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SOUTHAMPTON CITY COUNCIL

MINUTES OF THE COUNCIL MEETING HELD ON 10 FEBRUARY 2016

Present:

The Mayor, Councillor Norris
The Sheriff, Councillor McEwing
Councillors Barnes-Andrews, Bogle, Burke, Chaloner, Chamberlain, Claisse, Coombs, Daunt, Denness, Fitzhenry, Fuller, Furnell, Galton, Hammond, Hannides, B Harris, L Harris, Hecks, Houghton, Inglis, Jeffery, Jordan, Kaur, Keogh, Letts, Lewzey, Lloyd, Mintoff, Morrell, Moulton, Noon, O'Neill, Painton, Payne, Pope (items 71-74 only), Rayment, Shields, Spicer, Thomas, Tucker, Vassiliou, Whitbread, White and Wilkinson

71. APOLOGIES

Apologies for absence were submitted on behalf of Councillor Parnell.

72. ANNOUNCEMENTS FROM THE MAYOR AND LEADER

(i) Southampton Solent University

The Mayor welcomed Graham Bond, Lecturer in multimedia journalism at Southampton Solent University together with a number of students from the University, to the meeting.

(ii) Organisation Restructure

The Mayor made reference to the Chief Executive's organisational restructure and the resulting departure of many familiar faces who had given the Council their unstinting commitment, loyalty and hard work. As this was the last Council meeting before Andy Lowe, Chief Financial Officer and Andrew Mortimore, Director of Public Health, left the Council, the Mayor wished them all the best for the future and thanked them for all their hard work and service to the Council.

73. DEPUTATIONS, PETITIONS AND PUBLIC QUESTIONS

- (i) The Council received and noted a deputation from Denise Wyatt concerning the budget and the effect on Millbrook, Redbridge and Maybush; and
- (ii) The Council received and noted a deputation from Declan Clune concerning the results of TUSC budget consultation.

74. COUNCIL TAX SETTING AND RELATED MATTERS

- (a) The Medium Term Strategy (MTFS) 2015/16 to 2019/20
- (b) The General Fund Capital Programme 2015/16 to 2019/20

(c) General Fund Revenue Budget 2016/17 to 2019/20

The reports of the Cabinet Member for Finance were submitted seeking approval to the updated Medium Term Financial Strategy 2015/16 to 2019/20, the revised General Fund Capital Programme for 2015/16 - 2019/20 together with the latest estimated overall financial position on the General Fund Revenue Budget for 2016/17 - 2019/20 and outlining the main issues that needed to be addressed in considering the Cabinet's budget and Council Tax proposals. The recommendations therein as amended by Executive Budget Resolution 2016/17 to comprise the Executive's budget proposals were moved by Councillor Chaloner and seconded by Councillor Letts (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 - 20 minutes
 - Seconders - 10 minutes
 - Other Speakers - 4 minutes
 - Right of Reply (Executive only) – 10 minutes

With the consent of the Mayor, Honorary Alderman Vinson addressed the meeting.

Councillor Pope moved a motion seconded by Councillor Morrell in relation to Council Procedural Rules 21.5 and 22.

UPON BEING PUT TO THE VOTE THE MOTION WAS DECLARED LOST

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

RESOLVED that the Medium Term Strategy (MTFS) 2015/16 to 2019/20, the General Fund Capital Programme 2015/16 to 2019/20 and the General Fund Revenue Budget 2016/17 to 2019/20, as amended by Executive Budget Resolution 2016/17 (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 MOTION IN RESPECT OF THE EXECUTIVE BUDGET PROPOSALS AS AMENDED BY EXECUTIVE BUDGET RESOLUTION 2016/17:
Councillors Barnes-Andrews, Bogle, Burke, Chaloner, Chamberlain, Coombs, Denness,

Furnell, Hammond, Jeffery, Jordan, Kaur, Keogh, Letts, Lewzey, Lloyd, McEwing, Mintoff, Noon, Payne, Rayment, Shields, Spicer, Tucker and Whitbread

NOTE – AGAINST THE MOTION ON THE GENERAL FUND REVENUE BUDGET 2016/17 TO 2019/20 AS AMENDED BY EXECUTIVE BUDGET RESOLUTION

2016/17: Councillors Claisse, Daunt, Fitzhenry, Fuller, Galton, Hannides, B. Harris, L. Harris, Hecks, Houghton, Inglis, Moulton, Norris, O’Neill, Painton, Vassiliou, White, Wilkinson

NOTE – ABSTAINING ON THE MOTION ON THE MEDIUM TERM STRATEGY (MTFS) 2015/16 TO 2019/20, THE GENERAL FUND CAPITAL PROGRAMME 2015/16 TO 2019/20 AS AMENDED BY EXECUTIVE BUDGET RESOLUTION 2016/17:

