

Budget 2024/25 Consultation

Southampton City Council would like your views on our budget proposals for 2024/25. We would like to hear your thoughts on the proposals and any impacts or alternative suggestions you would like us to consider. Now is your opportunity to have your say.

An online version of this questionnaire can be found on Southampton City Council's website at www.southampton.gov.uk/budget-consultation

You can also email your consultation feedback or queries to yourcity.yoursay@southampton.gov.uk

This consultation closes 17 January 2024.

Background

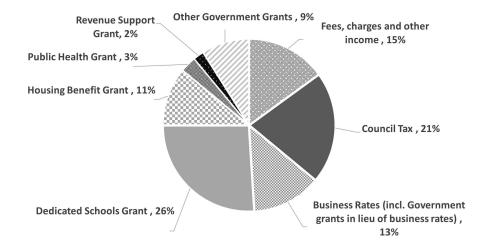
Like all councils, Southampton City Council is facing increasing demand on services at the same time as costs are rising.

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

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

Sources of income

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



This questionnaire will cover the following key budget proposals:

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

Further detail can be found within the Equality and Safety Impact Assessments online: www.southampton.gov.uk/budget-consultation

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

We are proposing to:

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

The aim of these proposals is to:

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

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

Further detail can be found within the Equality and Safety Impact Assessments online: www.southampton.gov.uk/budget-consultation

Question. To what extent do you agree or disagree with the proposals to...?

	Strongly agree	Agree	Neith	er Dis		Strongly lisagree
Introduce a council tax premium of 100% for people with second homes.					[
Introduce a council tax premium of 100% for people with properties that have remained empty for 12 months or more.					[
Question. What impact do you feel this wider community?	may have	e on you o	or your far	nily, your	business	or the
	A very positive impact	A fairly positive impact	No impact at all	A fairly negative impact	A very negative impact	Don't know
Introduce a council tax premium of 100% for people with second homes.						
Introduce a council tax premium of 100% for people with properties that have remained empty for 12 months or more.						

Question. If you disagree, or have any comments, impacts, suggestions or alternatives you feel we should consider, please provide details:				

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

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

Further detail can be found within the Equality and Safety Impact Assessments online: www.southampton.gov.uk/budget-consultation

Proposed rent increase

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

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

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

Proposed increase in landlord controlled heating charges

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

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

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

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

Question. To what extent do you agree or disagree with the proposals to...?

Increase Housing Rents	Strongly agree	Agree	Neith	ner Dis		Strongly disagree
Increase Landlord Controlled Heating charges						
Question. What impact do you feel th wider community?	is may hav	e on you	or your fa	mily, you	busines	s or the
In any case I I assessing Departs	A very positive impact	A fairly positive impact	No impact at all	A fairly negative impact	A very negative impact	Don't know
Increase Housing Rents						
Increase Landlord Controlled Heating charges						

Question. If you disagree, or have any comments, impacts, suggestions or alternatives you feel we should consider, please provide details:
About you
Which of the following describes your interest in this consultation? Please tick all that apply.
As an owner of a property in Southampton that is a second home
As an owner of a property in Southampton that is currently empty and unfurnished
As a tenant of a council owned home
As a tenant or leaseholder of a council owned property with landlord-controlled heating
Resident of Southampton
Resident elsewhere
Someone that works, visits, or studies in Southampton A private business
Public sector organisation
Third sector organisation (e.g. voluntary or community groups and charities, etc)
Employee of Southampton City Council
Political member
Other
If other, please specify:
What is your postcode?
This is used for geographical analysis only and will not be used to identify or contact you.

What is your sex?	
Male	Prefer not to say
Female	,
	Caltural at based at birth?
Is the gender you identify with the same as your	
Yes	Prefer not to say
No	
If no, please write in your gender identity:	
What is your age?	
Under 18	55 - 64
18 - 24	65 - 74
25 - 34	75+
35 - 44	Prefer not to say
45 - 54	,
What is your ethnic group?	
Asian or Asian British	White other
Black, Black British, Caribbean or African	Other ethnic group
Mixed or multiple ethnic groups	Prefer not to say
White British	i relet net to say
If other, please specify:	
Do you have any physical or mental conditions of have a substantial effect on your ability to carry	
Yes	Prefer not to say
No	
What happens next?	
The consultation closes on 17 January 2024 . After	this date, all feedback will be analysed and
considered before a final decision is made.	this date, all reedback will be allarysed and
Please return completed surveys to:	
Consultations, First Floor, West Wing, Civic Centre, Southampton, SO14 7LY	

Alternatively, please hand completed surveys back to any Southampton City Council-run library.

The information collected about you during this survey will only be used for the purposes of research. We may use it to contact you about this. We will only share your information with other organisations or council departments if we need to. We may also share it to prevent, investigate or prosecute criminal offences, or as the law otherwise allows. Please be aware that any comments given on this form may be published in the report. However, the council will endeavour to remove any references that could identify individuals or organisations. Our Privacy Policy (http://www.southampton.gov.uk/privacy) explains how we handle your personal data, and we can provide a copy if you are unable to access the Internet.