arrangements.

Fire Procedure: -

In the event of a fire or other emergency a continuous alarm will sound, and you will be advised by Council officers what action to take.

Mobile Telephones: - Please switch your mobile telephones to silent whilst in the meeting

Use of Social Media: - The Council supports the video or audio recording of meetings open to the public, for either live or subsequent broadcast. However, if, in the Chair's opinion, a person filming or recording a meeting or taking photographs is interrupting proceedings or causing a disturbance, under the Council's Standing Orders the person can be ordered to stop their activity, or to leave the meeting. By entering the meeting room, you are consenting to being recorded and to the use of those images and recordings for broadcasting and or/training purposes. The meeting may be recorded by the press or members of the public. Any person or organisation filming, recording, or broadcasting any meeting of the Council is responsible for any claims or other liability resulting from them doing so. Details of the Council's Guidance on the recording of meetings is available on the Council's website.

Smoking Policy: - The Council operates a no-smoking policy in all civic buildings.

Dates of Meetings for the Municipal Year:

2023	2024
10 August	11 January
14 September	01 February
12 October	07 March
9 November	11 April
14 December	

CONDUCT OF MEETING

TERMS OF REFERENCE

The general role and terms of reference for the Overview and Scrutiny Management Committee, together with those for all Scrutiny Panels, are set out in Part 2 (Article 6) of the Council’s Constitution, and their particular roles are set out in Part 4 (Overview and Scrutiny Procedure Rules – paragraph 5) of the Constitution.

RULES OF PROCEDURE

The meeting is governed by the Council Procedure Rules and the Overview and Scrutiny Procedure Rules as set out in Part 4 of the Constitution.

BUSINESS TO BE DISCUSSED

Only those items listed on the attached agenda may be considered at this meeting.

QUORUM

The minimum number of appointed Members required to be in attendance to hold the meeting is 4.

DISCLOSURE OF INTERESTS

Members are required to disclose, in accordance with the Members’ Code of Conduct, **both** the existence **and** nature of any “Disclosable Pecuniary Interest” or “Other Interest” they may have in relation to matters for consideration on this Agenda.

DISCLOSABLE PECUNIARY INTERESTS

A Member must regard himself or herself as having a Disclosable Pecuniary Interest in any matter that they or their spouse, partner, a person they are living with as husband or wife, or a person with whom they are living as if they were a civil partner in relation to:

(i) Any employment, office, trade, profession or vocation carried on for profit or gain.

(ii) Sponsorship:

Any payment or provision of any other financial benefit (other than from Southampton City Council) made or provided within the relevant period in respect of any expense incurred by you in carrying out duties as a member, or towards your election expenses. This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992.

(iii) Any contract which is made between you / your spouse etc (or a body in which the you / your spouse etc has a beneficial interest) and Southampton City Council under which goods or services are to be provided or works are to be executed, and which has not been fully discharged.

- (iv) Any beneficial interest in land which is within the area of Southampton.
- (v) Any license (held alone or jointly with others) to occupy land in the area of Southampton for a month or longer.
- (vi) Any tenancy where (to your knowledge) the landlord is Southampton City Council and the tenant is a body in which you / your spouse etc has a beneficial interests.
- (vii) Any beneficial interest in securities of a body where that body (to your knowledge) has a place of business or land in the area of Southampton, and either:
- a) the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body, or
 - b) if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which you / your spouse etc has a beneficial interest that exceeds one hundredth of the total issued share capital of that class.

Other Interests

A Member must regard himself or herself as having an, 'Other Interest' in any membership of, or occupation of a position of general control or management in:

- Any public authority or body exercising functions of a public nature
- Any body directed to charitable purposes
- Any body whose principal purpose includes the influence of public opinion or policy

Principles of Decision Making

All decisions of the Council will be made in accordance with the following principles:-

- proportionality (i.e. the action must be proportionate to the desired outcome);
- due consultation and the taking of professional advice from officers;
- respect for human rights;
- a presumption in favour of openness, accountability and transparency;
- setting out what options have been considered;
- setting out reasons for the decision; and
- clarity of aims and desired outcomes.

In exercising discretion, the decision maker must:

- understand the law that regulates the decision making power and gives effect to it. The decision-maker must direct itself properly in law;
- take into account all relevant matters (those matters which the law requires the authority as a matter of legal obligation to take into account);
- leave out of account irrelevant considerations;
- act for a proper purpose, exercising its powers for the public good;
- not reach a decision which no authority acting reasonably could reach, (also known as the "rationality" or "taking leave of your senses" principle);
- comply with the rule that local government finance is to be conducted on an annual basis. Save to the extent authorised by Parliament, 'live now, pay later' and forward funding are unlawful; and
- act with procedural propriety in accordance with the rules of fairness.

AGENDA

1 APOLOGIES AND CHANGES IN PANEL MEMBERSHIP (IF ANY)

To note any changes in membership of the Panel made in accordance with Council Procedure Rule 4.3.

2 DISCLOSURE OF PERSONAL AND PECUNIARY INTERESTS

In accordance with the Localism Act 2011, and the Council's Code of Conduct, Members to disclose any personal or pecuniary interests in any matter included on the agenda for this meeting.

NOTE: Members are reminded that, where applicable, they must complete the appropriate form recording details of any such interests and hand it to the Democratic Support Officer.

3 DECLARATIONS OF SCRUTINY INTEREST

Members are invited to declare any prior participation in any decision taken by a Committee, Sub-Committee, or Panel of the Council on the agenda and being scrutinised at this meeting.

4 DECLARATION OF PARTY POLITICAL WHIP

Members are invited to declare the application of any party political whip on any matter on the agenda and being scrutinised at this meeting.

5 STATEMENT FROM THE CHAIR

6 MINUTES OF THE PREVIOUS MEETING (INCLUDING MATTERS ARISING)

(Pages 1 - 6)

To approve and sign as a correct record the Minutes of the meetings held on 5th October 2023 (Special Call-in) and 12th October 2023 and to deal with any matters arising, attached.

7 EXCLUSION OF THE PRESS AND PUBLIC - CONFIDENTIAL PAPERS INCLUDED IN THE FOLLOWING ITEM

To move 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 appendices to the following Item.

It is anticipated at the point of publication, appendices to the Cabinet report will contain information deemed to be exempt from general publication based on categories 3 and 5 of rule 10.4 of the council's Access to Information Procedure Rules i.e. information relating to the financial or business affairs of any particular person and information in

respect of which a claim to legal professional privilege could be maintained in legal proceedings. It is not in the public interest to disclose this information due to ongoing legal proceedings. If the information was disclosed, then the council's financial position would be available to other parties to the proceedings and prejudice the council's ability to achieve best value.

8 FORWARD PLAN (Pages 7 - 12)

Report of the Scrutiny Manager enabling the Overview and Scrutiny Management Committee to examine the content of the Forward Plan and to discuss issues of interest or concern with the Executive.

a) Budget Matters - Medium Term Financial Strategy Update (Pages 13 - 56)

Draft report of the Cabinet Member for Finance and Change detailing the Medium Term Financial Strategy and cost control update.

9 MONITORING SCRUTINY RECOMMENDATIONS TO THE EXECUTIVE
(Pages 57 - 60)

Report of the Scrutiny Manager enabling the Overview and Scrutiny Management Committee to monitor and track progress on recommendations made to the Executive at previous meetings.

Tuesday, 14 November 2023

Director – Legal, Governance and HR

SOUTHAMPTON CITY COUNCIL
OVERVIEW AND SCRUTINY MANAGEMENT COMMITTEE
MINUTES OF THE MEETING HELD ON 5 OCTOBER 2023

Present: Councillors Blackman (Chair), Moulton (Vice-Chair), Evemy, Y Frampton, Galton, Greenhalgh, Lambert and Dr Paffey

Apologies: Councillor Quadir

26. **APOLOGIES AND CHANGES IN PANEL MEMBERSHIP (IF ANY)**

Apologies were received and noted from Cllr Quadir.

27. **EXCLUSION OF THE PRESS AND PUBLIC - CONFIDENTIAL PAPERS INCLUDED IN THE FOLLOWING ITEM**

In accordance with the Council's Constitution, specifically the Access to Information Procedure Rules contained within the Constitution, the Chair moved the press and public be excluded from the meeting in respect of any consideration of confidential information contained in Appendix 3 to the following item.

Appendix 3 contained information deemed to be exempt from general publication based on Category 1 of paragraph 10.4 of the Council's Access to Information Procedure Rules. The information was exempt from publication because it related to employee related matters which are not in the public interest to disclose.

The Chair requested that, to enable the discussion to be held in public session, reference was not made to the details contained with the confidential appendix to the Cabinet report. The Committee agreed and the meeting remained in open session for its entirety.

28. **CALL-IN OF EXECUTIVE DECISION CAB 23/24 37963 – HOLCROFT HOUSE OPTIONS**

The Committee considered the report of the Scrutiny Manager, detailing the Call-In of Executive Decision CAB 23/24 37963 – Holcroft House Options.

Councillor Fielder, Deputy Leader and Cabinet Member for Adults, Health and Housing and Claire Edgar, Executive Director Wellbeing and Housing were in attendance and with the consent of the Chair addressed the meeting.

Keith Morrell, Linda Hayse, Chris Hodgson, Amanda Guest, Ruth Goldsworthy and Dave Smith representing residents and their families, Nick Chaffey, Socialist Party, and Claire Ransom, Unite also with the consent of the Chair, addressed the meeting.

Reflecting the reasons identified within the Call-In Notice, discussion took place on the following issues:

1. Officers in attendance at Overview and Scrutiny Management Committee (OSMC) were unable to provide detailed answers on fire safety works despite this being purported to be the principal reason for the recommendation to close the home. Requests for further details after the OSMC and Cabinet meetings were not provided.
2. 2022 Report of Independent Fire Safety expert was not provided to OSMC or Cabinet despite being referenced in Cabinet papers.
3. Detailed market analysis not provided to OSMC or as part of the Cabinet Decision. At OSMC families said that a March 2023 market survey had not been shared.
4. Concerns raised about market vulnerability – due to pressures of SCC funded places on private homes. This was not sufficiently addressed by the Cabinet Member at OSMC or Cabinet.
5. Lack of timely response to the 43 written questions submitted by Unite. Responses not provided to the Union or OSMC, so were unable to inform discussions and questions at 14th September meeting of the OSMC.

RESOLVED that:

- (i) Cabinet does not recommend that the decision be reconsidered and that it can therefore be implemented without delay;
- (ii) to enhance decision making moving forward, sufficient time is allowed for appropriate engagement with stakeholders;
- (iii) the Executive Director for Wellbeing and Housing ensures that the Council effectively supports the movement of residents between care homes and that recommended best practice is followed in this regard; and
- (iv) at an appropriate time, an update report outlining progress with regards to the implementation of the recommendations within the Cabinet report is shared with the Committee.

SOUTHAMPTON CITY COUNCIL
OVERVIEW AND SCRUTINY MANAGEMENT COMMITTEE
MINUTES OF THE MEETING HELD ON 12 OCTOBER 2023

Present: Councillors Blackman (Chair), Evely, Y Frampton, Galton, Lambert, Dr Paffey and Quadir and Appointed Member Rob Sanders

Apologies: Councillors Moulton and Greenhalgh

Also in attendance: Councillor Fielker, Deputy Leader and Cabinet Member for Adults, Health and Housing
Councillor Keogh, Cabinet Member for Environment and Transport

29. **APOLOGIES AND CHANGES IN PANEL MEMBERSHIP (IF ANY)**

It was noted that following receipt of the temporary resignation of Councillors Greenhalgh and Moulton from the Committee, the Monitoring Officer, acting under delegated powers, had appointed Councillors A Frampton and Fitzhenry to replace them for the purposes of this meeting.

30. **MINUTES OF THE PREVIOUS MEETING (INCLUDING MATTERS ARISING)**

RESOLVED that the minutes of the Committee meeting held on 14th September, 2023 be approved and signed as a correct record.

31. **FORWARD PLAN**

The Committee considered the report of the Scrutiny Manager which enabled the Overview and Scrutiny Management Committee to examine the content of the Forward Plan and to discuss issues of interest or concern with the Executive.

MEDIUM TERM FINANCIAL STRATEGY UPDATE

The Committee considered the briefing paper attached to this item and the Cabinet report which was published on 9th October 2023 detailing the forthcoming Cabinet decision regarding the Medium Term Financial Strategy Update.

Councillor Fielker, Deputy Leader and Cabinet Member for Adults, Health and Housing, Mike Harris, Chief Executive, Mel Creighton, Executive Director Corporate Services and Steve Harrison, Head of Financial Planning and Management were present and with the consent of the Chair addressed the meeting.

The Committee discussed the progress made in addressing the financial gap so far, how further savings were being identified, delivered and reported on a monthly basis in line with recommendations from CIPFA.

CHANGE IN CITY CENTRE PARKING CHARGING HOURS

The Committee considered the briefing paper attached to this item detailing the forthcoming Cabinet decision regarding the proposed change in City Centre parking charging hours.

Councillor Keogh, Cabinet Member for Environment and Transport, Ian Collins, Director of Environment and Richard Alderson, Service Manager Parking and Itchen Bridge were present and with the consent of the Chair addressed the meeting.

The Committee discussed with the Cabinet Member the reasoning for the proposals being put forward and the impact this would have on residents, visitors, charitable and voluntary organisations and Sunday worshippers.

ST. MARY'S LEISURE CENTRE PROCUREMENT OUTCOME

This item was withdrawn from the agenda due to Cabinet deferring their decision to the November meeting.

RESOLVED:

Medium Term Financial Strategy Update:

- i) That, whilst recognising the need for the Council to take timely decisions, the Executive commits to ensuring that, moving forward, the principles of transparency and openness continue to be employed by the Council when making decisions.
- ii) That clarification was provided with regards to whether additional funding had been provided by the Government in 2023/24 specifically for pothole repairs.

Change in City Centre parking charging hours:

- iii) That, at the earliest opportunity, the Executive seeks to identify solutions that will help to mitigate the impact of the proposals on charitable and community organisations in the city; and
- iv) That, at the earliest opportunity, the Administration invites Go South Coast to engage with faith communities and consider additional bus routes and increasing service frequency to enable modal shift to occur.

32. **DRAFT ADULT SOCIAL CARE CHARGING POLICY**

The Committee considered the report of the Cabinet Member for Adults, Health and Housing detailing the proposed draft Adult Social Care Charging Policy.

Councillor Fielker, Deputy Leader and Cabinet Member for Adults, Health and Housing and Claire Edgar, Executive Director, Wellbeing and Housing were present and with the consent of the Chair addressed the meeting.

The Committee discussed with the Cabinet Member the impact of fees and charges on residents, changes to current policy, cost of care both now and in the future and the uptake of service from residents who are presenting with more complex needs.

RESOLVED that the Committee were provided with the Executive's analysis with regards to the percentage of clients who would pay more for their care and the percentage of clients who would pay less for their care following the implementation of the proposed changes.

33. **MONITORING SCRUTINY RECOMMENDATIONS TO THE EXECUTIVE**

The Committee noted the report of the Scrutiny Manager which enabled the Overview and Scrutiny Management Committee to monitor and track progress on recommendations made to the Executive at previous meetings.

