

RECORD OF EXECUTIVE DECISION

Tuesday, 5 March 2024

Decision No: (CAB 23/24 43661)

DECISION-MAKER:	CABINET
PORTFOLIO AREA:	Cabinet Member for Finance and Change
SUBJECT:	The 2024/25 Budget and Medium Term Financial Strategy
AUTHOR:	Mel Creighton

THE DECISION

GENERAL FUND REVENUE

Cabinet is recommended to:

- (i) Recommend to Council the Medium-Term Financial Strategy 2024/25 to 2027/28 as set out in table 1 and Appendix 1.
- (ii) Recommend to Council the Revenue Budget for 2024/25 as set out in table 2 and Appendices 1 and 2.
- (iii) Recommend to Council the inclusion in the budget General Fund pressures totalling £42.03M in 2024/25, increasing to £51.21M in 2027/28, as detailed in paragraph 33.
- (iv) Recommend to Council the inclusion of new commitments totalling £0.86M in 2024/25, increasing to £4.89M in 2027/28, as detailed in paragraph 36.
- (v) Recommend to Council the inclusion of savings proposals totalling £22.68M in 2024/25 General Fund Revenue Budget, reducing to £20.94M in 2027/28, as detailed in paragraph 40.
- (vi) Note that the Government is minded to provide Exceptional Financial Support (EFS) to the Council. This will be in the form of capitalisation direction, to ensure the council can agree a balanced budget for 2024/25 has sufficient resources to pay for transformation and other work needed to ensure the council is on a sustainable financial footing in future, and meet other potential liabilities.
- (vii) Recommend to Council the establishment of a comprehensive Transformation Programme as detailed in paragraphs 59 to 63 and associated funding of up to £10.62M from a combination of capital resources and Transformation Reserve. To further recommend to delegate to the Chief Executive (after consultation with the Leader of the Council) the drawdown of funding and the establishment of a resource plan as required for the Transformation Programme.
- (viii) Recommend to Council the adoption of the Business Planning and Budget Framework set out at paragraph 64 and Appendix 6.

- (ix) Recommend to Council an increase in the 'core' council tax of 2.99% and an increase in the Adult Social Care precept of 2.00%, allowable under general powers to increase council tax without a referendum.
- (x) Recommend to Council that it sets the Band D Council Tax for Southampton City Council at £1,812.69 for 2024/25, a Net Budget Requirement of £239.24M and the Council Tax Requirement for 2024/25 at £121.43M as per Appendix 9. The Council Tax increase comprises a core increase of 2.99% and 2.00% specifically for Adult Social Care.
- (xi) Note the summary of changes to fees and charges set out in paragraph 89 and Appendix 12 and recommend Council to approve the increase in Careline charges set out in Appendix 12.
- (xii) Recommend to Council the endorsement of the Statement of the S151 Officer as set out in paragraphs 118 to 124 on the robustness of the budget and the adequacy of the council's reserves.

Other Recommendations

- (xiii) Recommend to Council the content of the procurement pipeline 2024-29 contained at Appendix 7.
- (xiv) Recommend the delegation of authority to the Executive Director Corporate Services & S151 Officer and the Executive Director of Place (after consultation with the relevant Cabinet Member) everything that is necessary to prepare a specification, carry out a procurement process or other route to market and to appoint a single provider(s) for the delivery of highways and associated services for a maximum period of 15 years, including approving the utilisation of any contractually permitted extension as set out in Appendix 8.
- (xv) Recommend to Council the adoption of the draft corporate debt policy and combined council tax and business rates recovery policy at annexes 6 and 7 to the MTFs (Appendix 1).
- (xvi) Approve the acceptance of 2024/25 Rough Sleeper Initiative Funding of circa £0.80M.
- (xvii) Recommend to Council the application of Council Tax premiums on properties empty for 12 months or more (from 2024/25) and second homes (from 2025/26).

REASONS FOR THE DECISION

The Council's Constitution requires Full Council to set Council Tax and agree the Budget for the forthcoming financial year. This report sets out the budget proposals for Cabinet's consideration so that it can make recommendations to Full Council, to enable it to agree the Budget and set Council Tax for the year.

DETAILS OF ANY ALTERNATIVE OPTIONS

The Council can set a balanced budget for 2024/25. This is on the basis that the council has accepted the Exceptional Financial Support (EFS) package that the Government is minded to offer. Without EFS, the S151 Officer would have been

obliged to issue a s114 notice.

OTHER RELEVANT MATTERS CONCERNING THE DECISION

At the Extraordinary Overview Scrutiny and Management Committee on 4th March 2024 the following recommendation was made to Cabinet:-

- (i) The Committee to receive regular reporting of transformation progress over the next municipal year detailing the impact on services and citizens – Recommendation accepted.

CONFLICTS OF INTEREST

None

CONFIRMED AS A TRUE RECORD

We certify that the decision this document records was made in accordance with the Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2000 and is a true and accurate record of that decision.

Date: 5th March 2024

Decision Maker:
The Cabinet

Proper Officer:
Claire Heather

SCRUTINY

Note: This decision will come in to force at the expiry of 5 working days from the date of publication subject to any review under the Council's Scrutiny "Call-In" provisions.

Call-In Period expires on 14 March 2024

Date of Call-in (*if applicable*) (*this suspends implementation*)

Call-in Procedure completed (*if applicable*)

Call-in heard by <i>(if applicable)</i>
Results of Call-in <i>(if applicable)</i>