Councillors Claisse, Daunt, Fitzhenry, Fuller, Galton, Hannides, B. Harris, L. Harris, Hecks, Houghton, Inglis, Moulton, Norris, O’Neill, Painton, Vassiliou, White, Wilkinson

NOTE – AGAINST THE MOTION IN RESPECT OF THE EXECUTIVE BUDGET PROPOSALS AS AMENDED BY EXECUTIVE BUDGET RESOLUTION 2016/17:

Councillors Morrell, Pope and Thomas

75. 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 (HRA) budget proposals and long term business plan including: the proposed 2016/17 HRA revenue estimates, together with proposed rent and service charge levels; the updated HRA capital programme for the period to 2020/21 and the 30 year long term HRA business plan covering both capital and revenue projections. In moving the report, with the consent of the Mayor, Councillor Payne, seconded by Councillor Furnell, amended the report recommendations as follows:

Amend recommendation (iii) add at the beginning ‘Other than in the circumstances set out in recommendation (iv) below’

Add new recommendation (iv):

(iv) To delegate authority to the Chief Operating Officer, in consultation with the Cabinet Member for Housing & Sustainability, and following discussions with tenants’ representatives, to implement from 1 April 2016 a rent increase of up to 0.9% (September 2015 Consumer Price Index +1.0%) for dwellings where a Government exemption is applied to the requirement in the Welfare Reform and Work Bill 2015/16 for a 1.0% reduction in the level of Social Rent with a view to additional sums raised being reinvested in the properties affected.

Amended recommendations (iii) and (iv) to read:

(iii) Other than in the circumstances set out in recommendation (iv) below, to approve that, from 1 April 2016, a standard decrease should be applied to all dwelling rents of 1.0%, as set out in paragraph 16 of this report, equivalent to an average decrease of £0.87 per week in the current average weekly dwelling rent figure of £86.81.

(iv) To delegate authority to the Chief Operating Officer, in consultation with the Cabinet Member for Housing & Sustainability, and following discussions with tenants' representatives, to implement from 1 April 2016 a rent increase of up to 0.9% (September 2015 Consumer Price Index +1.0%) for dwellings where a Government exemption is applied to the requirement in the Welfare Reform and Work Bill 2015/16 for a 1.0% reduction in the level of Social Rent with a view to additional sums raised being reinvested in the properties affected.

Remaining recommendations renumbered (v) to (xiii)

UPON BEING PUT TO THE VOTE THE AMENDMENT WAS DECLARED CARRIED.

UPON BEING PUT TO THE VOTE THE MOTION AS AMENDED WAS DECLARED CARRIED.

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 and also the broad support for the proposals received at the Tenants' Winter Conference be noted;
- (ii) that it be noted that the consultation feedback had been taken into consideration by Cabinet and had informed their final budget proposals;
- (iii) that other than in the circumstances set out in recommendation iv) below, approval be granted that from 1 April 2016, a standard decrease should be applied to all dwelling rents of 1.0%, as set out in paragraph 16 of the report, equivalent to an average decrease of £0.87 per week in the current average weekly dwelling rent figure of £86.81;
- (iv) that delegated authority be granted to the Chief Operating Officer, in consultation with the Cabinet Member for Housing and Sustainability, and following discussions with tenants' representatives, to implement from 1 April 2016 a rent increase of up to 0.9% (September 2015 Consumer Price Index +1.0%) for dwellings where a Government exemption is applied to the requirement in the Welfare Reform and Work Bill 2015/16 for a 1.0% reduction in the level of Social Rent with a view to additional sums raised being reinvested in the properties affected;
- (v) that the Executive's savings proposals, as set out in Appendix 1 to the report, which amount to £4,311,000 in 2016/17 and £4,439,000 in subsequent years be approved;
- (vi) that the following weekly service charges from 1 April 2016 based on a full cost recovery approach be noted:
 - Digital TV £0.42 (unchanged from 2015/16)
 - Concierge monitoring £1.20 (unchanged from 2015/16)
 - Tower Block Warden £4.97 (unchanged from 2015/16)
 - Cleaning service in walk-up blocks £0.63 (unchanged from 2015/16)

- (vii) that the new service charging model for Community Alarm and private Careline customers set out in paragraphs 37 and 38 of this report be noted;
- (viii) that it be noted that the charges to Council tenants for garages and parking spaces for 2016/17 would be unchanged and that there would be an increase of garage rents by £1.00 per week for private residents;
- (ix) that the Housing Revenue Account Revenue Estimates as set out in the Appendix 2 to the report be approved;
- (x) that the revised Housing Revenue Account 5 Year Capital Programme set out in Appendix 3 to the report be approved and the key variances and issues in Appendix 4 to the report be noted;
- (xi) that the 30 year Business Plans for revenue and capital expenditure set out in Appendices 5 and 6 to the report respectively be approved;
- (xii) that the HRA Business Plan - Planning Assumptions, as set out in Appendix 7 to the report be noted; and
- (xiii) that it be noted that the rental income and service charge payments would continue to be paid by tenants over a 48 week period.