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Agenda Item 8

DECISION-MAKER:	OVERVIEW AND SCRUTINY MANAGEMENT COMMITTEE		
SUBJECT:	FORWARD PLAN		
DATE OF DECISION:	22 NOVEMBER 2023		
REPORT OF:	SCRUTINY MANAGER		
<u>CONTACT DETAILS</u>			
Executive Director	Title	Executive Director – Corporate Services	
	Name:	Mel Creighton	Tel: 023 8083 3528
	E-mail	Mel.creighton@southampton.gov.uk	
Author:	Title	Scrutiny Manager	
	Name:	Mark Pirnie	Tel: 023 8083 3886
	E-mail	Mark.pirnie@southampton.gov.uk	
STATEMENT OF CONFIDENTIALITY			
<p>The Scrutiny Manager has been informed that the Budget Matters – Medium Term Financial Strategy Update Cabinet report, due to be published by 21 November 2023, includes confidential appendices deemed to be exempt from general publication based on the Council’s Access to Information Procedure Rules as set out in the Council’s Constitution. The specific categories upon which the report is exempt will be outlined in the Cabinet report.</p>			
BRIEF SUMMARY			
<p>This item enables the Overview and Scrutiny Management Committee (OSMC) to examine the content of the Forward Plan and to discuss issues of interest or concern with the Executive to ensure that forthcoming decisions made by the Executive benefit local residents.</p>			
RECOMMENDATIONS:			
	(i)	That the Committee discuss the items listed in paragraph 3 of the report to highlight any matters which Members feel should be taken into account by the Executive when reaching a decision.	
REASONS FOR REPORT RECOMMENDATIONS			
1.	To enable Members to identify any matters which they feel Cabinet should take into account when reaching a decision.		
ALTERNATIVE OPTIONS CONSIDERED AND REJECTED			
2.	None.		
DETAIL (Including consultation carried out)			
3.	The Council’s Forward Plan for Executive Decisions from 14 November 2023 has been published. The following issues were identified for discussion with the Decision Maker:		
	Portfolio	Decision	Requested By
	Finance & Change	Budget Matters – MTFS Update	Cllr Blackman

4.	Briefing papers responding to the items identified by members of the Committee are appended to this report. Members are invited to use the papers to explore the issues with the decision maker.	
RESOURCE IMPLICATIONS		
<u>Capital/Revenue</u>		
5.	The details for the items identified in paragraph 3 are set out in the Executive decision making report issued prior to the decision being taken.	
<u>Property/Other</u>		
6.	The details for the items identified in paragraph 3 are set out in the Executive decision making report issued prior to the decision being taken.	
LEGAL IMPLICATIONS		
<u>Statutory power to undertake proposals in the report:</u>		
7.	The duty to undertake overview and scrutiny is set out in Part 1A Section 9 of the Local Government Act 2000.	
<u>Other Legal Implications:</u>		
8.	The details for the items identified in paragraph 3 are set out in the Executive decision making report issued prior to the decision being taken.	
RISK MANAGEMENT IMPLICATIONS		
9.	The details for the items identified in paragraph 3 are set out in the Executive decision making report issued prior to the decision being taken.	
POLICY FRAMEWORK IMPLICATIONS		
10.	The details for the items identified in paragraph 3 are set out in the Executive decision making report issued prior to the decision being taken.	
KEY DECISION		No
WARDS/COMMUNITIES AFFECTED:		None directly as a result of this report
<u>SUPPORTING DOCUMENTATION</u>		
Appendices		
1.	Briefing Paper – Budget Matters: Medium Term Financial Strategy Update	
Documents In Members’ Rooms		
1.	None	
Equality Impact Assessment		
Do the implications/subject of the report require an Equality and Safety Impact Assessments (ESIA) to be carried out?		Identified in Executive report
Data Protection Impact Assessment		
Do the implications/subject of the report require a Data Protection Impact Assessment (DPIA) to be carried out?		Identified in Executive report

Other Background Documents

Equality Impact Assessment and Other Background documents available for inspection at:

Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
1.	None

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BRIEFING PAPER

SUBJECT: BUDGET MATTERS – MEDIUM TERM FINANCIAL STRATEGY UPDATE

DATE: 22 NOVEMBER 2023

RECIPIENT: OVERVIEW AND SCRUTINY MANAGEMENT COMMITTEE

THIS IS NOT A DECISION PAPER

SUMMARY:

At a meeting on 29 November 2023 Cabinet will consider a report of the Cabinet Member for Finance and Change providing an update of the council's Medium Term Financial Strategy (MTFS). The Cabinet report will be published by 21 November 2023.

BACKGROUND and BRIEFING DETAILS:

1. The Cabinet report on an update of the MTFS will be published by 21 November 2023. Cabinet and full council received an update on the MTFS in July 2023 and the actions underway to address the financial challenges faced. This was followed by an additional MTFS update to Cabinet in October 2023. The November MTFS update report provides a further update and includes additional cost control measures to help address the budget shortfall in the current and future years.

RESOURCE/POLICY/FINANCIAL/LEGAL/RISK MANAGEMENT IMPLICATIONS:

2. Details will be set out in the Executive decision making report published by 21 November 2023 - [Agenda for Cabinet on Wednesday, 29th November, 2023, 4.00 pm | Southampton City Council](#)

Appendices/Supporting Information:

3. Details will be set out in the Executive decision making report published by 21 November 2023 - [Agenda for Cabinet on Wednesday, 29th November, 2023, 4.00 pm | Southampton City Council](#)

Further Information Available From:	Name:	Mel Creighton Executive Director Corporate Services
	Tel:	023 8083 3528
	E-mail:	Mel.Creighton@southampton.gov.uk

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DECISION-MAKER:	CABINET		
SUBJECT:	Budget Matters - Medium Term Financial Strategy Update		
DATE OF DECISION:	29 NOVEMBER 2023		
REPORT OF:	CABINET MEMBER FOR FINANCE & CHANGE		
<u>CONTACT DETAILS</u>			
Executive Director	Title:	Executive Director Corporate Services and S151 Officer	
	Name:	Mel Creighton	Tel: 023 8083 3528
	E-mail:	Mel.Creighton@southampton.gov.uk	
Author	Title:	Head of Financial Planning & Management	
	Name:	Steve Harrison	Tel: 023 8083 4153
	E-mail:	Steve.harrison@southampton.gov.uk	

STATEMENT OF CONFIDENTIALITY

Appendix 7 is exempt from publication by virtue of category 3 of rule 10.4 of the council's Access to Information Procedure Rules i.e. information relating to the financial or business affairs of any particular person. It is not in the public interest to disclose this information due to an ongoing commercial dispute which is subject to a protected alternative dispute resolution procedure. If the information was disclosed then the council's financial position would be available to other parties to the dispute and prejudice the council's ability to achieve best value.

Appendix 8 is exempt from publication by virtue of categories 3 and 5 of rule 10.4 of the council's Access to Information Procedure Rules i.e. information relating to the financial or business affairs of any particular person and information in respect of which a claim to legal professional privilege could be maintained in legal proceedings. It is not in the public interest to disclose this information due to ongoing legal proceedings. If the information was disclosed, then the council's financial position would be available to other parties to the proceedings and prejudice the council's ability to achieve best value.

BRIEF SUMMARY

The Medium Term Financial Strategy (MTFS) Update Quarter 2 was presented to Cabinet in October 2023. This report is focussed on 2024/25 savings proposals identified so far in addition to the cost control measures.

Urgent work has been taking place throughout the financial year to implement a new financial strategy to address the financial challenges faced. This work will continue throughout this year and future years. The latest update in this report is a forecast £13.7M overspend for 2023/24 (or £14.6M including funding potential transformation costs) if all proposals that have been brought forward in this and the preceding MTFS update reports are implemented in full and on time. This still leaves a significant gap, and urgent work must continue to address this and the considerable budget shortfall identified in future years, starting at £33.4M in 2024/25 and rising to £48.0M in 2026/27

(before potential transformation costs) and £38.4M in 2024/25 rising to £47.8M in 2026/27 with possible transformation costs added.

As this report highlights and as discussed in previous reports, the Council is at serious risk of not being able to balance its budget in 2024/25. Despite significant progress being made to reduce the budget gap in this financial year and next financial year with £23M of savings and cost control measures identified, there is still a significant budget gap of up to £33.4M in 2024/25. Funding needed for transformation would potentially increase this to £38.41M and should the Council need to externalise all borrowing, rather than make use of internal balances (see paragraph 13 below), the budget gap would then be around £38.75M.

The council's financial resilience is weakened by a low level of available reserves to address in-year overspends or other financial risks beyond existing budget provision. The Medium Term Financial Risk (MTFR) reserve, which is the main means to cover overspends and risks, will need to be utilised in full to address the in-year overspend unless the position is improved significantly, leaving the Council at significant risk of requiring either exceptional financial support from central government or issuance of a S114 notice. This position is mainly due to significant pressures in home to school transport, adult social care and childrens social care.

The risks around the potential for a section 114 notice, where the council declares it is unable to fund its spending from existing resources, were highlighted by the earlier reports. This risk remains a severe one, as demand pressures outstrip any funding increases and the council takes the time to reduce the base expenditure accordingly to remove the structural deficit.

The council may need to seek exceptional financial support from the Government to bridge the gap between funding and expenditure for 2024/25, and possibly 2025/26, to allow time for the necessary cost reductions to be delivered through transformation and improvement work. As outlined in previous reports, the council has been in informal contact with the Department of Levelling Up, Housing and Communities on this option. This would not be an easy option or without long term consequences. It does not provide any extra funding, but it does allow some flexibility with capital resources to meet revenue costs. There are no guarantees Government would agree this support, or if they did to what extent they would allow it.

It should be noted that the Government's Autumn Statement will be published prior to the report being discussed at Cabinet. Should the Statement provide any information that updates the position an amendment will be produced for the Cabinet meeting, to consider.

RECOMMENDATIONS:

General Fund – Revenue

It is recommended that Cabinet:

- | | |
|----|---|
| i) | Notes the updated budget position, progress made on the financial strategy and MTFS forecast. |
|----|---|

ii)	Notes the savings proposals being consulted upon set out in paragraphs 33, 34, 40 and 41, and the full list of tranche 3 cost control and future savings measures set out in appendix 5.
iii)	Notes initial work on transformation costs (see paragraph 43 and table 6).
iv)	Notes the consequence of not having a balanced budget, in terms of the option to seek Exceptional Financial Support from Government (see paragraphs 81 to 87) and what may ensue should a section 114 notice be required (see paragraphs 88 to 94).

Capital Programme

It is recommended that Cabinet:

v)	Note the revised General Fund Capital Programme, which totals £234.62M as detailed in paragraph 46.
vi)	Note the HRA Capital Programme is £255.70M as detailed in paragraph 46.
vii)	Approve the addition and spend of £2.15M to the Children & Learning programme in 2023/24 and 2024/25, as detailed in paragraphs 47 to 49 and Appendix 6.
viii)	Approve the virements of £2.69M in the Place programme, as detailed in paragraphs 50 to 51 and Appendix 6.
ix)	Approve the addition and spend of £0.78M to the Place programme in 2023/24, as detailed in paragraph 52 and Appendix 6.
x)	Approve the reduction of £4.92M to the Place programme in 2024/25, as detailed in paragraph 53 and Appendix 6.
xi)	Approve the addition and spend of £0.45M to the Wellbeing & Housing programme in 2023/24, as detailed in paragraph 55 and Appendix 6.
xii)	Approve the reduction of £0.22M to the Wellbeing & Housing programme in 2023/24, as detailed in paragraph 56 and Appendix 6.
xiii)	Approve slippage of £7.25M within the General Fund programme, as detailed in paragraphs 57 to 59 and Appendix 7.
xiv)	Approve slippage of £11.95M within the HRA programme, as detailed in paragraphs 57 to 59 and Appendix 7.
viii)	Note that the capital programme remains fully funded up to 2027/28 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. However, the funding assumed for the programme includes borrowing costs and as noted in this report, the revenue budget which includes capital financing, is not balanced. It is also important to note that in times of rising interest rates, inflationary pressures and future budget shortfalls the capital programme needs to be kept under review.

REASONS FOR REPORT RECOMMENDATIONS

1. The medium term financial strategy is a dynamic plan which requires regular review and update to ensure the council has clear oversight of its medium term financial position, therefore it is best practice to bring updates revising the assumptions and progress on the plan.
2. There is also a need to bring forward proposals to help address the budget shortfall identified for the current and future years.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

3. An approach of failing to take actions in-year and implement the new financial strategy agreed in July would lead to a large forecast overspend which would mean the council being financially unsustainable and the issuing of a section 114 notice. The council is also legally obliged to set a balanced budget for 2024/25, and the work reported below includes measures to help with that requirement.

DETAIL (including consultation carried out)

Background

October 2023 MTFS Update

4. Progress on delivering the financial strategy and an update on the Medium Term Financial Strategy (MTFS) for the period 2023/24 to 2026/27 was provided to Cabinet in October 2023.

5. Table 1 below summarises the medium term financial position reported in October 2023.

6. Table 1 Previous Forecast Budget Shortfall 2023/24 to 2026/27 October 2023

	2023/24	2024/25	2025/26	2026/27
	£M	£M	£M	£M
Forecast Budget Shortfall July 2023	20.90	46.14	50.07	56.97
Unachievable Savings	(0.51)	0.13	0.13	0.13
Budget Pressures	1.02	(0.12)	(0.44)	(0.99)
Changes to Inflation	(0.04)	0.85	0.85	0.85
New Proposed Commitments	(0.13)	(0.05)	(0.05)	(0.05)
Funding Changes	0.00	(0.34)	1.19	2.72
One-off Sums	(4.47)	(2.56)	0.00	0.00
Transfers to/(from) Reserves	4.87	2.96	0.40	0.00
Second tranche of cost control measures	(7.55)	(9.18)	(7.29)	(7.21)
Forecast Budget Shortfall October 2023	14.09	37.82	44.86	52.42

Numbers are rounded

7. This report provides an update on progress being made to closing the budget gap in 2023/24 and reducing the forecast shortfall in future years.

MTFS Assumptions

8. Updates to MTFS assumptions since October 2023 are set out below in paragraphs 9 to 22, reflecting the latest information available. The revised main MTFS assumptions are set out in Table 2 below.

Table 2 Revised Key MTFS Assumptions

2022/23	Item	2023/24	2024/25	2025/26	2026/27
	Pay Award	5.6%	3.0%	2.0%	2.0%
	Consumer Price Index (CPI)	6.7%	3.2%	2.1%	2.0%
	Borrowing Rates	5.5%	5.0%	5.0%	5.0%
£1,644.39	Increase in Core Council Tax Charge	2.99%	2.99%	2.99%	2.99%
£186.31	Increase in Adult Social Care Precept	2.00%	2.00%	0.00%	0.00%
49.9p	Increase in Small Business Rates	0.0%	6.6%	3.2%	2.1%
	Multiplier				

£11.37M	Increase in Revenue Support Grant	13.3%	5.4%	3.2%	2.6%
£4.63M	Increase in Top Up Grant	15.9%	5.4%	3.2%	2.6%
£0.91M	Reduction in New Homes Bonus	-76.6%	-100.0%	0.0%	0.0%

Pay Award

9. The local government pay award for 2023/24 was agreed by the National Joint Council on 1 November 2023. The agreement is as per the employers' offer made in February 2023, a flat rate £1,925 increase for up to scale point 43 and a 3.88% increase for higher scale points. This is estimated to cost 5.6% on average, compared with the 4.0% allowed for in the budget, creating a budgetary pressure of £2.0M for 2023/24 and ongoing. In the October MTFS update the pay award assumption for 2024/25 was increased from 2% to 3%, creating a budget pressure estimated at £1.3M.

