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## SOUTHAMPTON CITY COUNCIL

### MINUTES OF THE COUNCIL MEETING HELD ON 11 FEBRUARY 2015

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#### Present:

The Mayor, Councillor Mrs Blatchford  
The Sheriff, Councillor Norris  
Councillors Baillie, Barnes-Andrews, Bogle, Chaloner, Chamberlain, Claisse, Coombs, Daunt, Denness, Fitzhenry, Galton, Hammond, Hannides, B Harris, L Harris, Hecks, Inglis, Jeffery, Kaur, Keogh (item 76 (ii) onwards), Letts, Lewzey, Lloyd, McEwing, Mintoff, Morrell, Moulton, Noon, O'Neill, Dr Paffey, Painton, Parnell, Payne, Pope, Rayment, Shields, Spicer, Stevens, Thomas, Thorpe, Tucker, Vassiliou, Whitbread and White

#### 74. APOLOGIES

Apologies for absence were received on behalf of Councillors Burke and Smith.

#### 75. ANNOUNCEMENTS FROM THE MAYOR AND LEADER

##### Director, Place, Stuart Love

The Mayor thanked Stuart Love for his work with the Council since his appointment as Director, Place in 2013. On behalf of all Members, the Mayor wished him well in his future career and in his new appointment at Westminster Council.

#### 76. DEPUTATIONS, PETITIONS AND PUBLIC QUESTIONS

- (i) The Council received and noted a deputation together with a petition from Mr P. Williams and Mr S. Gould concerning the Library Service in Southampton; and
- (ii) The Council received and noted a deputation from Mr N. Chaffey concerning the Council Budget.

#### 77. EXCLUSION OF THE PRESS AND PUBLIC - CONFIDENTIAL PAPERS INCLUDED IN MINUTE 78

RESOLVED: 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 appendix to Minute 78.

Appendix 5 is confidential, the confidentiality of which is based on category 3 of paragraph 10.4 of the Council's Access to Information Procedure Rules. It is not in the public interest to disclose this because doing so would prejudice the authority's ability to achieve best consideration for the disposal of land (the identify of preferred developer and the figures associated with the land transaction are commercially sensitive).

78. COUNCIL TAX SETTING AND RELATED MATTERS

(A) GENERAL FUND CAPITAL PROGRAMME 2014/15 TO 2017/18

(B) GENERAL FUND REVENUE BUDGET 2015/16 TO 2017/18

The reports of the Cabinet Member for Resources and Leisure were submitted seeking approval to the updated Capital Programme for 2014/15 - 2017/18 together with the latest estimated overall financial position on the General Fund Revenue Budget for 2015/16 - 2017/18 and outlining the main issues that needed to be addressed in considering the Cabinet's budget proposals. The recommendations therein as amended by Executive Budget Resolution 2015/16 to comprise the Executive's budget proposals were moved by Councillor Barnes-Andrews and seconded by Councillor Letts (copies of reports circulated with agenda and appended to signed minutes and a copy of the amended Executive Budget resolution as circulated at the meeting attached as Appendix 1 to these minutes).

The Council agreed to suspend Council Procedure Rules 14.2, 14.4, 14.5, 14.6, 14.7, 14.8, 14.9 and 16.2:-

- (i) to enable the above items to be considered together;
- (ii) to enable any amendments to be proposed, seconded and considered at the same time;
- (iii) to enable any amendment to be re-introduced later into the meeting; and
- (iv) to revise the time allowed for speakers as follows:-
  - Movers of motions - 10 minutes
  - Seconders - 5 minutes
  - Other Speakers - 4 minutes

Amendment moved by Councillor Hannides and seconded by Councillor Moulton:

"To amend the General Fund Budget by removing the £391,000 from the Medium Term Financial Reserve and instead placing it in General Fund Balances".

UPON BEING PUT TO THE VOTE THE AMENDMENT WAS DECLARED LOST

UPON BEING PUT TO THE VOTE THE EXECUTIVE'S BUDGET PROPOSALS AS AMENDED WERE DECLARED CARRIED.

