

## 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](http://www.southampton.gov.uk/budget-consultation)

You can also email your consultation feedback or queries to [yourcity.yoursay@southampton.gov.uk](mailto:yourcity.yoursay@southampton.gov.uk)

This consultation closes **17 January 2024**.

### Background

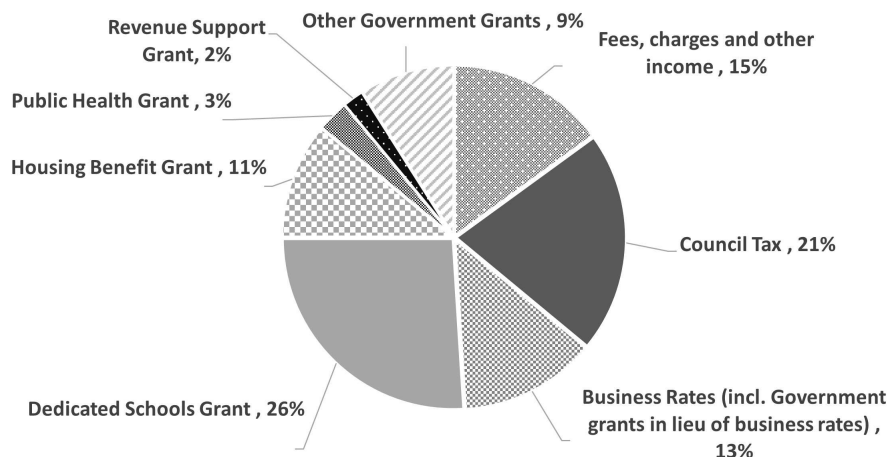
Like all councils, Southampton City Council is facing increasing demand on services at the same time as costs are rising.

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. Whilst we need to ensure we have sufficient funds to provide home improvements and invest in our housing stock, the budget is under significant pressure from increased costs.

### Sources of income

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





**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](http://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.



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

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### ***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

**Is the gender you identify with the same as your sex registered at birth?**

- 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

If other, please specify:

**Do you have any physical or mental conditions or impairments, lasting 12 months or more, that have a substantial effect on your ability to carry out day-to-day activities?**

- Yes  Prefer not to say  
 No

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***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.

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.