10. Inflation (Consumer Price Index)

11. The pace of reduction in general inflation has slowed, with the Consumer Price Index (CPI) for September 2023 being the same as for August 2023 at 6.7%. No change has been made to the contract inflation estimates included in the October MTFS update, which indicated an average increase for 2024/25 of 6.5%. A 1% variation in the contract inflation rate equates to approx. a £0.4M variation in expenditure.

Borrowing Rates

12. The October MTFS update assumed a borrowing rate for 2023/24 of 5.5%, with 5.0% thereafter (no change from the July MTFS update). Since 2012, the Council has pursued a strategy of internal borrowing – minimising external borrowing by running down its investment balances and only borrowing short term to cover cash flow requirements. The capital financing budget was set on the assumption this would continue, therefore any increase in the use of reserves results in the need to increase external borrowing and incur additional financing costs. Due to increasing use of reserves and reducing internal balances, external borrowing is forecast to increase by £16M, resulting in a pressure of £0.93M.

13. In accordance with CIPFA's Treasury Management Code the Council's optimum external borrowing position is calculated at the level of the liability benchmark, which represents an estimate of the cumulative external borrowing need of the Council to fund its current capital and revenue plans while keeping treasury investments at the minimum level of £48M required to manage day-to-day cash flow (liquidity allowance) and offsetting internal balances.

As at quarter 2 the forecast borrowing requirement for 2023/24 is £79.22M. If the Council were to fully externalise all borrowing up to the level of its capital financing requirement (CFR) there would be an additional requirement of £113M in 2023/24, at a financing cost of £6.22M (full year) at 5.50% interest rate. This comes with the risk of cost of carry and a potential pressure of £0.34M, as surplus funds would need to be re-invested at a lower rate of circa 5.20%, achieving income of £5.88M. This would be a change from using as much 'internal' borrowing as possible i.e. the council's own cash resources, temporarily applied. The budget shortfall in tables 3 and 4 below does not include any assumption about this externalisation of borrowing as an additional pressure.

Increase in Core Council Tax Charge

14. The Government's Autumn Statement 2022 indicated that the 3% core council tax increase and 2% for adult social care precept increases would also be available in 2024/25, which is the MTFS assumption above.

15.	Business Rates
16.	The Non-Domestic Rating Act 2023 received royal assent on 26 October 2023. The Act makes a number of changes to the administration of business rates, including more frequent updates of rateable values. One significant change is the Act gives ministers the power to decouple the small and standard business rate multipliers. Currently the standard multiplier rate is derived by adding a supplement to the small business rate multiplier. From 1 April 2024 it is likely that the supplement will be abolished and the small and standard rate multipliers will be set independently. This will allow the Government to treat the multipliers differently in terms of freezing or capping etc. The decoupling of the multipliers has consequences for the business rates retention scheme (BRRS) and the Government is consulting on technical adjustments to the BRRS in response to the NDR Act. Amendments to the BRRS are considered necessary to maintain the accuracy of levy and safety net payments and future income compensation paid to local authorities for the impact of tax policy decisions. The basis for uprating key elements of the BRRS, such as baseline funding levels and top-up/tariffs, is also being reviewed.
17.	The MTFS assumes that the small business rates multiplier will be increased in line with the increase in the September CPI. The NDR Act confirms that the multipliers will be indexed to the annual change in CPI as a default. In this MTFS update the small business rates multiplier has been revised to reflect the CPI published for September 2023. The uplift applied is 6.62% (compared with 5.4% previously assumed), based on the year-on-year increase in the rounded index values rather than the headline CPI rate. An announcement with regards the business rate multipliers, and whether either of them will be capped or frozen for 2024/25, is expected to form part of the Chancellor's Autumn Statement on 22 November 2023. If either multipliers are capped/frozen the council will be compensated for the loss of business rates income via government grant and therefore this would have a broadly neutral impact on the council's funding. There is likely to be a small reduction in any compensation received as a result of decoupling the multipliers, the compensation factor for a separate standard rate multiplier would be marginally lower than that for the small business rate multiplier even if they are uplifted by the same percentage.
18.	MTFS estimates for council tax and business rates income for 2024/25 onwards have been updated for revised projections for residential and commercial developments, along with the change to the 2024/25 multiplier uplift noted above. The net effect of these changes is an estimated £0.73M additional income in 2024/25, reducing to £0.13M in 2026/27.
19.	Revenue Support Grant and Top-Up Grant
20.	The provisional 2024/25 local government finance settlement is expected to be announced in late December 2023. Based on the policy statement issued last December, grants such as revenue support grant (RSG) and top-up grant are expected to receive an inflationary uplift. However, services grant is expected to be reduced to pay for the RSG uplift and the top-up grant will be impacted by the technical adjustments to the BRRS. Given these uncertainties, no changes have been made to the assumptions around general grants in this MTFS update pending the provisional finance settlement announcement.
21.	New Homes Bonus
22.	Consultation on the future of the New Homes Bonus (NHB) funding is expected, but based on previous announcements it is expected to cease in 2024/25. The funding currently available through the NHB may be applied elsewhere, but at the time of writing we have no information on the Government's intentions.

Updated MTFS Position

23. Work continues in earnest to identify and put into action further cost control measures to help address the budget shortfall in 2023/24 and achieve a sustainable budget for future years. Table 3 below shows the movements since the position reported in October 2023.

24. **Table 3 Updated Forecast Budget Shortfall 2023/24 to 2026/27 (Oct 2023 to Nov 2023)**

	2023/24	2024/25	2025/26	2026/27
	£M	£M	£M	£M
Forecast Budget Shortfall October 2023	14.09	37.82	44.86	52.42
Unachievable Savings	(0.20)	(0.61)	(0.21)	(0.21)
Changes to pressures	1.33	1.50	1.50	1.50
Funding Changes	0.00	(0.73)	(0.57)	(0.13)
Transfers to/(from) Reserves	0.00	0.20	0.00	0.00
Savings (not subject to further approval & consultation)	(1.48)	(3.92)	(3.91)	(3.91)
Updated Forecast Budget Shortfall (forecast as at end of October)	13.74	34.25	41.67	49.67
Savings subject to further approval & consultation	(0.07)	(0.86)	(2.09)	(1.72)
Updated Forecast Budget Shortfall	13.67	33.40	39.58	47.95
Potential Transformation Shortfall	0.94	5.01	3.22	0.00
Forecast Budget Shortfall after Transformation	14.61	38.41	42.80	47.95

Numbers are rounded

25. The updated medium term financial position, showing the overall changes since the budget was agreed in February 2023, is shown in Table 4 below.

26. **Table 4 Updated Medium Term Financial Position 2023/24 to 2026/27 (changes since February)**

	2023/24	2024/25	2025/26	2026/27
	£M	£M	£M	£M
Budget shortfall as at February 2023	0.00	21.22	22.56	24.79
Demand and price increases	25.23	28.26	30.23	32.11
Requirement for growth	1.43	2.52	4.40	4.15
Income pressures	2.51	3.69	3.69	3.69
Delayed or unachieved savings	2.21	3.34	4.13	4.13
New Proposed Commitments	0.08	0.15	0.15	0.15
Funding Changes	0.00	(4.55)	(4.21)	(3.68)
One-off Sums	(4.47)	(2.56)	0.00	0.00
Transfers to/(from) Reserves	4.87	4.31	0.40	3.88
Tranche 1 cost control measures (July)	(9.08)	(9.02)	(8.48)	(8.44)
Tranche 2 cost control measures (October)	(7.55)	(9.18)	(7.29)	(7.21)

Savings (not subject to further approval & consultation)	(1.48)	(3.92)	(3.91)	(3.91)
Updated Forecast Budget Shortfall (forecast as at end of October)	13.74	34.25	41.67	49.67
Savings subject to further approval & consultation	(0.07)	(0.86)	(2.09)	(1.72)
Updated Forecast Budget Shortfall	13.67	33.40	39.58	47.95
Potential Transformation Shortfall (see table 6 below)	0.94	5.01	3.22	0.00
Forecast Budget Shortfall after Transformation	14.61	38.41	42.80	47.95

Numbers are rounded

27. Table 4 includes considerable pressures over and above the pay award pressure outlined in paragraph 9, the most significant budget pressures in 2023/24 include:

- Home to School Transport (£4.10M),
- Looked After Children placement costs (£4.78M)
- Children's Safeguarding agency staffing, allowances and overtime (£1.69M)
- Increased Adult Social Care costs (£4.00M)
- Increasing client numbers (£2.69M) within Wellbeing & Housing, and
- IT Services staffing and income shortfalls (£1.91M) within Corporate Services;

Further details of the budgetary pressures are provided in Appendix 3.

28. The savings are set out in Appendix 5. These total £1.55M in 2023/24, £4.78M in 2024/25, £5.99M in 2025/26 and £5.63M in 2026/27. This brings the total cost control measures and savings to date for 2023/24 to £18.18M.

29. Table 5 Summary of Cash Limited Budgets

Directorate	2023/24 £M	2024/25 £M	2025/26 £M	2026/27 £M
Children & Learning	63.94	56.91	58.95	55.02
Corporate Services	38.54	32.41	33.48	34.37
Place	28.25	27.71	27.35	28.82
Strategy and Performance	3.71	3.02	3.11	2.92
Wellbeing and Housing	95.11	87.65	92.13	86.98
Sub total Directorate	229.55	207.70	215.02	208.11
Central items	-7.97	26.13	24.90	37.37
Total budget	221.58	233.83	239.92	245.48

30. Updated cash limited budgets are set out in summary in Table 5 above and in more detail in Appendix 4.

31. **Proposals subject to consultation – General Fund**

32. Some proposals are subject to other consultations already in train. Two proposals subject to a budget consultation exercise are as follows for the General Fund:

33.	<u>Proposal for consultation: Additional council tax premium for properties that are empty for more than 12 months</u>
	A council tax premium is already charged on properties that are empty for more than 24 months. New legislation permits a premium to be charged once a property has been empty for more than 12 months, to act as an incentive to bring properties back into use. A decision to charge the premium is required before 1 April for the financial year to which it is to be implemented.
34.	<u>Proposal for consultation: Introduce an additional council tax premium for second homes</u>
	New legislation permits a council tax premium to be charged on second homes. A decision to charge the premium is required at least 12 months before 1 April for the financial year to which it is to be implemented. Both these new proposals being brought forward are include in Appendix 5 attached.
35.	<u>Housing Revenue Account</u>
36.	The Council is responsible for council housing and the operation of the Housing Revenue Account (the HRA). These responsibilities are outlined in legislation (principally the Local Government and Housing Act 1989 and subsequent amendments) and any guidelines on operation of the HRA from Government. This responsibility cannot be delegated.
37.	Cabinet/Council received an update on the HRA business plan at its October meeting, which outlined current pressures on the HRA and landlord controlled heating, and provided an update on potential savings within the HRA to mitigate pressures. The Cabinet agreed to recovery plan in July for the landlord controlled heating account and potential charges, which would be consulted alongside proposals for rent and service charges in due course.
38.	The current forecast for 2023/24 shows a deficit position overall of £2.1m, which is being mitigated by an equivalent reduction in the revenue contribution to the capital programme. The key variances were outlined in the July and October Cabinet updates. However, there has been an improvement in the forecast balance of the landlord controlled heating account. Following more favourable energy cost forecasts in October 2023, the forecast balance on the account has reduced from £3.6M to £3M, reducing pressure on future year charges.
39.	The HRA 40 year financial plan for 2024/25 is currently being drafted, and subject to a specific report in February 2024. However, the initial work suggests that, while current agreed spending plans are affordable, additional capacity needs to be built into the business plan in order to increase capacity to invest. In order to finalise business plan proposals, the following consultation needs to take place on two items below:
40.	<u>HRA Rental increase:</u> The maximum allowable rental increase for tenant rent in 2024/25 is set at 1% above the CPI figure for September 2023. This has been confirmed at 7.7%. A decision on the level of rent to set is required before 1 April for the financial year to which it is to be implemented.
41.	<u>HRA Landlord controlled heating charges – proposed increase:</u> There is currently a significant deficit on the Landlord controlled Heating Account, and the proposal is to move towards a 5 year recovery plan to manage deficit recovery while minimising impact on tenants. A decision on landlord controlled heating charges is required before 1 April for the financial year to which it is to be implemented and more details on the proposed increase are within the Equality and Safety Impact Assessment (EISA).
	<u>Savings Work</u>
42.	Further star chamber sessions will continue ahead of the budget setting meeting in February 2024 to identify further proposals to assist in meeting the budget shortfall and producing a financially sustainable council. Further proposals need to be brought forward for Children & Learning, Corporate Services and Wellbeing & Housing in particular for these directorates to be able to work within the cash limited budgets allocated.

Transformation and Improvement Plans

43. Activity is underway to develop transformation and improvement plans across the council. The Executive Management Team are discussing the priority outcomes that will be delivered through the Corporate Plan to help shape and size the organisation, clarifying where our areas of focus and investment should be, and what the rest of the organisation needs to look like to support it. This will lead to a revised organisational transformation programme to get us from current state to new state in the defined timescales. A review of all existing initiatives will seek to validate work to date, identify any high level gaps and opportunities, propose a revised programme structure and view of resource requirements, key priorities and realistic implementation plan. Alongside this we are working to ensure that whatever the future shape of the transformation programme, we have rigorous oversight of all activity to ensure it is appropriately aligned and resources are available to support priority areas as needed.

An initial estimate of the costs of transformation is provided in the table below, based on existing plans and recruited staffing, though work continues to refine these estimates. Work on quantifying the financial benefits of transformation is still underway. Transformation activity will only progress subject to demonstrable cash benefits being secured.

Table 6: Transformation: Potential costs

	2023/24	2024/25	2025/26	Total
	£M	£M	£M	£M
Total estimated committed expenditure	2.83	4.95	2.67	10.45
Other potential projects and contingency	0.22	2.44	1.93	4.59
Total potential cost of Transformation	3.06	7.39	4.59	15.04
Less: Funding identified	(2.12)	(2.38)	(1.37)	(5.87)
Total funding still required	0.94	5.01	3.22	9.17

A reserve for transformation was set up under the previous MTFS update to Cabinet, as well as an Organisational Redesign reserve from a total of £4.47M one off funding received in 2023/24, primarily from a VAT refund following a national court case which meant a rebate was received by numerous councils. This has not yet been assumed as funding in the above table, as potential costs of service redesign have not been estimated or included as yet.

The Flexible use of Capital receipts policy the Council adopted may provide a means to generate funding to assist the transformation programme and cover funding gaps.

Capital Programme

44. Due to the current financial environment, there is an ongoing need to review the programme, against the backdrop of rising inflation which is significantly increasing construction costs and rising interest rates which has seen the cost of borrowing increase dramatically.
45. Table 7 shows the changes to the individual directorate programmes since the last reported position. The updated programme for the General Fund (GF) is £234.62M and £255.70M for the HRA. There has been no change in the HRA programme and an overall decrease of £3.04M for the GF. Net

addition of £0.59M has been added to the programme by delegated decisions and £3.63M net reduction requires approval, as detailed in paragraphs 47 to 56 and summarised in Appendix 6.