RESOLVED that the General Fund Capital Programme 2014/15 to 2017/18 and the General Fund Revenue Budget 2015/16 to 2017/18, as amended by Executive Budget Resolution 2015/16 (Appendix 1 to these minutes) be adopted.

NOTE: All members of the Council declared a pecuniary Interest in the above matter, as payers and setters of Council Tax, and remained in the meeting during the consideration of the matter.

NOTE - FOR THE AMENDMENT: Councillors Baillie, Claisse, Daunt, Fitzhenry, Galton, Hannides, B. Harris, L. Harris, Hecks, Inglis, O'Neill, Moulton, Norris, Painton, Parnell, Vassiliou and White

NOTE - AGAINST THE AMENDMENT: Councillors Barnes-Andrews, Mrs Blatchford, Bogle, Chaloner, Chamberlain, Coombs, Denness, Hammond, Jeffery, Kaur, Keogh, Letts, Lewzey, Lloyd, McEwing, Mintoff, Noon, Dr. Paffey, Payne, Pope, Rayment, Shields, Spicer, Stevens, Thorpe, Tucker and Whitbread

ABSTAINED – Councillors Morrell and Thomas

NOTE – FOR THE SUBSTANTIVE MOTION: Councillors Barnes-Andrews, Mrs Blatchford, Bogle, Chaloner, Chamberlain, Coombs, Denness, Hammond, Jeffery, Kaur, Keogh, Letts, Lewzey, Lloyd, McEwing, Mintoff, Noon, Dr. Paffey, Payne, Pope, Rayment, Shields, Spicer, Stevens, Thorpe, Tucker and Whitbread

NOTE – AGAINST THE SUBSTANTIVE MOTION: Councillors Baillie, Claisse, Daunt, Fitzhenry, Galton, Hannides, B. Harris, L. Harris, Hecks, Inglis, O'Neill, Morrell, Moulton, Norris, Painton, Parnell, Thomas, Vassiliou and White

## 79. HOUSING REVENUE ACCOUNT BUDGET REPORT AND BUSINESS PLAN

The report of the Cabinet Member for Housing and Sustainability was submitted seeking approval for the Housing Revenue Account budget proposals and long term business plan (copy of report circulated with agenda and appended to signed minutes).

### RESOLVED:

- (i) that the Tenant Resources Group be thanked for their input to the capital and revenue budget setting process and their endorsement of the recommendations set out in the report be noted together with the broad support for the proposals received at the Tenants' Winter Conference;
- (ii) that the following be approved to calculate the dwelling rent increase from 1 April 2015:
  - That the standard increase applied to all dwelling rents should be 2.2% (CPI plus 1.0%), as set out in paragraph 11 of the report, equivalent to an average increase of £1.84 per week; and
  - That dwelling specific adjustments should be made to give an additional increase in average rent levels of 1.3% (£1.09 per week), subject to the total increase from both elements not exceeding £10.00 per week for any individual property, as set out in paragraph 13 of the report;
- (iii) that based on the calculation set out in resolution (ii) above, it be approved that with effect from the 1 April 2015, the current average weekly dwelling rent figure of £83.92 should increase by 3.5%, which will equate to an average increase of £2.93 per week;
- (iv) that it be noted that the actual total increase in individual rents would vary by property, as explained in paragraph 14 of the report;
- (v) that it be noted that the following weekly service charges from 1 April 2015 based on a full cost recovery approach:
  - Digital TV £0.42 (unchanged from 2014/15)
  - Concierge £1.20 (unchanged from 2014/15)
  - Tower Block Warden £4.97 (unchanged from 2014/15);
- (vi) that it be noted the new cleaning charge for walk up blocks of £0.63 per week, which was introduced from July 2014, would also be unchanged from 1 April 2015;

- (vii) that it be noted the service charges for supported accommodation would continue at the rates approved in February 2013;
- (viii) that it be noted the charges for garages and parking spaces for 2015/16 will be increased by 1.2% in line with the increase in CPI;
- (ix) that the Housing Revenue Account Revenue Estimates as set out in Appendix 1 to the report be approved;
- (x) that the addition of £12,272,000 to the Housing Revenue Account Capital Programme for a Provision of Social Housing Scheme, funded from retained 'right to buy' capital receipts (30%) and borrowing (70%), as set out in paragraphs 34 to 36 of the report, be approved;
- (xi) that the revised Housing Revenue Account 5 Year Capital Programme set out in Appendix 2 to the report be approved and the key variances and issues as set out in Appendix 3 to the report be noted;
- (xii) that the 30 year Business Plans for revenue and capital expenditure as set out in Appendices 4 and 5 to the report respectively be approved;
- (xiii) that the HRA Business Plan - Planning Assumptions, as set out in Appendix 6 to the report, be noted; and
- (xiv) that it be noted that the rental income and service charge payments would continue to be paid by tenants over a 48 week period.