76. PRUDENTIAL LIMITS AND TREASURY MANAGEMENT STRATEGY 2016/17 TO 2018/19

The report of the Chief Financial Officer was submitted regarding the Council's current and proposed treasury management strategy for 2016/17 to 2018/19.

RESOLVED

- (i) that the Council's Treasury Management (TM) Strategy and Prudential Indicators for 2016/17, 2017/18 and 2018/19, as detailed within the report be approved;
- (ii) that the 2016 Minimum Revenue Provision (MRP) Statement as detailed in paragraphs 77 to 83 of the report be approved and that delegated authority be granted to the Chief Financial Officer (CFO) to approve any changes necessary that aid good financial management whilst maintaining a prudent approach;
- (iii) that the Annual Investment Strategy as detailed in paragraphs 38 to 57 of the report be approved;
- (iv) that it be noted that the indicators in the report have been based on the recommendations in the Capital update report being approved; and
- (v) that delegated authority continue to be granted to the Chief Financial Officer (CFO) 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.

77. MUNICIPAL BONDS AGENCY

The report of the Chief Financial Officer was submitted seeking approval for the Council to enter into the Municipal Bonds Agency's Framework Agreement.

RESOLVED

- (i) that the Council's entry into the UK Municipal Bonds Agency Framework Agreement and its accompanying schedules including the joint and several guarantee be approved;
- (ii) that delegated authority be granted to the Chief Financial Officer as Section 151 Officer and the Monitoring Officer to enter into the Framework Agreement and accompanying schedules, as appropriate, on behalf of the Council;
- (iii) that it be noted that signing the Framework Agreement does not make the Council subject to the joint and several guarantee or provisions of the Framework Agreement until such time it borrows from the Agency;
- (iv) that the Section 151 Officer, after consultation with the Cabinet Member for Finance, be granted delegated authority to agree amendments to the Framework Agreement as appropriate;
- (v) that the document 'Introduction to the UK Municipal Bonds Agency – A Guide for Local Authorities' in Appendix 1 to the report be noted.

78. REVISIONS TO THE CONSTITUTION - TRANSFORMATION PROJECTS

The report of the Service Director, Legal and Governance was submitted regarding revisions to various elements of the Constitution as part of the Council's significant Transformation agenda in order to enable early decision making which will permit quicker project implementation and realisation of financial savings.

RESOLVED that the revisions to the Constitution as set out in the report be approved.

79. APPOINTMENT OF RETURNING OFFICER AND ELECTORAL REGISTRATION OFFICER AND NOTING THE MONITORING AND CHIEF FINANCIAL OFFICERS' POSITIONS

The report of Service Director, Legal and Governance was submitted regarding the recent senior management restructure undertaken by the Chief Executive under delegated powers.

RESOLVED

- (i) that the Interim Chief Operating Officer (Customer Experience) be appointed as the Returning Officer for local elections and Electoral

Registration Officer and the Acting Returning Officer for UK Parliamentary Elections and European Elections; and

- (ii) that it be noted that the Service Director, Legal and Governance is the Monitoring Officer and the Interim Service Director, Finance and Commercialisation is the Section 151 Officer with effect from 13th February 2016.

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

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 minute 81 below based on categories 3, 5 and 7A of paragraph 10.4 of the Access to Information Procedure Rules.

The information contained therein is exempt from publication by virtue of the Council's Access to Information Procedure Rules as contained in the Constitution particularly as it contains:-

- Information relating to the financial or business affairs of any particular person (including the authority holding that information) (paragraph 3)
- Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings (paragraph 5)
- Information which is subject to any obligation of confidentiality (paragraph 7A)

If the content of this report were to be treated as a public document it would reveal information that is both commercially sensitive and detrimental to the business affairs of the Council.

81. TRANSFORMATION PROJECT

The confidential report of the Transformation Implementation Director was submitted providing an update on the latest Transformation position.

RESOLVED that the oral update and the urgent decision taken by the Service Director, Legal and Governance be noted.