46. Table 7 – Changes to Programmes

	Latest Programme £M	Previous Programme £M	Total Change £M
Children & Learning	60.72	58.56	2.16
Corporate Services	4.15	4.15	0.00
Place	158.46	163.89	(5.42)
Strategy & Performance and CEO	2.69	2.69	0.00
Wellbeing & Housing	8.60	8.37	0.23
Total GF Capital Programme	234.62	237.66	(3.04)
Housing Revenue Account	255.70	255.70	0.00
Total Capital Programme	490.32	493.36	(3.04)

NB. there may be small arithmetic variations in the table as figures have been rounded

47. Approval is sought for the addition and spend of £0.12M to the Children & Learning programme, in 2023/24 and 2024/25 to support the Family Hubs Transformation project. The council has been awarded additional grant funding to support the expansion of the centres previously known as Surestart centres.

48. Approval is sought for the net addition and spend of £0.19M to the Children & Learning programme. Following several urgent requests for Health and Safety works across several schools, a review has been undertaken to re-prioritise the programme, to enable these works to proceed immediately. The additional costs will be funded by Government grant. The projects affected are listed in appendix 6.

49. Approval is sought for the addition and spend of £1.84M to the Children & Learning programme, in 2024/25 and 2025/26 to fund the provision of a new children's residential home within the City. These additional funds will support the existing project to provide additional places and reduce expensive out of City placements. This will be funded by council resources.

50. Approval is sought for the virements within the Transforming Cities Fund project in the Place programme, to realign budgets as there is now a better understanding of costs as the schemes progress. There is a movement of £0.71M within the project, so no overall impact on the total budget. Projects affected are detailed in appendix 6.

51. Approval is sought for a £1.98M virement within the Place programme, to reduce the budgets for the Heritage Asset Repair Programme (HARP) and increase the Art Gallery Roof budget. Due to increasing construction costs the Art Galley project requires an additional £1.98M to ensure that essential works are undertaken to address the failing asphalt roof, air handling and heating plant, fire and security shutters, historic sky lights and windows, heating and electrical interventions. They have reached the end of their economic life with an ever-increasing risk of failure if these urgent condition items remain unaddressed. There is also a risk that the council would lose £2.2M grant funding. In order to reduce the revenue burden of this additional cost it is proposed that only works identified as high risk as part of HARP Phase 2 and 3 are continued at this time. Phase 1 is due to complete in December 2023 and the plan is to investigate alternative funding options to enable the low risk works to be undertaken in the future.

52. Approval is sought for the addition and spend of £0.78M to the Place programme in 2023/24, for the Active Travel Fund. The award of additional grant funding from DFT is to support for works at Honeysuckle Road and to provide safer routes to school and school streets.

53. Approval is sought for the reduction of £4.92M to the Place programme. As detailed in the MTFS update report in October 2023 a number of projects have been identified to remove from the capital programme, as detailed below.

Table 8: Items Removed from Capital Programme

Project	£M	Description
Crematorium Refurbishment	0.49	Remove as business case needs to be reassessed
QE2 Mile - Bargate Square	1.23	Remove project following delays to other developments in the area
District Centre Improvements	2.00	Remove £0.50M to fund District Centre Master Planning Remove £1.50M which is not committed to any project, future budgets will be based on future business cases. (Not part of Oct MTFS report)
Green City Fund	1.20	Remove - Currently no projects in progress. New business cases will come forward as and when developed.
	4.92	

54. Approval is sought for the reduction of £2.00M to the Place programme in 2024/25. This reduction will be across the Carriageways programme, and will provide a reduction in borrowing costs.
55. Approval is sought for the addition and spend of £0.45M to the Wellbeing & Housing programme, in 2023/24 to provide additional funding for the Warm Homes project which supports residents (households) with advice and guidance on home heating and energy efficiency. This will be funded by S106 contributions and grant.
56. Approval is sought for the reduction of £0.22M to the Wellbeing & Housing programme. As detailed in the MTFS update report in October 2023, the 1000 Parking Space project is coming to an end and the scope has decreased. This is the remaining budget which is no longer required.

SLIPPAGE AND REPHASING

57. Slippage occurs where works are not expected to take place according to the provisions agreed in the capital programme. Re-phasing of capital expenditure is due to works being carried out sooner than anticipated, budget and funding is brought forward from future years to match the expenditure. The programme is continually reviewed to ensure that all projects are accurately profiled, and budgets are suitably aligned to anticipated works and spend. As part of the MTFS update in July 2023 it was recommended that a new Strategic Capital Board be set up to review the programme. As a result of ongoing reviews there is £7.25M of General Fund anticipated work in 2023/24 where work has slipped into later years.
- There has also been extensive re-prioritisation of the HRA programme resulting in £11.95M slipping into future years.
- Details of schemes with major slippage and where any rephasing has been applied are provided in appendix 7.
58. Table 9 below summarises resulting net slippage and rephasing by individual capital programmes. There is zero net effect to the budgets over the 5-year capital programme. Approval is sought for the slippage of £19.20M from 2023/24 into later years, £7.25M relating to GF and £11.95M HRA.

59.	<u>Table 9 – Net Slippage By Directorate</u>	Movement in 2023/24 £M	Appendix 3 Ref
	Children & Learning	(1.98)	1-5
	Corporate Services	0.00	-
	Place	(3.48)	6-9
	Strategy & Performance and CEO	0.00	-
	Wellbeing & Housing	(1.79)	10
	Total General Fund	(7.25)	
	Housing Revenue Account	(11.95)	11-18
	Total Capital Programme	(19.20)	
	NB. there may be small arithmetic variations in the table as figures have been rounded		
	<u>Flexible Capital Receipts</u>		
60.	Capital receipts can only be used for specific purposes, and these are set out in Regulation 23 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 made under Section 11 of the Local Government Act 2003. The main permitted purpose is to fund capital expenditure, and the use of capital receipts to support revenue expenditure is not allowed by the regulations. The Secretary of State is empowered to issue Directions allowing revenue expenditure incurred by local authorities to be treated as capital expenditure and therefore funded by capital receipts.		
61.	In the Spending Review 2015, the Chancellor of the Exchequer announced the Government would allow local authorities to spend up to 100% of their capital receipts on the revenue costs of transformation projects, to support local authorities to deliver more efficient and sustainable services.		
62.	The Secretary of State for Communities and Local Government issued a Direction in March 2016, giving local authorities greater freedoms to use capital receipts to finance expenditure, up until 2018/19, extended until 2021/22. Allowing local authorities to treat qualifying expenditure on transformation projects as capital expenditure and to fund it from capital receipts received after April 2016. Qualifying expenditure was defined as: <i>“Expenditure on any project that is designed to generate ongoing revenue savings in the delivery of public services and/or transform service delivery to reduce costs and/or transform service delivery in a way that reduces costs or demand for services in future years for any of the public sector delivery partners.”</i>		
63.	Then, in the 2022/23 Provisional Local Government Finance Settlement it was announced “a 3-year extension from 2022-23 onwards of the existing flexibility for councils to use capital receipts to fund transformation projects that produce long-term savings or reduce the costs of service delivery”. On 4 April 2022, the Department of Levelling Up, Housing, and Communities confirmed this extension and published Guidance and a Direction.		
64.	To take advantage of this freedom, the council must act in accordance with the Statutory Guidance issued by the Secretary of State. This guidance requires the Council to prepare, publish and maintain a Flexible Use of Capital Receipts Strategy, with future Strategies included within future Annual Budget documents.		

65.	In February 2023 the council approved the Flexible Use of Capital Receipts Strategy for the period 2022/23 to 2024/25, detailing £3M of planned transformation, which was the value of expected receipts at the time.
66.	Since February work has progressed to scope and cost a significant transformation programme to support delivery of the changes required across the council, as summarised in Table 6.
	<u>Reserves and Balances</u>
67.	Appendix 2 sets out the balances on General Fund earmarked revenue reserves (excluding schools' balances) since 2018/19. The trend position is distorted by large sums for COVID-19 grants carried forward via reserves in 2019/20 to 2021/22 and by the change in accounting treatment of deficits on the Dedicated Schools Grant (DSG), which are now required to be held in a separate unusable reserve. Nevertheless, the appendix shows a trend of reducing reserves and a significant reduction in the level of reserves since 2020/21.
68.	At the start of 2023/24 earmarked revenue reserves (excluding schools' balances) were £49.59M and the General Fund balance was £10.07M. The forecast balance on earmarked revenue reserves at the end of 2023/24 is £26.54M, after taking into account the in-year contributions to the Organisational Redesign Reserve, Transformation & Improvement Reserve and Investment Risk Reserve that were approved by Cabinet in October 2023. However, the forecast does not include any use to meet the in-year deficit.
69.	If the in-year deficit is not reduced from the £14.6M noted in paragraph 24 above (and including transformation costs), all of the £9.42M forecast balance on the Medium Term Financial Risk (MTFR) reserve would be required to meet it and £5.2M from elsewhere. If this situation arose any remaining balance of the £4.47M held relating to the Organisational Redesign and Transformation & Improvement reserves would be the first call. CIPFA advise a minimum General Fund balance of 5% of net revenue budget (£11M), whereas there is £10.06M currently held and hence it would be hard to justify using this to address the overspend.
70.	<u>Budget Consultation</u>
71.	The draft savings proposals that have been put forward have been subject to consultation with the Executive Management Board (EMB) and relevant Cabinet Members.
72.	The Executive will undertake a public engagement exercise on the proposals set out in paragraphs 32,33, 40 and 41 above, following the consideration of this report. The Leader and the Cabinet are keen to receive feedback on those proposals and on the potential impact they may have to help finalise the Executive's budget to be recommended to Full Council in February 2024
73.	The aim of this public engagement exercise is to: <ul style="list-style-type: none"> a) Make residents aware of the significant financial pressures the council is facing; b) Ensure residents are aware of savings that are being proposed and what this will mean for them; c) Enable residents, businesses and stakeholders to comment and raise any impacts the proposals may have; d) Ensure that resident feedback is taken into account when final decisions are made; e) Provide a summary of feedback received and how these have influenced the final decision.
74.	The engagement exercise will run from 30 November 2023 to 25 January 2024. The exercise will be based around an online questionnaire and paper copies will also be made available where required.
75.	<u>Equality and Safety Impact Assessments</u>
76.	The Public Sector Equality Duty is a duty on public bodies which came into force on 5 April 2011 and requires the council to show that it has 'had regard' to the impact of its decisions on its equality duties

	and the need to advance equality of opportunity between people who have protected characteristics and those who do not.
77.	While the Public Sector Equality Duty does not impose a legal requirement to conduct an Equality Impact Assessment, it does require public bodies to show how they considered the Equality Duty and that they have been consciously thinking about the aims of the Equality Duty as part of the process of decision making. To comply with these requirements as well as other relevant impacts including Community Safety (Section 17 of the Crime and Disorder Act 1998), poverty and health and wellbeing, the council has used its existing Impact Assessment framework so that it can ensure the use of a consistent, council wide mechanism to evidence how decision making took into account equality and safety considerations.
78.	Draft individual Equality and Safety Impact Assessments (ESIAs) have been completed by the council's Executive Management Board for those proposals contained in the appendices that have been identified as requiring such an assessment, as they could have an impact on a particular group or individuals. The draft individual ESIAs are available in Members' Rooms and will be published alongside the budget consultation.
79.	The individual ESIAs have been analysed to consider the cumulative impacts the draft savings proposals may have on particular groups and the mitigating actions that could be considered. In order to give the right perspective to the draft savings proposals, the Cumulative Impact Assessment has to be considered in light of the available information on the City's profile, service user and non-user information. The Cumulative Impact Assessment is available in Members' Rooms and will be published alongside the budget proposals to inform the public engagement exercise.
	<u>Financial Position and Way Forward</u>
80.	The position presented in this report is not a balanced position whilst work continues to get to a balanced position, it is important that consideration is given to the potential consequences of this position.
	<u>Exceptional Financial Support</u>
81.	The shortfall for 2023/24 is forecast at £14.6M and for 2024/25 at £38.40M (including possible transformation costs). Cabinet will be aware of the duty to ensure the in year financial position balances and to agree a balanced budget annually. This proposed budget must be viewed as robust by the council's S151 officer. The council faces an unprecedented financial challenge in seeking to deliver a balanced budget, against the backdrop of much reduced revenue reserves and major on-going financial pressures, in particular around the provision of adults and social care as well as the on-going impact of high inflation and interest rates.
82.	Since 2020, the government has agreed to provide a small number of local authorities with support via the Exceptional Financial Support framework, following requests from these councils for assistance to manage financial pressures that they considered unmanageable and was likely to mean the requirement to agree a balanced budget could not be achieved. The support is provided on an exceptional basis, and often requires that each local authority is subject to an external assurance review on their financial position.
83.	The exceptional support is in the form of a 'capitalisation directive'. It is important to note that this is not additional funding or any form of 'bailout', but it does permit the council to use capital resources to fund revenue expenditure, which is not allowed under normal accounting rules for local government. It offers only a 'window' to take some pressure off the General Fund revenue budget by using capital as a funding source thereby providing a time-limited opportunity to review spending plans and to re-balance revenue budgets taking a longer-term view.

84. Any use of exceptional support has to be agreed by Government, and there are no guarantees their agreement will be forthcoming. But if granted, it comes at the cost of generating capital receipts to create the necessary funding, or at a cost of creating new loan debt, which also has to be financed, adding to financial pressure. If sufficient asset sales cannot be generated within the necessary timescales to meet requirements, future years' revenue budgets may need to be increased to reflect the extra borrowing costs, although the aim would be to eventually generate sufficient asset sales to repay borrowing.

85. As an illustration only, the table below shows the estimated potential costs the authority may incur, if the budget shortfall identified in table 4 (for 2024/25 only) above were to be funded from this source. There is an assumed 20 years period of repayment as well as an additional premium assumed of 1% on borrowing costs, and that any borrowing would be undertaken late in the year, meaning most financing costs would fall into 2025/26 (for simplicity all financing costs are shown in the following year).

Table 10: Possible costs arising to cover deficit

	2024/25 £M	2025/26 £M
Updated Forecast Budget Shortfall (per table 3)	33.40	39.58
Possible Transformation costs (per table 3 and table 6)	5.01	3.22
Estimated costs if borrowing allowed to fund the shortfall		3.48
REVISED ESTIMATE	38.41	46.28

86. In the long term, the disposal of assets in itself is likely to create additional pressures on the revenue budget as some sales are likely to relate to assets that generate significant rental income to the council. Hence, if granted the use of 'Exceptional Financial Support' is not a panacea in itself. It buys time to find new solutions to balance the revenue budget, it does not avoid the reductions necessary and it comes at the price of disposing of assets many of which are income generating.

87. As reported to the Council meeting in July, the authority has already been in informal contact with the Department for Levelling Up, Housing and Communities on this option.

Section 114 notice

88. Due to the exceptionally challenging financial position now faced, and the difficulties faced with reducing the forecast in-year overspend whilst also agreeing a draft balanced budget for 2024/25, Cabinet need to be aware of the position should a notice under Section 114 Local Government Finance Act 1988 be required to be issued.

89. The Chief Finance Officer of a local authority can issue a formal report (called a s114 notice) if they consider that a council is unable to set or maintain a balanced budget. A s114 notice simply but clearly and formally indicates that a council's forecast funding and other available resources (such as reserves) is insufficient to meet its forecasted expenditure for that year. Although media reports may describe the issue of s114 notice as indicating bankruptcy, there is no procedure for a UK local authority to become bankrupt.

90. A s114 notice puts stringent spending controls in place and prohibits all new expenditure by a council, other than that required to provide statutory services, payments required by law or ordered by the courts and contractual obligations. New expenditure may only be authorised by the Chief Financial Officer where it will prevent the situation that led to the s114 notice from getting worse.