80. TREASURY MANAGEMENT STRATEGY AND PRUDENTIAL LIMITS 2015/16 TO 2017/18

The report of the Chief Financial Officer was submitted regarding the Council's proposed treasury management strategy for the coming year in relation to the Council's cash flow, investment and borrowing, and the management of the numerous risks related to this activity (copy of report circulated with agenda and appended to signed minutes).

RESOLVED:

- (i) that the Council's Treasury Management (TM) Strategy and Prudential Indicators for 2015/16, 2016/17 and 2017/18, as detailed within the report, be approved;
- (ii) that the 2015 Minimum Revenue Provision (MRP) Statement, as detailed in paragraphs 68 to 77 of the report, be approved;
- (iii) that the Annual Investment Strategy, as detailed in paragraphs 37 to 48 of the report, be approved;
- (iv) that it be noted that at the time of writing the report the recommendations in the Capital Programme Update report, had not been approved. The indicators in the report were based on the assumption that such recommendations would be approved, but should this not be the case, the Prudential Indicators may have to be recalculated; and
- (v) that delegated authority continue to be delegated to the Chief Financial Officer (CFO), following consultation with the Cabinet Member for Resources and Leisure, to approve any changes to the Prudential Indicators or borrowing limits that will aid good treasury management. Any amendments would be reported as part of quarterly financial and performance monitoring and in revisions to the TM Strategy.

81. IMPLEMENTING THE COUNCIL STRATEGY 2014-2017: TRANSFORMATION PROGRAMME UPDATE

The joint report of the Cabinet Member for Education and Change and the Cabinet Member for Resources and Leisure was submitted detailing the progress made in implementing the transformation programme (copy of report circulated with agenda and appended to signed minutes).

RESOLVED:

- (i) that the Outline Business Case set out in Section A of the report be approved;
- (ii) that the new operating model for the Council as set out in Section D of the report be endorsed;
- (iii) that the high level implementation plan set out in Appendix 1 to the report be approved;
- (iv) that it be noted that regular updates on the position and progress of the Transformation Programme would be provided to Cabinet and (by agreement with the Chair), Overview and Scrutiny Management Committee; and
- (v) that delegated authority be granted to the Chief Executive to take any further action necessary to give effect to the decisions of the Executive in relation to this matter.

82. SAFE CITY AND YOUTH JUSTICE STRATEGIES

The report on the urgent decision made by the Chief Executive on 30th November 2014 to approve the Safe City and Youth Justice Strategies was noted (copy of report circulated with the agenda and appended to signed minutes).