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APPENDIX 1

EXECUTIVE BUDGET RESOLUTION 2016/17

It is recommended that Council:

- i) Notes the budget consultation process that was followed as outlined in Appendix 1 of the General Fund Revenue Budget 2016/17 to 2019/20 report on the Council agenda.
- ii) Notes the budget consultation process for the new budget proposals that will be followed as per Appendix 2 of the General Fund Revenue Budget 2016/17 to 2019/20 report on the Council agenda.
- iii) Notes that the consultation feedback has been taken into consideration by Cabinet and has informed their final budget proposals.
- iv) Notes the Equality and Safety Impact Assessment process that was followed as set out in paragraphs 95 to 97 and the details contained in Appendix 3 of the General Fund Revenue Budget 2016/17 to 2019/20 report on the Council agenda, which reflect the feedback received through the consultation process.
- v) Approves the revised estimate for 2015/16 as set out in Appendix 4 of the General Fund Revenue Budget 2016/17 to 2019/20 report on the Council agenda.
- vi) Notes the position on the forecast roll forward budget for 2016/17 as set out in paragraphs 18 to 49 of the General Fund Revenue Budget 2016/17 to 2019/20 report on the Council agenda.
- vii) Approves the revenue pressures as set out in Appendix 5 of the General Fund Revenue Budget 2016/17 to 2019/20 report on the Council agenda.
- viii) Approves the use of balances and reserves to ensure a balanced budget in the event any of the budget proposals contained within Appendix 6 of the General Fund Revenue Budget 2016/17 to 2019/20 report on the Council agenda are not progressed following consultation. This will be until such a time alternative proposals are identified as per paragraph 61 to 62 in the same report.
- ix) Approves the savings proposals as set out in Appendices 6 and 7 of the General Fund Revenue Budget 2016/17 to 2019/20 report on the Council agenda.
- x) Approves the General Fund Revenue Budget 2016/17 as set out in Appendix 8 of the General Fund Revenue Budget 2016/17 to 2019/20 report on the Council agenda, which assumes a council tax increase 2% representing the increase for the Adult Social Care Precept.
- xi) Delegates authority to the Section 151(S151) Officer to action all budget changes arising from the approved pressures, savings and incorporating any other approved amendments into the General Fund estimates.
- xii) Notes that after taking these items into account, there is an estimated General Fund balance of £8.9M at the end of 2016/17 as detailed in paragraphs 79 to 86 of the General Fund Revenue Budget 2016/17 to 2019/20 report on the Council agenda.
- xiii) Delegates authority to the S151 Officer, in consultation with the Monitoring Officer, to do anything necessary to give effect to the recommendations in the General Fund Revenue Budget 2016/17 to 2019/20 report on the Council agenda.

- xiv) Sets the Council Tax Requirement for 2016/17 at £81M as per Appendix 9 of the General Fund Revenue Budget 2016/17 to 2019/20 report on the Council agenda.
- xv) Delegates authority to the S151 Officer, in consultation with the Monitoring Officer, to do anything necessary to give effect to the recommendations in this Resolution.
- xvi) Delegates authority to the S151 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.
- xvii) Approves the following amounts now calculated by the Council for the year 2016/17 in accordance with Section 32 and Sections 34 to 36 of the Local Government Finance Act 1992 as amended (the Act).
- xviii) Determines in accordance with Section 52ZB of the Act that the Council's relevant basic amount of Council Tax for 2016/17 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 32(2) of the Act.		£538,069,000
b)	Aggregate the amounts which the Council estimates for the items set out in Section 32(3) of the Act.		£457,058,800
c)	Calculation in accordance with Section 32(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 33(1) of the Act.		£81,010,200
d)	The amount at c) above (Item R), divided by the Council Tax Base of 60,464.0 (Item T in the formula in Section 33(1) of the Act), as the basic amount of Council Tax for the year.		£1,339.82
e)	Precepting Authority – Southampton City Council	Valuation Band	Amount
		A	£893.21
		B	£1,042.08
		C	£1,190.95
		D	£1,339.82
		E	£1,637.56
		F	£1,935.30
		G	£2,233.03
		H	£2,679.64
	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 2016/17 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	£106.97
		B	£124.80
		C	£142.63
		D	£160.46
		E	£196.12
		F	£231.78
		G	£267.43
		H	£320.92
g)	That it be noted for the year 2016/17 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	£41.73
		B	£48.69
		C	£55.64
		D	£62.60
		E	£76.51
		F	£90.42
		G	£104.33
		H	£125.20
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 2016/17 for each of the categories of dwellings shown below subject to final notification of the precepts for the Policy and Crime Commissioner for Hampshire and the Hampshire Fire and Rescue Authority:	Valuation Band	Amount
		A	£1,041.91
		B	£1,215.57
		C	£1,389.22
		D	£1,562.88
		E	£1,910.19
		F	£2,257.50
		G	£2,604.79
		H	£3,125.76

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