91.	Full Council would be required to consider a s114 notice within 21 days of one being issued. Council would consider if it agrees or disagrees with the views contained in the report and what action (if any) it proposes to take in consequence of it.
92.	Following the issuing of a s114 notice, the Chief /Financial Officer, the Chief Executive and the Monitoring Officer would be tasked to develop a plan for returning the budget to a balanced position. It would inevitably mean hard choices on what service to prioritise, and what would need to be curtailed or stopped completely. A smaller council and cessation of discretionary services would be the inevitable initial consequence.
93.	Pending consideration of the report by Full Council, there is a prohibition period which runs from the date the report is made to the date of the full Council meeting. During this period, the Council must not enter into any new agreement which may involve the incurring of expenditure (at any time) by the authority unless the S151 officer authorises it to do so and/or it is required to do so by law.
94.	A recent survey found by the Special Interest Group of Metropolitan Authorities (SIGOMA) found that at least 10% of upper tier urban councils outside London ie Council's with similar responsibilities at Southampton, were considering a section 114 notice this year, and almost 20% thought one could be possible in the next year.
<u>Conclusion and Next Steps</u>	
95.	At the time of writing, we are awaiting the Government's Autumn Statement from the Chancellor on 22 November. This will be carefully reviewed for any funding announcement impacting on local councils.
96.	The Provisional Local Government Finance Settlement (PLGFS), which will provide funding allocations from Government for 2024/25 is also yet to be announced. This is again expected to be very late – with an announcement expected immediately prior to Christmas. Currently, the draft budget used to forecast the budget shortfalls identified for 2024/25 are based on assumptions and best information. This is expected to be proceeded by a local government finance policy statement (as occurred last year). However, as it is expected only a matter of days before the provisional settlement, it will most likely have limited value and it will not identify specific funding allocations to each council, only broad policy intentions.
97.	Neither the Autumn Statement, or the provisional local government finance settlement for 2024/25, is expected to fundamentally alter the picture identified above of considerable future budget shortfalls. Work therefore continues at pace to identify ways to bridge the gap by further efficiency measures, income generation and above all by service transformation. It is likely that there will be further engagement with Government over the potential to secure Exceptional Financial Support during December, although it is likely Government may await the December provisional settlement before expecting final approaches to be made by councils and to then assess with the Treasury what support may be contemplated.
RESOURCE IMPLICATIONS	
<u>Capital/Revenue</u>	
98.	The revenue and capital implications are contained in the report
<u>HR Implications</u>	
99.	The proposed savings contained within this report do have implications on the number of full time equivalent posts within the council. Table 11 below details the overall impact.

100. Table 11 – The estimated impact of full-time equivalent staff for tranche 3 measures

Directorate	2023/24 Total FTE	2024/25 Total FTE	2025/26 Total FTE	2026/27 Total FTE
Place	4.0	6.1	6.1	6.1
Wellbeing & Housing	1.6	43.4	43.4	43.4
Total	5.6	49.5	49.5	49.5
Impact from previous MTFS updates	98.4	99.4	99.6	103.4
Total Impact of proposals	104.0	148.9	149.1	152.9

101. There are other proposals which will impact staff numbers (redesign of Childrens and Learning / Supplier Management target operating model), but until detailed consultation takes place, it is not possible to say how many of these will be vacant posts, but there is an initial estimated impact of 25 FTE in total.

Property/Other

102. The implications for property are outlined in the report.

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

103. Budget reports are consistent with the Section 151 Officer's role to align budget with the aims of the Council and also the duty to ensure good financial administration.

Other Legal Implications:

104. The proposals within this report have been put forward having regard to the council's duties under the Equalities Act 2010 and the Human Rights Act 1998, together with other pervasive legislation. Where required, individual projects, proposals and programmes will be subject to completion of EISAs as part of the governance and decision making foundations.

RISK MANAGEMENT IMPLICATIONS

105. The financial forecast included in this report are based upon a variety of assumptions, including funding, future spending projections and savings delivery.

106. Financial projections have been based on the best known information on the likely cost and demand for services for 2023/24 and beyond. External factors add further to uncertainty with the cost of living crisis, energy costs, labour shortages and increases to interest rates. Nor is there any certainty on funding from government, with the 2024/25 local government finance settlement not expected to be announced until late December 2023 and including technical changes to the business rates retention scheme. These all present significant levels of uncertainty and potential financial risk and instability.

107. Delivery of a high level of savings will be critical to the authority's future financial stability. The need to implement and achieve a high level of savings to balance the budget is in itself a major risk – as any significant non delivery can easily lead to major overspending and the council has inadequate reserves with which to cover this risk.

108. Savings are already monitored as part of the in-year work on comparing budget to forecasts.

109. The spending and funding assumptions outlined in this report will be subject to continual review over the coming months to ensure maximum opportunity is given to protect the council's short term and medium term financial stability, by flagging any changes to the financial situation faced.

110.	<p>On school deficits, the Schools Finance team are working with schools and providing advice on areas where the schools need to make changes to return to surplus.</p> <p>The current 3-year deficit recovery timetable for schools in deficit to get back to a balanced budget may be extended to 5 years if necessary, for schools that have experienced significant COVID-19 pressures.</p>
111.	<p>As at 31 October 2023 there were 15 schools forecasting a deficit balance totalling £3.7M which compares to deficits totalling £4.5M at the end of the last financial year (2022/23). There are 27 schools forecasting a surplus balance of £8.8M which compares to surpluses totalling £9.5M at the end of the last financial year. The net position is therefore a £4.1M surplus.</p> <p>At the time of writing there are two schools in deficit working with the Executive Director for Children and Learning, and the finance team to finalise their deficit recovery plans (DRP). These are:</p> <ul style="list-style-type: none"> • Compass Alternative Provision • Townhill Junior <p>Compass Alternative Provision have received advice during September from a School Resource Management Adviser, provided free of charge by the Department for Education. The results are expected to be incorporated into a Deficit Recovery Plan.</p> <p>Townhill Junior have produced a Deficit Recovery Plan which needs to be approved by their board of governors as soon as possible, the Council will expect a decision prior to Christmas holidays.</p>
112.	<p>When a school is required to become an academy by the Department for Education, normally following an inadequate Ofsted inspection grade, then the deficit on conversion becomes a charge to SCC's General Fund. There are currently two schools with an Ofsted grade "Requires Improvement"; with a combined deficit totalling £0.8M.</p>
113.	<p>The Council is due to receive one-off additional funding of £0.5M to provide additional support to schools. Officers will present a plan for use of this funding for approval.</p>
114.	<p>The forecast outturn for the Dedicated Schools Grant (DSG) as at the end of October 2023 is a £9.4M cumulative deficit, an improvement of £0.7M from the £10.1M cumulative deficit as at 31 March 2023. The deficit is being driven primarily by the significant year on year increases in Education Health Care Plans (EHCPs) and with higher levels of needs in these plans. Whilst this reflects the national picture, the impact is reflected in our local financial resilience. The increase in High Needs funding in 2023/24 helps mitigate some of the pressure being experienced and further work is being undertaken as part of the DfE programme Delivering Better Value in SEND. The primary strategy for managing the increase in High Needs is threefold:</p> <ol style="list-style-type: none"> 1. Reduce the number of children requiring an Education and Health Care Plan through targeted early intervention support, through enhanced training and support to schools and parents. 2. Reduce the number of children requiring a place at a special school, by improving the consistency of offer and inclusive practice at mainstream schools and by developing SEND units and resourced provisions within mainstream schools. <p>Maintain a reduction in the reliance of placements in high cost out of city special independent school places, by enhancing the offer and facilities of local mainstream schools, and on the development of highly specialist units and resourced provisions.</p>
115.	<p>The Schools Budget is ring-fenced and presently the DSG deficit is subject to a statutory override which means that the deficit will not impact on the wider council services or council tax payers. The statutory override is in place until March 2026, having recently been extended by 3 years.</p>
116.	<p>What this means, however, is that whatever deficit remains, as of April 2026, will impact directly on the council and will need to be covered by General Fund resources. It is therefore important the council ensures robust plans are in place to address the deficit within the 3 year window allowed by</p>

	Government. The council will need to engage with other authorities and Government to control this deficit. This is likely to be a difficult challenge, which faces many councils nationally.
117.	To assist with promoting good financial management and best practice, Accountability Statements for budget holders are planned to be introduced. A draft example of one is attached at Appendix 1. These are intended to be introduced with the necessary training, advice and support to budget holders.
118.	Details of further risks to the council's financial position are given in Appendix 8.
POLICY FRAMEWORK IMPLICATIONS	
119.	The proposals contained in the report are in accordance with the council's Policy Framework Plan.

KEY DECISION? Yes

WARDS/COMMUNITIES AFFECTED:	All
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SUPPORTING DOCUMENTATION

Appendices

1.	Draft Accountability Statement
2.	Earmarked Revenue Reserves and Balances
3.	Budgetary Pressures
4.	Cash Limited Budgets
5.	Savings
6.	GF & HRA Capital Programme Changes
7.	GF & HRA Slippage & Rephasing (CONFIDENTIAL)
8.	Further risks to the council's financial position (CONFIDENTIAL)

Documents In Members' Rooms

1.	Savings - Summary Sheets (item by item)	
2.	Cumulative Impact Assessment	
3.	Individual Equality and Safety Impact Assessments	
Equality Impact Assessment		
Do the implications/subject of the report require an Equality Impact Assessment (EIA) to be carried out?		Yes
Privacy Impact Assessment		
Do the implications/subject of the report require a Privacy Impact		No

Assessment (PIA) to be carried out?		
Other Background Documents		
Equality Impact Assessment and Other Background documents available for inspection at:		
Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)	

1.	The Revenue Budget 2023/24, Medium Term Financial Strategy and Capital Programme (Approved by council in February 2023)	
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Accountability Statements

The Council's Financial Procedure Rules provide a framework within which all staff can carry out their responsibilities in an open and consistent manner. They outline the financial responsibilities of all officers and members of the Council, and have been designed to promote and maintain the high standards expected of the public sector in dealing with financial and other resources financed from their taxation by:

- placing clear accountability with officers appointed to manage resources;
- establishing key principles and processes which they should follow, supported by detailed operating arrangements approved by the Section 151 Officer.

This is essential in order to promote the highest standards of management with public resources and is a part of what is needed to respond to the CIPFA report and improve financial accountability.

Whilst responsibility for the administration of the council's financial affairs lies with the Section 151 Officer, all individuals engaged in council activities have a responsibility for ensuring that their actions comply with Financial Procedure Rules. Cabinet Members and Executive Directors hold a dual role to ensure that strategic policies and priorities are delivered within resources and meet all fiduciary responsibilities, recommendations to Council are deliverable and that they support Budget Managers to spend within the agreed cash limits.

The accountable Budget Holders (starting at Executive Directors level, Directors, Heads of Service and other officers deemed to be Senior Officers or Budget Managers) possess overall accountability for their budget or group of budgets. Each Budget Holder is ultimately accountable for ensuring effective planning and management of their budgets to deliver their service priorities within the agreed budget envelope.

It is proposed any staff managing a budget, signs an annual Budget Accountability Statement. Their key responsibility is to make best use of financial resources through good planning and management, taking corrective action where required. An example of such a statement is attached.

This will be introduced from 1 April 2024, but will be done so in a supportive way, with all budget holders invited to financial training sessions held by Finance to ensure they are equipped to carry out their responsibilities. Job Descriptions will need to be checked to ensure they are consistent with the sound financial management expected within this new framework.

DRAFT EXAMPLE OF BUDGET ACCOUNTABILITY STATEMENT:

As budget holder and a senior officer of Southampton City Council, you have overall accountability for a revenue budget or group of revenue budgets. You are ultimately accountable for ensuring effective planning and management of your budgets to deliver your service priorities and outcomes within the agreed budget envelope, whilst reporting any variations and working to rectify them as soon as possible. You may also have overall responsibility for a capital budget or group of capital budgets and are ultimately accountable for ensuring effective planning and management of your budgets to deliver against the capital budget. It should be understood, that failure to deliver within budget is a performance matter.

Specifically, your role is to:

- Deliver your service or capital projects within the agreed cash limits, unless express agreement has been reached with the S151 Officer (and Members where necessary) that a budget variance is required;
- Monitor income and expenditure against the budget on a monthly basis and take corrective action where necessary to keep spending within available resources;
- Develop plans to deliver savings, monitor their progress and adapt plans to maximise achievement of savings;
- Regularly check that income and expenditure are posted to the correct budgets;
- Forecast income and expenditure for the full year;
- Work with the Finance Business Partner to determine the budget requirement over a rolling 5 year period setting out and agreeing clear assumptions.
- Highlight any significant variances and forecast variances as early as possible so mitigating and alternative actions can be developed and implemented.
- If there is an overspend, develop deficit recovery plans quickly to tackle this issue and agree them with the Finance Business Partner, senior management, EMB and the S151 officer.

To help you with these tasks:

Your Finance Business Partner and the Finance team will work closely with you to support and enable you to effectively manage your budget. If you have any questions, please speak to your Finance Business Partner.

Training will be provided and made available for all budget holders on how to manage their budgets. These sessions will be repeated annually.

'Drop in' sessions will be organised each quarter to facilitate an opportunity to discuss any financial matter that may be of concern, with members of the Finance team.