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## APPENDIX 1

### LABOUR GROUP BUDGET RESOLUTION 2015/16

#### **It is recommended that Council:**

- i) Notes the budget consultation process that was followed as outlined in Appendix 1 to the General Fund Revenue Budget 2015/16 to 2017/18 report on the Council agenda and notes that this year's process took into consideration feedback from last year on how to improve the process.
- ii) Notes that the consultation feedback has been taken into consideration by the Cabinet and has informed their final budget proposals.
- iii) Notes the Equality and Safety Impact Assessment process that was followed as set out in paragraphs 18 to 20 and the details contained in Appendix 2 of the General Fund Revenue Budget 2015/16 to 2017/18 report on the Council agenda, which reflect the feedback received through the consultation process.
- iv) Approves the revised estimate for 2014/15 as set out in Appendix 3 of the General Fund Budget 2015/16 to 2017/18 report on the Council agenda.
- v) Notes the position on the forecast roll forward budget for 2015/16 as set out in paragraphs 34 to 77 of the General Fund Revenue Budget 2015/16 to 2017/18 report on the Council Agenda.
- vi) Approves the revenue pressures and bids as set out in Appendix 4 and 5 respectively of the General Fund Revenue Budget 2015/16 to 2017/18 report on the Council agenda.
- vii) Approves the efficiencies, income and service reductions as set out in Appendix 6b of the General Fund Revenue Budget 2015/16 to 2017/18 report on the Council agenda.
- viii) Approves the updated General Fund Revenue Budget 2015/16 as set out in Annex 2 of this resolution, which assumes a council tax increase of 1.99%, with detailed changes from the published General Fund Revenue Budget 2015/16 to 2017/18 Report set out in Annex 1.
- ix) Delegates authority to the Chief Financial Officer (CFO) to action all budget changes arising from the approved pressures, bids, efficiencies, income and service reductions and incorporate any other approved amendments into the General Fund estimates.
- x) Notes that after taking these items into account, there is an estimated General Fund balance of £9.6M at the end of 2017/18 as detailed in paragraph 114 of the General Fund Revenue Budget 2015/16 to 2017/18 report on the Council agenda. An updated balances table is attached as Annex 5.
- xi) Delegates authority to the Chief Financial Officer, in consultation with the Head of Legal and Democratic Services, to do anything necessary to give effect to the recommendations in this Resolution.

- xii) Sets the Council Tax Requirement for 2015/16 at £77.27M.
- xiii) Notes the estimates of precepts on the Council Tax collection fund for 2015/16 as set out in Annex 3 to this Resolution.
- xiv) Delegates authority to the Chief Financial Officer to implement any variation to the overall level of Council Tax arising from the final notification of the Hampshire Fire and Rescue Authority precept and the Police and Crime Commissioner for Hampshire precept.
- xv) Notes the Medium Term Financial Strategy as detailed in Appendix 10 of the General Fund Revenue Budget 2015/16 to 2017/18 report on the Council agenda including the updated Medium Term Financial Forecast in Annex 4 of this Resolution.
- xvi) Approves the Reserves Policy as set out in the Medium Term Financial Strategy at Appendix 10 of the General Fund Revenue Budget 2015/16 to 2017/18 report on the Council agenda.
- xvii) Approves the creation of a Medium Term Financial Risk Reserve with a contribution of £3.28M in 2015/16 and to delegate authority to draw on this reserve to the Chief Financial Officer and Chief Executive in consultation with the Cabinet Member for Resources as set out in paragraph 119 of the General Fund Revenue Budget 2015/16 to 2017/18 report on the Council agenda and amended by the changes in Annex 2 to this Resolution.
- xviii) Authorises the Chief Executive and Chief Officers to pursue the development of the options for efficiencies, income and service reductions as set out in Appendix 6b of the General Fund Revenue Budget 2015/16 to 2017/18 report on the Council agenda, for the financial years 2016/17 and 2017/18 and continue to develop options to close the remaining projected gaps in those years.
- xix) Approves entering in to an agreement with the Local Capital Finance Company and to approve a £20,000 investment in the Company in 2015/16 to enable SCC to have access to this competitive alternative borrowing source, as set out in paragraph 85 of the General Fund Revenue Budget 2015/16 to 2017/18 report on the Council agenda.
- xx) Approves entering into a Section 75 (S75) of the National Health Service Act 2006 Partnership Agreement pooled fund, noting the minimum statutory requirement to pool £15.325m revenue (SCC contribution £5.085M) and £1.526m (all SCC contribution) capital as detailed in paragraphs 124 to 128 of the General Fund Revenue Budget 2015/16 to 2017/18 report on the Council agenda.
- xxi) Note the actual S75 pooled fund to be set up will be an estimated £61M and approve a total SCC contribution of £5.3M revenue and £1.526M capital, from 1 April 2015.
- xxii) Approves, in conjunction with recommendation xxiii, the addition of the remaining budgets included within the schemes as per the Better Care Plan, into the pooled fund as and when appropriate, bringing the total value to approximately £132M (SCC contribution of £51M).