**General Fund Earmarked Reserves (excluding Schools Balances) and Balances
Before any use to meet the 2023/24 in-year deficit**

	Balance As At 31/03/2019	Balance As At 31/03/2020	Balance As At 31/03/2021	Balance As At 31/03/2022	Balance As At 31/03/2023	Forecast Balance As At 31/03/2024
	£M	£M	£M	£M	£M	£M
<u>Risk & Budget Related Reserves</u>						
Medium Term Financial Risk Reserve	31.56	50.32	59.79	57.05	28.35	9.42
Taxation Reserve	8.98	0.00	0.00	0.00	0.00	0.00
Capital Funding Risk Reserve	4.03	0.00	0.00	0.00	0.00	0.00
Organisational Design Reserve	7.75	6.64	0.00	0.00	0.00	0.00
Organisational Redesign Reserve - NEW	0.00	0.00	0.00	0.00	0.00	2.00
Transformation & Improvement Reserve - NEW	0.00	0.00	0.00	0.00	0.00	2.47
Digital Strategy Reserve	6.16	6.16	2.23	0.00	0.00	0.00
Social Care Demand Risk Reserve	0.00	0.00	11.61	0.00	0.00	0.00
Revenue Contributions to Capital	6.90	4.26	1.62	0.93	0.93	0.93
Portfolio Carry Forwards	3.16	2.60	6.06	4.49	1.34	0.00
Sub total	68.53	69.97	81.32	62.47	30.63	14.82
<u>Non Risk Reserves (Required by accounting regulations, legislation or contractual terms)</u>						
Revenue Grants Reserve*	1.78	9.52	35.04	20.93	5.43	0.00
PFI Sinking Fund	4.55	4.52	4.53	4.39	4.38	4.26
On Street Parking	3.04	3.09	2.82	2.33	3.21	1.92
DSG Reserve [#]	0.00	-7.42	0.00	0.00	0.99	1.69
Insurance Reserve	2.54	2.81	2.66	2.37	2.00	2.00
Investment Risk Reserve - NEW	0.00	0.00	0.00	0.00	0.00	0.40
Other Reserves	5.37	3.70	4.01	3.71	2.96	1.45
Total Non Risk Reserves	17.28	16.22	49.06	33.73	18.97	11.71
Total Earmarked Reserves (excl. Schools Balances)	85.81	86.20	130.38	96.19	49.59	26.54
General Fund Balance	10.07	10.07	10.07	10.07	10.07	10.07
* COVID-19 grants held in the Revenue Grants Reserve	0.00	6.87	32.06	14.08	0.27	0.00
[#] DSG Adjustment Account (unusable reserve)	0.00	0.00	-8.93	-11.09	-11.09	-11.09

[#]Regulations required the cumulative deficit on the Dedicated Schools Grant to be transferred to an unusable reserve in 2020/21 and any subsequent in-year deficits

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Budget Pressures, Unachievable Savings and Proposed New Commitments

Directorate	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000
Children & Learning	13,815	15,332	16,779	17,942
Corporate Services	4,097	4,355	4,355	4,105
Place	4,288	5,053	4,685	4,575
Strategy & Performance and CEO	190	234	234	234
Wellbeing & Housing	8,437	9,278	10,116	10,834
Centrally Held Budgets	620	3,707	6,430	6,547
Total	31,446	37,958	42,598	44,237

Portfolio	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000
Adult, Health & Housing	8,107	9,531	9,749	10,467
Children & Learning	13,802	15,309	16,756	17,920
Communities & Leisure	294	235	235	235
Economic Development	1,622	2,025	2,127	1,967
Environment & Transport	1,680	1,876	1,926	1,976
Finance & Change	4,532	4,698	4,698	4,448
Leader	407	311	291	291
Safer City	382	265	385	385
Non-Portfolio	620	3,707	6,430	6,547
Total	31,446	37,958	42,598	44,237

Pressure Type	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000
Demand and Price Pressures	25,227	28,261	30,227	32,112
Income Pressures	2,508	3,689	3,689	3,689
Growth	1,428	2,517	4,402	4,155
Unachievable Savings	2,208	3,342	4,131	4,131
New Proposed Commitment	75	150	150	150
Total	31,446	37,958	42,598	44,237

CHILDREN & LEARNING

Item	Description	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000
<u>Demand and Price Pressures</u>					
Home to School Transport costs	Increased demand for Home to School Transport	4,098	5,045	6,103	7,267
Nursery building rectification issues	Repair liabilities	10	40	40	40
Looked After Children Placement spend pressure	High numbers in residential placements	4,775	4,775	4,775	4,775
Staffing pressures in Young People Service	High service demand reflecting in more resource required	280	280	280	280
Agency staff in the Quality Assurance Business Unit	Increased demand in this area	200	200	200	200
Safeguarding - Agency, Allowances and Overtime	High service demand reflecting in more resource required	1,690	1,690	1,690	1,690
Special Guardianship Order (SGO) placement spend pressure	Increased placement spend	395	395	395	395
Children In Care Remand	Remand costs and increasing transport costs	280	0	0	0
Education Psychologists staffing	Increased demand arising from increased numbers of Education & Health Care Plans (EHCP)	113	113	113	113
Children In Care Residential	New high cost residential and Parent & Child placements	408	0	0	0
Jigsaw - High Cost Placement SCC (50/50 with Health)	Single high cost placement	300	300	300	300
2023/24 Increased Pay Offer over and above the budget provision	Directorate wide pressure on the increase in the pay award to that assumed in the Feb budget report	518	518	518	518
Additional 1% for 2024/25 pay award - Children & Learning	Pay award forecasts affecting all SCC	0	333	333	333
<u>Income Pressures</u>					
Education - reduced capacity for traded services	Less capacity due to increased demand on support of children with EHCP's	75	75	75	75
<u>Growth</u>					
Care Director System Super User Additional Posts	Pressure relating to further system support requirements for Care Director	21	198	198	198
Year of the Child Workstream	Expenditure pressure	140	0	0	0
<u>Delayed or Unachieved Savings</u>					
Residential unit savings projections deferred (22S1)	Project delayed - one property purchased - awaiting planning permission likely operational 24/25	0	299	509	509
Merge Youth work Lead and Inclusion Officer		111	111	111	111
Fostering - savings projections deferred (22S5)	Business case in progress to make payments to carers simpler from 24/25	0	534	713	713
Home to school transport	Being addressed as part of Home to School Transport transformation	60	120	120	120
Asset Management & Capital Strategy	Unrealised prior year savings	84	84	84	84
Education Services staffing	Unrealised prior year savings	222	222	222	222
Vacancy management factor as posts filled	Full staffing complement	36	0	0	0
Total		13,815	15,332	16,779	17,942

CORPORATE SERVICES

Description		2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000
Demand and Price Pressures					
IT - Staffing & Income pressure	Shortfall in funding for existing staffing structure	1,910	1,910	1,910	1,910
Treasury Management	Reducing interest rates	94	94	94	94
Corporate Management	Cost pressures	57	0	0	0
Business Support	Cost pressures	29	0	0	0
Customer Services	Cost pressures	16	0	0	0
Street Lighting	Cost pressures	125	187	187	187
Accounts Payable	Cost pressures	43	0	0	0
Spending less on external building security provisions with external providers (23S83)	Contract costs higher than anticipated	20	20	20	20
2023/24 Pay Offer - shortfall against budget provision - Corporate Services	Directorate wide pressure on the increase in the pay award to that assumed in the Feb budget report	451	451	451	451
Revisions to 2024/25 contract inflation estimate	Adjustment to contract inflation for major contracts - Street lighting, highways, IT, Leisure and Risk and insurance	0	(186)	(186)	(186)
Additional 1% for 2024/25 pay award - Corporate Services	Pay award forecasts affecting all SCC	0	276	276	276
Growth					
Strategic Procurement Projects - cost of implementing	Additional resource requirements for projects		250	250	0
Finance and Commercialisation Directorate – cost reduction (21S108)	More resource required due to stalled self serve roll out	107	107	107	107
Accounts Payable - cost reduction (21S108)	More resource required due to stalled self serve roll out	37	37	37	37
Customer Payments and Debt - cost reduction (21S108)	More resource required due to stalled self serve roll out	118	118	118	118
Redesign of Finance service, including removal of vacant posts (23S184)	More resource required due to stalled self serve roll out	60	60	60	60
Unachievable Directorate agency saving	More resource required due to stalled self serve roll out	39	39	39	39
Income Pressures					
Cost Recovery and Charging policy	Fees and charges review income, superseded by current fees work	60	60	60	60
School Insurance premiums	Loss of income from schools	74	74	74	74
Unachievable Savings					
Civic Centre energy controls (23S205)	Energy costs higher than assumptions	60	60	60	60
Improve and automate business support processes (23S58)	Resource reduction not realised due to automation of processes in City Services not meeting expectations	169	169	169	169
Greater use of purchase cards (21S55)	Cash back opportunities lower than expected	115	115	115	115
Customer Experience - Accounts Payable savings	Savings from charging for appointeeships, the reduction in duplicate payments and renegotiation of payment terms with suppliers did not materialise & self serve savings	101	101	101	101
Staff Travel and office consumables (21Ss)	Staff travel, office consumables, postage etc savings did not materialise as expected	32	32	32	32
IT Major Projects - Anticipated Revenue Savings	Recharge of officer time to capital projects not realised due to reduction in IT related capital projects	200	200	200	200
Reduction in cost of collecting council tax and business rates and review of bad debt provisions	Partially achieved - actuals lower than assumptions	160	160	160	160
Customer Experience - Accounts Receivable savings	Savings from income related to deferred payments did not materialise	22	22	22	22
Total		4,098	4,356	4,356	4,106

PLACE

Item	Description	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000
Demand and Price Pressures					
British Libraries Business	Future loss of funding for project, alternative solution being developed	0	71	101	101
Sunday site opening charge for street cleansing waste	Cost to enable disposal of collected waste on Sunday. Cost free, alternative arrangement now implemented.	30	0	0	0
Economic Development unfunded post	Historic unfunded post	75	75	75	75
Coroner's Service	Increase in coroners costs due to post pandemic backlog and cost inflationary pressures on the coroners service provided by Hampshire County Council.	100	100	100	100
Update of Local Plan	The Local Plan is statutory requirement to be funded by one-off budget allocations during the period of production	104	148	160	0
Food safety inspections	Carry forward of funding identified to undertake food safety inspection work in line with FSA requirements.	45	0	0	0
Reactive repairs levels	Based on estimated level of reactive repairs required in year	200	0	0	0
Concessionary Fares increase in patronage	Forecast increase in number of concessionary bus passengers	0	400	450	500
School Ground Maintenance - in year financial monitoring forecast variance	Operational cost pressures creating adverse variance	60	0	0	0
Increased public toilet cleaning costs from new contract	Additional cost to maintain current provision	16	16	16	16
City Services - District Operating Areas - in year financial monitoring forecast variance	Operational cost pressures	116	0	0	0
City Services - Fleet & Landscapes Trading in year financial monitoring forecast	Operational cost pressures	46	0	0	0
Development Management - in year financial monitoring forecast variance	Staffing pressures from requirement to keep team fully staffed to meet performance targets	120	0	0	0
Minor pressures	Minor variances from across directorate from budget monitoring activity	24	0	0	0
Property Portfolio Management	Additional legal fees from lease arrangements	82	0	0	0
Landscapes	Residual costs borne by service that are unable to be recharged to capital	100	0	0	0
2023/24 Pay Offer - shortfall against budget provision - Place	Directorate wide pressure on the increase in the pay award to that assumed in the Feb budget report	576	606	606	606
Revision to 2024/25 contract inflation estimate - Building Costs	Adjustment to existing pressure based on updated inflation estimates	0	(6)	(6)	(6)
Revision to 2024/25 contract inflation estimate - Waste Contracts	Adjustment to existing pressure based on updated inflation estimates	0	53	53	53
Revision to 2024/25 contract inflation estimate - Concessionary Fares	Adjustment to existing pressure based on updated inflation estimates	0	(234)	(234)	(234)
Additional 1% for 2024/25 pay award - Place	Pay award forecasts affecting all SCC	0	376	376	376
Growth					
Visitor Economy	Contractual and partnership contributions to Culture & Tourism activity	160	50	0	0
Home to school transport resource review	Additional resources required to manage Home to School transport service	70	140	140	140
Port Health & Private Sector Housing commitments	Commitments made previously that required underspend to be carried forward, but due to overall overspend this could not be facilitated	60	0	0	0
Mayflower Park redevelopment - revetments	Development of an improvement scheme for the revetments in the park	200	175	0	0
Private Sector Housing condition survey	Private sector condition survey has not been carried out for some years and there is a need to evidence policy decisions in future. Pressures based on unsuccessful procurement exercise during 2022.	0	500	0	0
Arts & Heritage - Urgent conservation & income generation	Commitments made previously that required underspend to be carried forward, but due to overall overspend this could not be facilitated	96	0	0	0
Formation of the Economic Development & Regeneration team, including operational budget and ongoing Freeport contributions	Investment in new team to drive local growth	100	350	350	350
Network Eagle Labs	Estimated residual Council contribution to operation of centre	60	60	0	0
Moving Traffic Enforcement - Setup & running costs	Setup & running costs of scheme are off-set by corresponding income generation included as a cost control measure	75	75	75	75
Procurement strategy post in Corporate Estates & Assets team	Post to support the development of a new strategic procurement process	60	75	0	0
Income Pressures					
Planning - reduced income from fewer major development due to financial climate	Economic climate is impacting number of planning applications received	338	283	283	283
Planning Policy unachievable income	Previously achieved level income from partnership arrangements no longer viable due to team focus on Local Plan activity for the Council	88	88	88	88
Trees team unachievable income target	Priority works for health & safety reasons are making commercial income targets unachievable	100	100	100	100
Pest Control - unachievable income target	Service budgeted to generate surplus but annual trend of not meeting target	100	100	100	100
Fleet income target	Right sizing budget following change in recharging arrangements	375	375	375	375
Port Health - reduced trade volumes - Month 5	Volume of trade through the port has reduced over the last year, with consequent net adverse impact on income, and is not expected to recover to pre pandemic level. Updated estimate provided during month 5 monitoring,	100	0	0	0
Crematorium	Income forecast	30	0	0	0
Loss of existing lease income from OGS	Loss of existing rental income from sale of the building may be offset by reduced cost		382	382	382
City Services Trees & Ecology	Reduced in-year grant funding	17	0	0	0
Port Health – reduced volumes of trade	Volume of trade through the port has reduced over the last year, with consequent net adverse impact on income, and is not expected to recover to pre pandemic level	100	100	100	100
Delayed or Unachievable Savings					
Delay in saving from solar bins	Compaction rates to be optimised once new vehicle operational	100	0	0	0
Transfer Cobbett Road Library to third party operator (23S119)	Transfer to operator later than estimated in budget saving, making a proportion of the saving unachievable in-year.	11	0	0	0
Partnership Delivery Models (22S32)	Historic saving proposal, replaced by new cost control proposals	0	165	165	165
Relocate services from One Guildhall Square into the Civic Centre and rent out vacated space (23S20)	Previous saving proposal implemented on assumption that vacant floorspace in OGS would be rented out.	0	0	400	400
Place staffing/agency costs	Historic savings targets held centrally in Directorate, replaced by new service specific cost control proposals	280	280	280	280
New Proposed Commitment					
Masterplanning & Development	Investment in master planning required as a catalyst for local growth	75	150	150	150
Total		4,288	5,053	4,685	4,575

STRATEGY & PERFORMANCE AND CHIEF EXECUTIVE'S OFFICE

Description		2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000
Demand and Price Pressures					
2023/24 Pay Offer - shortfall against budget provision - Strategy & Performance	Adjustment to existing pressure based updated inflation estimates	66	66	66	66
Additional 1% for 2024/25 pay award - Strategy & Performance and CEO	Adjustment to existing pressure based updated inflation estimates	0	44	44	44
Income Pressures					
Senior Communications Officer post	HRA funded post duplicated income target with central services.	52	52	52	52
Unachievable Savings					
Data team unachieved savings	Review of policy related roles across the organisation to understand any synergies and whether additional income can be obtained through funding opportunities. This review has not taken place and superseded by current transformation work.	72	72	72	72
Changes to Inflation					
Total		190	234	234	234

WELLBEING & HOUSING

Description		2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000
Demand and Price Pressures					
Adult Social Care (ASC) - demography	Recalculated increase in demand due to demographic pressures	2,690	4,015	4,733	5,451
Adult Social Care - increased costs of care	Increase in the cost of Adult Social Care over winter 2022 into 2023 that has had an impact on base budget.	4,000	4,000	4,000	4,000
Housing Benefits Subsidy & homeless costs - increase in deficit due to unsubsidised costs of homelessness provision	Increasing numbers of homeless presentations is increasing the cost of temporary accommodation. This pressure is in excess of that which can be met through the use of government funding.	260	200	200	200
Smaller variances in ASC	Minor variances in year	46	0	0	0
Housing Benefits Subsidy & homeless costs	Increasing numbers of homeless presentations is increasing the cost of temporary accommodation. This pressure is in excess of that which can be met through the use of government funding.	60	0	0	0
2023/24 Pay Offer - shortfall against budget provision - Wellbeing & Housing	Pay award affecting all SCC	360	360	360	360
Revision to 2024/25 contract inflation estimate - Care Home Contracts	Movement in inflation forecast reducing care home pressure forecast	0	(23)	(23)	(23)
Additional 1% for 2024/25 pay award - Wellbeing & Housing	Pay award forecasts affecting all SCC	0	229	229	229
Growth					
Care Director System Super User Additional Posts - Adults	Pressure relating to further system support requirements for Care Director	21	234	234	234
Kanes Hill site investment	Significant capital investment is required on the Kanes Hill site to bring to acceptable standard. This pressure relates to the associated capital borrowing cost of that investment.	0	40	160	160
Income Pressures					
Bad Debt provision increase	Increasing debt levels having an effect on bad debt provision. Review of aged debt	1,000	0	0	0
Delayed or Unachievable Savings					
Adult Social Care - Contract Reviews (22S40)	Outstanding amount to be found in future years by ICU in contracts as element of savings met in 23/24 were in year only.	0	223	223	223
Total		8,437	9,278	10,116	10,834