- xxiii) Delegates authority to the Director of People, following consultation with the lead Cabinet Member for Health and Adult Social Care, the Chair of the Health and Wellbeing Board and the Head of Legal and Democratic Services, to (a) agree the terms and conditions of the pooled fund agreement under S75 of the National Health Service Act 2006 and (b) to carry out any ancillary actions needed to give effect to this recommendation.
- xxiv) Approves the following amounts now calculated by the Council for the year 2015/16 in accordance with Section 31 and Sections 34 to 36 of the Local Government Finance Act 1992 as amended (the Act).
- xxv) Determines in accordance with Section 52ZB of the Act that the Council's relevant basic amount of Council Tax for 2015/16 is not excessive in accordance with principles approved by the Secretary of State under Section 52ZC of the Act.

a)	Aggregate the amounts which the Council estimates for the items set out in Section 31A(2) of the Act.		£533,293,900
b)	Aggregate the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.		£456,024,300
c)	Calculation in accordance with Section 31A(4) of the Act, of the Council's council tax requirement for the year, being the amount by which the aggregate at a) above exceeds the aggregate at b) above. (Item R in the formulae in Section 31B(1) of the Act.		£77,269,600
d)	The amount at c) above (Item R), divided by the Council Tax Base of 58,825.0 (Item T in the formula in Section 31B(1) of the Act), as the basic amount of Council Tax for the year.		£1,313.55
e)	Precepting Authority – Southampton City Council	Valuation Band	Amount
		A	£875.70
		B	£1,021.65
		C	£1,167.60
		D	£1,313.55
		E	£1,605.46
		F	£1,897.36
		G	£2,189.26
		H	£2,627.11
	Being the amounts given by multiplying the amount of d) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in the proportion is applicable to dwellings listed in valuation band D, calculated by the Council, in accordance with Section 36(1) of the Act, as the amount to be taken into account for the year in		

	respect of the dwellings listed in different valuation bands.		
f)	That it be noted for the year 2015/16 that the Police And Crime Commissioner for Hampshire are provisionally recommending the following amounts of precepts issued to the Council in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown in the following table:	Valuation Band	Amount
		A	£104.89
		B	£122.37
		C	£139.85
		D	£157.33
		E	£192.29
		F	£227.26
		G	£262.22
		H	£314.66
g)	That it be noted for the year 2015/16 that the Hampshire Fire and Rescue Authority are provisionally recommending the following amounts of precepts issued to the Council in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown in the following table:	Valuation Band	Amount
		A	£40.92
		B	£47.74
		C	£54.56
		D	£61.38
		E	£75.02
		F	£88.66
		G	£102.30
		H	£122.76
h)	That, having calculated the aggregate in each case of the amounts at e), f) and g) above, the Council in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby set the following amounts of the Council Tax for the year 2015/16 for each of the categories of dwellings shown below subject to final notification of the precepts for the Police and Crime Commissioner for Hampshire and the Hampshire Fire and Rescue Authority:	Valuation Band	Amount
		A	£1,021.51
		B	£1,191.76
		C	£1,362.01
		D	£1,532.26
		E	£1,872.77
		F	£2,213.28
		G	£2,553.78
		H	£3,064.53



## EXPLANATIONS OF CHANGES

When the General Fund Revenue Budget 2015/16 to 2017/18 report was published, it was acknowledged that a number of factors could potentially change which would affect the budget proposed. It was advised that any changes required would be highlighted and taken into account if necessary in a revised budget proposal for the Council meeting on 11 February 2015.

The areas that remained to be clarified were:

- The final Local Government Finance Settlement.
- The Council Tax Referendum threshold
- The provisional notification of the Hampshire Fire and Rescue Authority precept and the Police and Crime Commissioner for Hampshire precept.

The current position for each of these elements is set out below.

### FINAL LOCAL GOVERNMENT SETTLEMENT

The final settlement was published on 3 February 2015 and confirmed that there are no changes to the proposals that were previously announced at the provisional settlement (i.e. the methodology used to determine Settlement Funding Assessment figures and related specific grants remain unchanged).

However, there has been an increase to Revenue Support Grant (RSG) nationally of £74M for 2015/16 to upper tier authorities to assist them in dealing with pressures on local welfare and health and social care. This has resulted in an increase in the Council's Revenue Support Grant of £391,000. This has resulted in the Council's actual reduction in RSG being 27.8% rather than 28.5%, and the actual grant allocation being £42.864M an increase of £0.652M on the original forecast position.

The table below details the revised level of non specific grants for the period 2015/16 to 2017/18

<b>Grant</b>	<b>Estimate 2015/16 £M</b>	<b>Estimate 2016/17 £M</b>	<b>Estimate 2017/18 £M</b>
Revenue Support Grant	42.864	30.054	19.214
Housing and Council Tax Benefit Subsidy Admin Grant	1.783	0.309	0.272
Lead Local Flood Authority - Paid Via LSSG	0.065	0.020	0.018
Education Services Grant	2.000	1.728	1.389
Community Right to Challenge	0.009	0.008	0.007
Community Right to Bid	0.008	0.007	0.006
Local Reform and Community Voices	0.150	0.126	0.105
Council Tax - New Burdens Funding	0.146	0.128	0.113
New Homes Bonus	4.342	0.000	0.000
<b>Total</b>	<b>51.367</b>	<b>32.381</b>	<b>21.123</b>

As the 2015/16 budget has already been balanced and this relatively small allocation has been notified at such a late stage it is proposed to transfer the additional allocation into the Medium Term Financial Risk Reserve, to assist in addressing the potential issues the Council faces in the forthcoming five years. This will bring the total being transferred into this reserve to £3.281M. The updated 2015/16 General Fund Revenue Account is attached at Annex 2 and an updated Medium Term Financial Forecast at Annex 4.

Attached at Annex 5 is also a Revised General Fund Balance table which rectifies an erroneous line. It does not impact on the final totals or any other areas of the report

### **COUNCIL TAX REFENDUM THRESHOLD**

At the time of writing the General Fund Revenue Budget 2015/16 to 2017/18 report, the Government had provisionally announced a Council Tax Referendum threshold for the 2015/16 budget year at 2%. The Minister's written statement for the Final Local Government Finance Settlement confirmed that the referendum limit is set at 2%. Therefore there is no change to the 1.99% increase assumed in the published report.

### **THE PROVISIONAL NOTIFICATION OF THE HAMPSHIRE FIRE AND RESCUE AUTHORITY PRECEPT AND THE POLICE AND CRIME COMMISSIONER FOR HAMPSHIRE PRECEPT**

The Police and Crime Commissioner for Hampshire are provisionally recommending an increase in precepts issued to the Council of 1.99%. This has not been reflected in the published General Fund Revenue Budget 2015/16 to 2017/18 report. The updated Collection Fund Estimates for 2015/16 are attached in Annex 3.