CENTRALLY HELD BUDGETS

Description		2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000
Demand and Price Pressures					
Inflationary pressure on capital projects	Adjustment to existing pressure based updated inflation estimates	92	244	342	456
Increase in charge for pre-local government reorganisation debt - held by Hampshire County Council		50	50	50	50
Externalisation of internal debt	External borrowing to match cashflow need	0	930	930	930
Increased Minimum Revenue Provision (MRP) for Infrastructure Assets	Audit requirement to reassess useful economic life	100	100	100	100
Growth					
Transformation Programme operational costs		0	0	2,622	2,622
Environment Agency and Southern Fisheries Levies - budget shortfall		5	10	13	16
Income Pressures					
Contingency for loss of property income		0	2,000	2,000	2,000
Unachievable Savings					
Commercialisation delivery plan and strategy		270	270	270	270
Enhancement of Salary Sacrifice Scheme (21S90)		42	42	42	42
Administration Staffing review		61	61	61	61
Total		620	3,707	6,430	6,547

Directorate Cash Limits

2023/24	Children & Learning	Corporate Services	Place	Strategy & Performance and CEO	Wellbeing & Housing	Central - Inflation	Central - Capital Financing	Central - Other	Central - Use of Reserves	Central - Funding	TOTAL
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Working Budget - Base	64,183	38,700	28,479	3,719	95,487	(0)	10,065	5,696	(24,746)	(221,582)	0
Previously Agreed Adjustments to Base											0
TOTAL BASE	64,183	38,700	28,479	3,719	95,487	(0)	10,065	5,696	(24,746)	(221,582)	0
Pay Award & Inflation Allocation											0
Pressures & Commitments	13,814	4,097	4,288	190	8,436	0	242	378	0	0	31,446
Funding Changes											0
On-off Gains								(4,471)			(4,471)
Use of Reserves									4,871		4,871
Sub-Total	77,997	42,797	32,767	3,910	103,923	(0)	10,307	1,603	(19,875)	(221,582)	31,846
Cost control measures tranches 1, 2 and savings	(6,132)	(2,675)	(4,523)	(73)	(4,579)		(200)				(18,183)
Savings required to meet pressures	(7,682)	(1,422)	235	(117)	(3,857)		200				(12,644)
Contribution to capital financing pressures	(54)	(39)	(55)	(3)	(90)						(242)
Contribution to other central pressures	(174)	(126)	(178)	(9)	(291)						(778)
Contribution to funding shortfall											0
Replenishing reserves											0
Cash Limited Budget	63,954	38,535	28,245	3,707	95,105	(0)	10,307	1,603	(19,875)	(221,582)	0

2024/25	Children & Learning	Corporate Services	Place	Strategy & Performance and CEO	Wellbeing & Housing	Central - Inflation	Central - Capital Financing	Central - Other	Central - Use of Reserves	Central - Funding	TOTAL
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Working Budget - Base	64,183	38,700	28,479	3,719	95,487	(0)	10,065	5,696	(24,746)	(221,582)	0
Previously Agreed Adjustments to Base	(3,365)	(1,123)	1,280	(170)	(6,072)	10,530	2,640	452	24,746	(7,695)	21,222
TOTAL BASE	60,817	37,577	29,758	3,549	89,415	10,530	12,705	6,148	0	(229,277)	21,222
Pay Award & Inflation Allocation	642	2,019	1,961	84	5,823	(10,530)					(0)
Pressures & Commitments	15,331	4,355	5,054	234	9,278	0	1,324	2,383	0	0	37,958
Funding Changes										(4,548)	(4,548)
On-off Gains								(2,563)			(2,563)
Use of Reserves									4,314		4,314
Sub-Total	76,791	43,951	36,774	3,867	104,515	(0)	14,029	5,968	4,314	(233,825)	56,384
Cost control measures tranches 1, 2 and savings	(7,503)	(4,236)	(6,133)	(112)	(4,297)			(351)		(357)	(22,988)
Savings required to meet pressures	(7,829)	(119)	1,079	(122)	(4,981)			351		357	(11,264)
Contribution to capital financing pressures	(296)	(214)	(303)	(16)	(495)						(1,324)
Contribution to other central pressures	(623)	(450)	(637)	(34)	(1,040)						(2,783)
Contribution to funding shortfall	(3,628)	(6,525)	(3,071)	(565)	(6,054)						(19,842)
Replenishing reserves									1,817		1,817
Cash Limited Budget	56,913	32,407	27,710	3,019	87,649	(0)	14,029	5,968	6,131	(233,825)	(0)

2025/26	Children & Learning	Corporate Services	Place	Strategy & Performance and CEO	Wellbeing & Housing	Central - Inflation	Central - Capital Financing	Central - Other	Central - Use of Reserves	Central - Funding	TOTAL
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Working Budget - Base	64,183	38,700	28,479	3,719	95,487	(0)	10,065	5,696	(24,746)	(221,582)	0
Previously Agreed Adjustments to Base	(3,769)	(1,312)	131	(170)	(5,572)	17,021	4,152	(548)	26,746	(14,119)	22,560
TOTAL BASE	60,414	37,388	28,610	3,549	89,915	17,021	14,216	5,148	2,000	(235,700)	22,561
Pay Award & Inflation Allocation	1,312	3,277	3,302	170	8,960	(17,021)					0
Pressures & Commitments	16,778	4,355	4,686	234	10,116	0	1,422	5,008	0	0	42,598
Funding Changes										(4,211)	(4,211)
On-off Gains								0			0
Use of Reserves									400		400
Sub-Total	78,504	45,020	36,598	3,954	108,990	0	15,638	10,156	2,400	(239,911)	61,348
Cost control measures tranches 1, 2 and savings	(7,080)	(3,479)	(5,979)	(112)	(3,350)		(307)			(1,458)	(21,764)
Savings required to meet pressures	(9,699)	(876)	1,293	(122)	(6,766)		307			1,458	(14,405)
Contribution to capital financing pressures	(318)	(230)	(325)	(17)	(531)						(1,422)
Contribution to other central pressures	(1,210)	(874)	(1,237)	(66)	(2,021)						(5,408)
Contribution to funding shortfall	(1,242)	(6,085)	(3,005)	(532)	(4,194)			(3,292)			(18,350)
Replenishing reserves											0
Cash Limited Budget	58,954	33,477	27,345	3,105	92,129	0	15,638	6,864	2,400	(239,911)	0

2026/27	Children & Learning	Corporate Services	Place	Strategy & Performance and CEO	Wellbeing & Housing	Central - Inflation	Central - Capital Financing	Central - Other	Central - Use of Reserves	Central - Funding	TOTAL
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Working Budget - Base	64,183	38,700	28,479	3,719	95,487	(0)	10,065	5,696	(24,746)	(221,582)	0
Previously Agreed Adjustments to Base	(3,769)	(1,396)	243	(123)	(5,572)	23,342	5,073	452	26,746	(20,212)	24,786
TOTAL BASE	60,414	37,304	28,722	3,597	89,915	23,342	15,138	6,148	2,000	(241,794)	24,786
Pay Award & Inflation Allocation	1,994	4,440	4,570	258	12,080	(23,343)					0
Pressures & Commitments	17,942	4,105	4,576	234	10,834	0	1,536	5,011	0	0	44,237
Funding Changes										(3,677)	(3,677)
On-off Gains								0			0
Use of Reserves									3,883		3,883
Sub-Total	80,350	45,848	37,868	4,089	112,828	(0)	16,674	11,159	5,883	(245,471)	69,229
Cost control measures tranches 1, 2 and savings	(7,005)	(3,285)	(5,952)	(112)	(3,350)		(480)			(1,093)	(21,276)
Savings required to meet pressures	(10,938)	(820)	1,376	(122)	(7,484)		480			1,093	(16,414)
Contribution to capital financing pressures	(344)	(248)	(351)	(19)	(574)						(1,536)
Contribution to other central pressures	(1,121)	(810)	(1,146)	(61)	(1,872)						(5,011)
Contribution to funding shortfall	(5,924)	(6,315)	(2,977)	(859)	(12,565)						(28,640)
Replenishing reserves									3,649		3,649
Cash Limited Budget	55,019	34,371	28,817	2,917	86,983	(0)	16,674	11,159	9,532	(245,471)	(0)

Portfolio Cash Limits

2023/24	Adult, Health & Housing	Children & Learning	Communities & Leisure	Economic Development	Environment & Transport	Finance & Change	Leader	Safer City	Central - Inflation	Central - Capital Financing	Central - Other	Central - Use of Reserves	Central - Funding	TOTAL
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Working Budget - Base	93,678	63,496	3,885	5,308	25,731	30,218	5,732	2,519	(0)	10,065	5,696	(24,746)	(221,582)	0
Previously Agreed Adjustments to Base														0
TOTAL BASE	93,678	63,496	3,885	5,308	25,731	30,218	5,732	2,519	(0)	10,065	5,696	(24,746)	(221,582)	0
Pay Award & Inflation Allocation														0
Pressures & Commitments	8,107	13,802	294	1,622	1,680	4,532	407	382	0	242	378	0	0	31,446
Funding Changes														0
On-off Gains														(4,471)
Use of Reserves														4,871
Sub-Total	101,786	77,298	4,179	6,931	27,411	34,750	6,138	2,900	(0)	10,307	1,603	(19,875)	(221,582)	31,846
Cost control measures tranches 1, 2 and Savings	(4,509)	(6,132)	(90)	(977)	(2,604)	(2,301)	(525)	(249)		(352)	(10)		(432)	(18,183)
Savings required to meet pressures	(3,599)	(7,669)	(204)	(645)	924	(2,231)	119	(132)		352	10		432	(12,643)
Contribution to capital financing pressures	(89)	(54)	(5)	(11)	(43)	(31)	(6)	(4)						(242)
Contribution to other central pressures	(287)	(172)	(15)	(35)	(137)	(101)	(18)	(13)						(778)
Contribution to funding shortfall														0
Replenishing reserves														0
Cash Limited Budget	93,302	63,271	3,865	5,263	25,552	30,085	5,708	2,502	(0)	10,307	1,603	(19,875)	(221,582)	0

2024/25	Adult, Health & Housing	Children & Learning	Communities & Leisure	Economic Development	Environment & Transport	Finance & Change	Leader	Safer City	Central - Inflation	Central - Capital Financing	Central - Other	Central - Use of Reserves	Central - Funding	TOTAL
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Working Budget - Base	93,678	63,496	3,885	5,308	25,731	30,218	5,732	2,519	(0)	10,065	5,696	(24,746)	(221,582)	0
Previously Agreed Adjustments to Base	(5,951)	(3,368)	(215)	(167)	1,412	(1,193)	(61)	93	10,530	2,640	452	24,746	(7,695)	21,222
TOTAL BASE	87,728	60,128	3,670	5,141	27,143	29,025	5,670	2,612	10,530	12,705	6,148	0	(229,277)	21,222
Pay Award & Inflation Allocation	5,806	626	285	237	2,328	1,031	116	100	(10,530)					(0)
Pressures & Commitments	9,531	15,309	181	2,025	1,624	5,005	311	265	0	1,324	2,383	0	0	37,958
Funding Changes														(4,548)
On-off Gains														(2,563)
Use of Reserves														4,314
Sub-Total	103,065	76,063	4,137	7,404	31,096	35,060	6,097	2,976	(0)	14,029	5,968	4,314	(233,825)	56,383
Cost control measures tranches 1, 2 and Savings	(4,427)	(7,503)	(120)	(1,004)	(2,528)	(5,491)	(481)	(192)		(431)	(10)		(802)	(22,988)
Savings required to meet pressures	(5,105)	(7,807)	(61)	(1,021)	904	486	171	(73)		431	10		802	(11,263)
Contribution to capital financing pressures	(489)	(293)	(26)	(59)	(233)	(172)	(31)	(22)						(1,324)
Contribution to other central pressures	(1,028)	(616)	(54)	(124)	(489)	(362)	(65)	(46)						(2,783)
Contribution to funding shortfall	(5,521)	(3,428)	(704)	1,739	(6,619)	(3,846)	(1,223)	(240)						(19,843)
Replenishing reserves												1,817		1,817
Cash Limited Budget	86,496	56,417	3,172	6,935	22,130	25,676	4,468	2,403	(0)	14,029	5,968	6,131	(233,825)	(0)

2025/26	Adult, Health & Housing	Children & Learning	Communities & Leisure	Economic Development	Environment & Transport	Finance & Change	Leader	Safer City	Central - Inflation	Central - Capital Financing	Central - Other	Central - Use of Reserves	Central - Funding	TOTAL
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Working Budget - Base	93,678	63,496	3,885	5,308	25,731	30,218	5,732	2,519	(0)	10,065	5,696	(24,746)	(221,582)	0
Previously Agreed Adjustments to Base	(5,451)	(3,772)	(215)	(817)	900	(1,382)	(48)	93	17,021	4,152	(548)	26,746	(14,119)	22,560
TOTAL BASE	88,228	59,724	3,670	4,491	26,631	28,836	5,684	2,612	17,021	14,216	5,148	2,000	(235,700)	22,561
Pay Award & Inflation Allocation	8,930	1,278	330	447	3,743	1,861	234	199	(17,021)					0
Pressures & Commitments	9,749	16,756	181	2,127	1,674	5,005	291	385	0	1,422	5,008	0	0	42,598
Funding Changes													(4,211)	(4,211)
On-off Gains											0			0
Use of Reserves												400		400
Sub-Total	106,907	77,759	4,181	7,065	32,048	35,701	6,208	3,195	0	15,638	10,156	2,400	(239,911)	61,348
Cost control measures tranches 1, 2 and Savings	(3,230)	(7,080)	(120)	(1,012)	(2,581)	(4,819)	(481)	(192)		(347)			(1,903)	(21,764)
Savings required to meet pressures	(6,520)	(9,677)	(61)	(1,115)	907	(186)	191	(193)		347			1,903	(14,404)
Contribution to capital financing pressures	(525)	(315)	(27)	(63)	(250)	(185)	(33)	(24)						(1,422)
Contribution to other central pressures	(1,997)	(1,196)	(104)	(241)	(951)	(703)	(125)	(90)						(5,408)
Contribution to funding shortfall	(4,043)	(1,050)	(652)	1,574	(6,140)	(3,492)	(1,180)	(75)			(3,293)			(18,350)
Replenishing reserves														0
Cash Limited Budget	90,592	58,442	3,217	6,208	23,032	26,317	4,580	2,622	0	15,638	6,863	2,400	(239,911)	0