## ANNEX 2

2015/16 GENERAL FUND REVENUE ACCOUNT

	2015/16 Forecast	Revenue Pressures	Revenue Bids	Savings & Income	2015/16 Budget
	£000	£000	£000	£000	£000
<b>Portfolios</b>					
Children's Services	55,096.0	3,100.0		(2,039.1)	56,156.9
Communities	2,090.7			(235.3)	1,855.4
Environment & Transport	36,218.1	205.0		(1,943.6)	34,479.5
Health & Adult Social Care	67,443.4	3,200.0		(3,115.7)	67,527.7
Housing & Sustainability	2,791.2			(104.4)	2,686.8
Leader's Portfolio	5,126.3			(338.1)	4,788.2
Resources & Leisure	29,891.5		126.0	(2,193.3)	27,824.2
	<b>198,657.2</b>	<b>6,505.0</b>	<b>126.0</b>	<b>(9,969.5)</b>	<b>195,318.7</b>
<b>Levies &amp; Contributions</b>					
Southern Seas Fisheries Levy	32.4				32.4
Flood Defence Levy	39.8				39.8
Coroners Service	560.0				560.0
	<b>632.2</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>632.2</b>
<b>Capital Asset Management</b>					
Capital Financing Charges	13,321.6				13,321.6
Capital Asset Management Account	(24,503.4)				(24,503.4)
	<b>(11,181.8)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>(11,181.8)</b>
<b>Other Expenditure &amp; Income</b>					
Direct Revenue Financing of Capital	0.0				0.0
Trading Areas (Surplus) / Deficit	6.6			(10.5)	(3.9)
Net Housing Benefit Payments	(758.2)				(758.2)
Non-Specific Government Grants & Other Funding	(51,366.3)				(51,366.3)
Business Rates	(50,135.2)				(50,135.2)
Council Tax Collection Fund (Surplus) / Deficit	(3,205.5)				(3,205.5)
Business Rates Collection Fund (Surplus)/Deficit	(2,368.7)				(2,368.7)
Open Spaces and HRA	435.7				435.7
Risk Fund	4,502.5				4,502.5
Contingencies	250.0				250.0
	<b>(102,639.1)</b>	<b>0.0</b>	<b>0.0</b>	<b>(10.5)</b>	<b>(102,649.6)</b>
<b>NET GF SPENDING</b>	<b>85,468.5</b>	<b>6,505.0</b>	<b>126.0</b>	<b>(9,980.0)</b>	<b>82,119.5</b>
<b>Draw from Balances:</b>					
Addition to / (Draw From) Balances	(7,130.4)				(7,130.4)
Addition to / (Draw From) Reserves	2,280.5				2,280.5
To Fund the Capital Programme	0.0				0.0
	<b>(4,849.9)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>(4,849.9)</b>
Revenue Pressures	6,505.0	(6,505.0)			0.0
<b>Net Gap in Budget After Pressures</b>	<b>9,854.0</b>	<b>0.0</b>	<b>126.0</b>	<b>(9,980.0)</b>	<b>0.0</b>

## COUNCIL TAX REQUIREMENT

77,269.6	0.0	0.0	0.0	77,269.6
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## ANNEX 3

COLLECTION FUND ESTIMATES 2015/16

	<b>2014/15 £000</b>	<b>2015/16 £000</b>	<b>Change £000</b>	<b>Change %</b>
Southampton City Council Precept	73,467.0	77,269.6	3,802.6	5.18%
Hampshire Police Precept	8,799.6	9,254.9	455.3	5.17%
Fire and Rescue Services Precept	3,501.4	3,610.7	109.3	3.12%
Income due from Council Tax Payers	85,768.0	90,135.2	4,367.2	5.09%
Tax Base for Area	57,044.0	58,825.0	1,781.0	3.10%
<b>Basic Amount of Tax for Band D Property</b>	<b>1,503.54</b>	<b>1,532.26</b>	<b>28.72</b>	<b>1.91%</b>

**MEDIUM TERM FINANCIAL FORECAST**

Portfolios	2015/16	Base	2016/17	Base	2017/18	Base	2018/19	Base	2019/20
	Forecast	Changes	Forecast	Changes	Forecast	Changes	Forecast	Changes	Forecast
	£M	£M	£M	£M	£M	£M	£M	£M	£M
Children's Services	55.1		55.1		55.1		55.1		55.1
Communities	2.1		2.1		2.1		2.1		2.1
Environment & Transport	36.2		36.2		36.2		36.2		36.2
Health & Adult Social Care	67.5		67.5		67.5		67.5		67.5
Housing & Sustainability	2.8		2.8		2.8		2.8		2.8
Leader's Portfolio	5.1		5.1		5.1		5.1		5.1
Resources & Leisure	29.9		29.9	1.4	31.3		31.3		31.3
Add Pressure - Future Years (Known)	6.6		6.6	(0.4)	6.2		6.2		6.2
Add Pressures - Future Years (Unknown)	0.0	1.0	1.0	1.0	2.0	1.0	3.0	1.0	4.0
Base Changes & Inflation	0.0	8.1	8.1	8.8	16.9	9.3	26.2	9.5	35.8
<b>Sub-total for Portfolios</b>	<b>205.3</b>	<b>9.1</b>	<b>214.4</b>	<b>10.8</b>	<b>225.2</b>	<b>10.3</b>	<b>235.5</b>	<b>10.5</b>	<b>246.1</b>
<b>Levies &amp; Contributions</b>	0.6	0.0	0.6	0.0	0.6	0.0	0.6	0.0	0.6
<b>Capital Asset Management</b>	(11.2)	1.5	(9.7)	0.2	(9.5)	0.0	(9.5)	0.0	(9.5)
<b>Other Expenditure &amp; Income</b>									
Direct Revenue Financing of Capital	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Trading Areas (Surplus) / Deficit	(0.0)	0.0	(0.0)	0.0	(0.0)	0.0	(0.0)	0.0	(0.0)
Net Housing Benefit Payments	(0.8)	0.0	(0.8)	0.0	(0.8)	0.0	(0.8)	0.0	(0.8)
Open Spaces and HRA	0.4	0.0	0.4	0.0	0.4	0.0	0.4	0.0	0.4
Risk Fund	4.5	0.3	4.8	0.6	5.3	0.3	5.6	0.3	5.9
Contingencies	0.3	0.0	0.3	0.0	0.3	0.0	0.3	0.0	0.3
Addition to / (Draw From) Reserves	2.3	(2.3)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Sub-total for Other Expenditure &amp; Income</b>	<b>6.7</b>	<b>(2.0)</b>	<b>4.7</b>	<b>0.6</b>	<b>5.3</b>	<b>0.3</b>	<b>5.6</b>	<b>0.3</b>	<b>5.9</b>



<b>Net Revenue Expenditure</b>	<b>201.5</b>	<b>8.6</b>	<b>210.1</b>	<b>11.6</b>	<b>221.6</b>	<b>10.6</b>	<b>232.3</b>	<b>10.8</b>	<b>243.1</b>
	<b>2015/16 Forecast</b>	<b>Base Changes</b>	<b>2016/17 Forecast</b>	<b>Base Changes</b>	<b>2017/18 Forecast</b>	<b>Base Changes</b>	<b>2018/19 Forecast</b>	<b>Base Changes</b>	<b>2019/20 Forecast</b>
	<b>£M</b>	<b>£M</b>	<b>£M</b>	<b>£M</b>	<b>£M</b>	<b>£M</b>	<b>£M</b>	<b>£M</b>	<b>£M</b>
<b>Draw from Balances:</b>									
Addition to / (Draw From) Balances	(7.1)	9.6	2.5	1.5	4.0	(1.0)	3.0	(1.0)	2.0
Council Tax	(77.3)	(1.5)	(78.8)	(1.6)	(80.4)	(1.6)	(81.9)	(1.6)	(83.6)
Non-Specific Government Grants & Other Funding	(51.4)	19.0	(32.4)	11.3	(21.2)	9.9	(11.3)	5.3	(6.0)
Business Rates	(50.1)	(0.9)	(51.1)	(1.0)	(52.0)	(1.0)	(53.0)	(1.0)	(54.0)
Council Tax Collection Fund (Surplus) / Deficit	(3.2)	3.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Business Rates Collection Fund (Surplus)/Deficit	(2.4)	2.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total Funding</b>	<b>(191.5)</b>	<b>31.7</b>	<b>(159.8)</b>	<b>10.2</b>	<b>(149.6)</b>	<b>6.4</b>	<b>(143.2)</b>	<b>1.6</b>	<b>(141.6)</b>
<b>Savings proposals Feb 15</b>	(10.0)	(1.2)	(11.2)	(0.2)	(11.4)	0.0	(11.4)	0.0	(11.4)
<b>DRAFT BUDGET GAP</b>	<b>(0.0)</b>	<b>39.1</b>	<b>39.1</b>	<b>21.6</b>	<b>60.7</b>	<b>17.0</b>	<b>77.7</b>	<b>12.4</b>	<b>90.1</b>

	2014/15 £M	2015/16 £M	2016/17 £M	2017/18 £M
<b>Opening balance</b>	<b>53.409</b>	<b>23.366</b>	<b>11.858</b>	<b>10.052</b>
(Draw to Support) Capital	(1.489)	0.0	0.0	0.0
(Draw to Support) / Contribution from Revenue	(17.564)	(7.130)	2.507	4.000
Contributions (to) / from Other Reserves	(3.000)	0.0	0.0	0.0
(Draw for) Strategic Schemes	(7.989)	(4.378)	(4.313)	(4.427)
<b>Closing Balance</b>	<b>23.366</b>	<b>11.858</b>	<b>10.052</b>	<b>9.624</b>