2026/27	Adult, Health & Housing	Children & Learning	Communities & Leisure	Economic Development	Environment & Transport	Finance & Change	Leader	Safer City	Central - Inflation	Central - Capital Financing	Central - Other	Central - Use of Reserves	Central - Funding	TOTAL
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Working Budget - Base	93,678	63,496	3,885	5,308	25,731	30,218	5,732	2,519	(0)	10,065	5,696	(24,746)	(221,582)	0
Previously Agreed Adjustments to Base	(5,451)	(3,772)	(215)	(817)	982	(1,418)	(18)	93	23,342	5,073	452	26,746	(20,212)	24,786
TOTAL BASE	88,228	59,724	3,670	4,491	26,714	28,799	5,713	2,612	23,342	15,138	6,148	2,000	(241,794)	24,786
Pay Award & Inflation Allocation	12,036	1,944	427	663	4,946	2,674	353	298	(23,343)					0
Pressures & Commitments	10,467	17,920	181	1,967	1,724	4,755	291	385	0	1,536	5,011	0	0	44,237
Funding Changes													(3,677)	(3,677)
On-off Gains											0			0
Use of Reserves												3,883		3,883
Sub-Total	110,731	79,588	4,278	7,121	33,384	36,228	6,358	3,295	(0)	16,674	11,159	5,883	(245,471)	69,228
Cost control measures tranches 1, 2 and Savings	(3,230)	(7,005)	(120)	(1,134)	(2,432)	(4,625)	(481)	(192)		(520)			(1,538)	(21,276)
Savings required to meet pressures	(7,238)	(10,915)	(61)	(833)	708	(130)	191	(193)		520			1,538	(16,414)
Contribution to capital financing pressures	(567)	(340)	(30)	(68)	(270)	(200)	(36)	(26)						(1,536)
Contribution to other central pressures	(1,851)	(1,108)	(97)	(223)	(881)	(651)	(116)	(83)						(5,011)
Contribution to funding shortfall	(12,193)	(5,676)	(799)	1,561	(6,099)	(3,895)	(1,324)	(217)						(28,641)
Replenishing reserves												3,649		3,649
Cash Limited Budget	85,653	54,544	3,172	6,424	24,410	26,728	4,590	2,584	(0)	16,674	11,159	9,532	(245,471)	(0)

Savings Proposals

Directorate	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000
Children & Learning	(288)	(1,538)	(1,511)	(1,511)
Corporate Services	(231)	(596)	(607)	(607)
Place	(373)	(575)	(703)	(703)
Strategy & Performance and Chief Executive's Office	(20)			
Wellbeing & Housing	(638)	(1,713)	(1,713)	(1,713)
Centrally Held Budgets	0	(357)	(1,458)	(1,093)
Total	(1,549)	(4,779)	(5,992)	(5,627)

Portfolio	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000
Adult, Health & Housing	(638)	(1,593)	(1,593)	(1,593)
Children & Learning	(288)	(1,538)	(1,511)	(1,511)
Communities & Leisure	0	(120)	(120)	(120)
Economic Development	(13)	(57)	(57)	(57)
Environment & Transport	(360)	(518)	(646)	(646)
Finance & Change	(251)	(953)	(2,065)	(1,700)
Leader				
Safer City				
Total	(1,549)	(4,779)	(5,992)	(5,627)

Savings Type	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000
Service Redesign	0	(2,909)	(2,909)	(2,909)
Income Efficiency	(356)	(965)	(2,167)	(1,802)
Efficiencies	(125)	(905)	(916)	(916)
Cost Control Measures	(1,068)	0	0	0
Total	(1,548)	(4,779)	(5,992)	(5,627)

CHILDREN & LEARNING

Description	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000
Service Redesign				
Managed move to permanent staffing corresponding reduction in agency		(600)	(600)	(600)
Children and Learning rapid service redesign		(600)	(600)	(600)
Income Efficiency				
Maximise Supporting Families payment by results claim.	(81)	(81)	(81)	(81)
Increasing offset with Family Hubs grant	(27)	(27)		
Efficiencies				
Adjust SGO allowances in line with carers' annual reviews and SCC policy. Net reduction in cost		(230)	(230)	(230)
Cost control and monitoring changes				
Safeguarding Service	(120)			
Children Social Care	(60)			
Total	(288)	(1,538)	(1,511)	(1,511)

CORPORATE SERVICES

Description	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000
Service Redesign				
Facilities Management - To produce new target operating model to maximise opportunities		(100)	(100)	(100)
Supplier Management and Procurement: To produce a new target operating model in collaboration with the Integrated Commissioning Unit to ensure we are maximising opportunities, empowering our people to self-serve where appropriate and streamlining systems and processes		(309)	(309)	(309)
Efficiencies				
Extend street lighting switch off from current hours to 00:30 – 05:30 in line with consultation	(125)	(187)	(187)	(187)
Discontinue Insurance cover for Schools IT Equipment			(11)	(11)
Cost control and monitoring changes				
	(106)			
Total	(231)	(596)	(607)	(607)

PLACE

Description	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000
Efficiencies				
Business Rates savings from the disposal of vacant council buildings		(57)	(57)	(57)
Review Ranger team including any income opportunities		(68)	(68)	(68)
Street Cleansing - review		(150)	(150)	(150)
Income Efficiency				
To simplify the itchen bridge tariff by replacing the current fees with a flat fee of £1 / 40p (smartcards)	(72)	(300)	(428)	(428)
Cost control and monitoring changes				
City Services - Waste Operations	(328)			
Economic Development	(13)			
Increase of charges to simplify and uplift tariffs - City Centre Car parks - adjustment to saving	40			
Total	(373)	(575)	(703)	(703)

STRATEGY & PERFORMANCE AND CHIEF EXECUTIVE'S OFFICE

Description	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000
Staffing forecast adjustments	(20)			
Total	(20)	0	0	0

WELLBEING & HOUSING

Description	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000
Service Redesign				
Following consultation on the closure of Holcroft House residential home and reprovision for occupants elsewhere		(1,300)	(1,300)	(1,300)
Income Efficiency				
ASC charging policy changes		(200)	(200)	(200)
Repurposing of public health grant for employment support in delivery of public health outcomes (resulting in saving for ASC)	(38)			
Repurposing of public health grant for employment support in delivery of public health outcomes (resulting in saving for ICU)	(138)			
Efficiencies				
Stronger Communities full deletion of existing vacant posts		(120)	(120)	(120)
SCC Mental Health Team not using NHS Southern Health accommodation		(93)	(93)	(93)
Cost control and monitoring changes	(461)			
Total	(637)	(1,713)	(1,713)	(1,713)

CENTRALLY HELD BUDGETS

Description	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000
Additional Council Tax premium for properties empty more than 12 months - legislation dependent		(357)	(268)	(201)
Introduce additional Council Tax premium for second homes - legislation dependent			(1,190)	(893)
Total	0	(357)	(1,458)	(1,093)

GENERAL FUND & HRA: PROGRAMME AMENDMENTS SINCE LAST REPORTED POSITION

Directorate	Scheme	£M	*Council/Cabinet **Delegated Approval	Funding Source
<u>Additions to the Programme</u>				
Children & Learning	Family Hubs Transformation	0.12	^	Government Grant
	Early Years Expansion	0.22	^	Government Grant
	SEND - 2 primary classrooms	0.15	^	Government Grant
	Shirley Warren - Lintels	0.04	^	Government Grant
	Valentine - Lintels	0.06	^	Government Grant
	St Georges - Boilers	0.15	^	Government Grant
	Regents Park - Roof, Boiler & Flooring	0.13	^	Government Grant
	Modular relocation & purchase from Springwell to Vermont	0.01	^	Government Grant
	St Marys - Downpipes	0.11	^	Government Grant
	St Marks - Wall	0.10	^	Government Grant
	Oakwood - Heating	0.16	^	Government Grant
	Redbridge Primary School - Flooring	0.15	^	Government Grant
	Bitterne Park Primary - Windows	0.06	^	Government Grant
	Fairisle Infants - Pipework	0.42	^	Government Grant
	Mount Pleasant Roof	0.15	^	Government Grant
	Children;s Residential Unit	1.84	^	Council Resources
	<u>3.86</u>			
Place	Redbridge Wharf	0.17	**	S106
	Daisy Dip Flood Alleviation	0.08	**	Government Grant
	Schools Surface Water Resilience	0.31	**	Government Grant
	British Library Project	0.03	**	Government Grant
	Travel to School - ATF	0.47	^	Government Grant
	Cycling	0.31	^	Government Grant
	TCF2 - HCC Payments	0.28	^	Government Grant
	TCF2 - St Denys Rd Bus Priority	0.21	^	Government Grant
	TCF2 - Winchester Road Roundabout	0.01	^	Government Grant
	TCF2 - Wessex Lane Super Stop	0.09	^	Government Grant
	TCF2 - Woolston Active Travel Zone	0.11	^	Government Grant
	Mayflower Park Barriers	0.14	^	DRF (On Street Reserve)
	Art Gallery Roof	1.98	^	Council Resources
		<u>4.19</u>		
Wellbeing & Housing	Warm Homes	0.45	^	Government Grant / Contributions
		<u>0.45</u>		
<u>Reductions to the Programme</u>				
Children & Learning	Fire Safety Works Mason Moor Primary	(0.07)	^	Government Grant
	Regent Park Sports Facility	(1.33)	^	Government Grant
	Springhill Primary Academy School - one modular building	(0.04)	^	Government Grant
	Schools Condition Works	(0.27)	^	Government Grant
	<u>(1.71)</u>			
Place	Crematorium Refurbishment	(0.49)	^	Council Resources / CIL
	Corporate Assets Decarbonisation Scheme (CADS)	(1.20)	^	Council Resources
	QE2 Mile - Bargate Square	(1.23)	^	Council Resources / S106
	District Centre Improvements	(2.00)	^	CIL Contributions
	TCF2 - A35-A33 Smart Technology	(0.28)	^	Government Grant
	TCF2 - Portsmouth Rd Cycle	(0.15)	^	Government Grant
	TCF2 - SCN6 Portswood Road Cycle	(0.19)	^	Government Grant
	TCF2 - High Street Swaythling Bus	(0.09)	^	Government Grant
	Carriageways	(2.00)	^	Council Resources
	Restoring and Promoting Heritage Assets	(1.98)	^	Council Resources
	<u>(9.61)</u>			
Wellbeing & Housing	1000 Parking Spaces (General Fund Element)	(0.22)	^	Council Resources
Total Variations to the Overall Programme		<u>(3.04)</u>		
	£M			
* - Approved By Council/Cabinet	0.00			
** - Approved under Delegated Powers	0.59			
^ - Require Approval	(3.63)			
Total Variations to the Overall Programme	<u>(3.04)</u>			

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DECISION-MAKER:	OVERVIEW AND SCRUTINY MANAGEMENT COMMITTEE		
SUBJECT:	MONITORING SCRUTINY RECOMMENDATIONS TO THE EXECUTIVE		
DATE OF DECISION:	22 NOVEMBER 2023		
REPORT OF:	SCRUTINY MANAGER		
<u>CONTACT DETAILS</u>			
Executive Director	Title	Executive Director – Corporate Services	
	Name:	Mel Creighton	Tel: 023 8083 3528
	E-mail	Mel.creighton@southampton.gov.uk	
Author:	Title	Scrutiny Manager	
	Name:	Mark Pirnie	Tel: 023 8083 3886
	E-mail	Mark.pirnie@southampton.gov.uk	
STATEMENT OF CONFIDENTIALITY			
N/A			
BRIEF SUMMARY			
This item enables the Overview and Scrutiny Management Committee to monitor and track progress on recommendations made to the Executive at previous meetings.			
RECOMMENDATIONS:			
	(i)	That the Committee considers the responses from the Executive to recommendations from previous meetings and provides feedback.	
REASONS FOR REPORT RECOMMENDATIONS			
1.	To assist the Committee in assessing the impact and consequence of recommendations made at previous meetings.		
ALTERNATIVE OPTIONS CONSIDERED AND REJECTED			
2.	None.		
DETAIL (Including consultation carried out)			
3.	Appendix 1 of the report sets out the recommendations made to the Executive at previous meetings of the Overview and Scrutiny Management Committee (OSMC). It also contains a summary of action taken by the Executive in response to the recommendations.		
4.	The progress status for each recommendation is indicated and if the OSMC confirms acceptance of the items marked as completed they will be removed from the list. In cases where action on the recommendation is outstanding or the Committee does not accept the matter has been adequately completed, it will be kept on the list and reported back to the next meeting. It will remain on the list until such time as the Committee accepts the recommendation as completed. Rejected recommendations will only be removed from the list after being reported to the OSMC.		

RESOURCE IMPLICATIONS	
<u>Capital/Revenue</u>	
5.	None.
<u>Property/Other</u>	
6.	None.
LEGAL IMPLICATIONS	
<u>Statutory power to undertake proposals in the report:</u>	
7.	The duty to undertake overview and scrutiny is set out in Part 1A Section 9 of the Local Government Act 2000.
<u>Other Legal Implications:</u>	
8.	None
RISK MANAGEMENT IMPLICATIONS	
9.	None.
POLICY FRAMEWORK IMPLICATIONS	
10.	None
KEY DECISION	No
WARDS/COMMUNITIES AFFECTED:	None directly as a result of this report
<u>SUPPORTING DOCUMENTATION</u>	
Appendices	
1.	Monitoring Scrutiny Recommendations – 22 November 2023
Documents In Members' Rooms	
1.	None
Equality Impact Assessment	
Do the implications/subject of the report require an Equality and Safety Impact Assessments (ESIA) to be carried out?	No
Data Protection Impact Assessment	
Do the implications/subject of the report require a Data Protection Impact Assessment (DPIA) to be carried out?	No
Other Background Documents Equality Impact Assessment and Other Background documents available for inspection at:	
Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
1.	None

Overview and Scrutiny Management Committee: Holding the Executive to Account

Scrutiny Monitoring – 22 November 2023

Date	Portfolio	Title	Action proposed	Action Taken	Progress Status
05/10/23	Adults, Health & Housing	Holcroft House Options – Call in	1) That, to enhance decision making moving forward, sufficient time is allowed for appropriate engagement with stakeholders.	The Administration remain committed to engaging with Stakeholders. With regard to Holcroft House a 90 day consultation was held, four meetings with relatives, and further ones offered, attendance at two scheduled OSMC meetings, a meeting with Unison and opposition member briefings.	
			2) That the Executive Director for Wellbeing and Housing ensures that the Council effectively supports the movement of residents between care homes and that recommended best practice is followed in this regard.	Agreed	
			3) That, at an appropriate time, an update report outlining progress with regards to the implementation of the recommendations within the Cabinet report is shared with the Committee.	Agreed	
12/10/23	Finance & Change	MTFS Update	1) That, whilst recognising the need for the Council to take timely decisions, the Executive commits to ensuring that, moving forward, the principles of transparency and openness continue to be employed by the Council when making decisions.	Response to be provided at 22 November OSMC meeting	
			2) That clarification is provided with regards to whether additional funding has been provided by the Government in 2023/24 specifically for pothole repairs.	Response to be provided at 22 November OSMC meeting	

Date	Portfolio	Title	Action proposed	Action Taken	Progress Status
12/10/23	Adults, Health & Housing	Adult Social Care Charging Policy	1) That the Committee are provided with the Executive's analysis with regards to the percentage of clients who will pay more for their care and the percentage of clients who will pay less for their care following the implementation of the proposed changes.	A response will be provided in advance of 22 November OSMC meeting.	
12/10/23	Environment & Transport	Change in City Centre Parking Charging Hours	1) That, at the earliest opportunity, the Executive seeks to identify solutions that will help to mitigate the impact of the proposals on charitable and community organisations in the city.	A response will be provided in advance of 22 November OSMC meeting.	
			2) That, at the earliest opportunity, the Administration invites Go South Coast to engage with faith communities and consider additional bus routes and increasing service frequency to enable modal shift to occur.	A response will be provided in advance of 22 November OSMC meeting.	