

SOUTHAMPTON CITY COUNCIL
EXECUTIVE DECISION MAKING

RECORD OF THE DECISION MAKING HELD ON 13 FEBRUARY 2018

Present:

Councillor Letts	-	Leader of the Council
Councillor Jordan	-	Cabinet Member for Children's Social Care
Councillor Kaur	-	Cabinet Member for Communities, Culture and Leisure
Councillor Rayment	-	Cabinet Member for Environment and Transport
Councillor Shields	-	Cabinet Member for Health and Community Safety
Councillor Payne	-	Cabinet Member for Housing and Adult Care
Councillor Hammond	-	Cabinet Member for Sustainable Living
Councillor Dr Paffey	-	Cabinet Member for Education and Skills

Apologies: Councillor Chaloner

43. EXECUTIVE APPOINTMENTS

Cabinet approved the following appointments:

- Solent Transport Board – to appoint Councillor Letts as Deputy
- Business Improvement Board – to appoint Councillor Rayment as Deputy

44. CORPORATE REVENUE FINANCIAL MONITORING FOR THE PERIOD TO THE END OF DECEMBER 2017

On consideration of the report of the Cabinet Member for Finance, Cabinet agreed the following:

General Fund

- i) Note the current General Fund revenue position for 2017/18 as at December 2017, which is a forecast overspend at year end of £2.02M against the working budget, as outlined in paragraph 3.
- ii) Note that the forecast overspend for portfolios is £4.33M as outlined in paragraph 4 and further in Appendix 1.
- iii) Note the actions and assumptions being put in place to address the overspend position as described in paragraphs 5 to 12.
- iv) Note the performance to date with regard to the delivery of the agreed savings proposals approved for 2017/18 as detailed in paragraphs 13 to 20.
- v) Note the Key Financial Risk Register as detailed in Appendix 2.
- vi) Note the performance against the financial health indicators detailed in Appendix 3.

- vii) Note the performance outlined in the Treasury Management update on benchmarking, prudential indicators and financial outlook in paragraphs 37 to 45 and attached as Appendix 4.
- viii) Note the performance outlined in the Quarterly Collection Fund Statement attached as Appendix 5 and detailed in paragraphs 49 to 52.

Housing Revenue Account

- ix) Note the current HRA budget monitoring position for 2017/18, as at December 2017. There is a forecast overspend at year end of £0.86M against the working budget as outlined in paragraphs 46 to 48.

45. THE REVISED MEDIUM TERM FINANCIAL STRATEGY AND BUDGET 2018/19 TO 2021/22

DECISION MADE: (CAB 17/18 20159)

On consideration of the report of the Cabinet Member for Finance, and an amended Appendix 1 and amended Annex 1 in Appendix 2, Cabinet agreed the following:

General Fund

- i) Note the position on the forecast adverse outturn position for 2017/18 as set out in paragraphs 32 to 38.
- ii) Note the revised Medium Term Financial Strategy 2018/19 to 2021/22 as detailed in Appendix 2.
- iii) Note the aims and objectives of the Medium Term Financial Strategy which will be presented to council for approval on 21 February 2018.
- iv) Note that the Executive's budget proposals are based on the assumptions detailed within the MTFs and that this includes a council tax increase of 5.99 %, 2.99% under general powers to increase council tax without a referendum and 3.00% Social Care Precept in 2018/19.
- v) To note that the report identifies additional general fund pressures totalling £10.07M in 2018/19 as detailed in paragraphs 42 to 46 and 58 to 59 along with the proposed funding mitigations.
- vi) To note that the report identifies direct investment in services totalling £2.46M, with a further sum of £1.18M invested in an Enterprise Resource Planning Programme in 2018/19 as detailed in paragraph 60 along with the proposed funding mitigations.
- vii) To note that further proposals will need to be considered to address the 2019/20 and future years budget gap.
- viii) Notes and recommends to council where appropriate, the MTFs and General Fund Revenue Budget changes as set out in council recommendations i) to xiv).

Housing Revenue Account

- xi) To note that, from 1st April 2018, a standard decrease be applied to all dwelling rents of 1.0%, as set out in paragraph 107 of this report, equivalent to an average decrease of £0.85 per week in the current average weekly dwelling rent figure of £84.57.

- x) To note an increase in weekly service charges of 3% from 1st April 2018 (including supported accommodation) based on a full cost recovery approach – as detailed in paragraph 108.
- xi) To note an increase in the charges to council tenants for garages by 15% and parking spaces by 10% from 1st April 2018 as detailed in paragraph 106.
- xii) To note savings totalling of £3.94M in 2018/19 as laid out in Appendix 9.
- xiii) To note and recommend the Housing Revenue Account Revenue Estimates as set out in the report.
- xiv) To note the 30 year Business Plans for revenue and capital expenditure set out in Appendices 7 and 8 respectively, that based on current assumptions are sustainable and maintain a minimum HRA balance of £2M in every financial year.
- xv) To note that rental income and service charge payments will continue to be paid by tenants in 48 instalments across a 52 week period.

46. CAPITAL FINANCIAL MONITORING FOR THE PERIOD TO THE END OF DECEMBER 2017

On consideration of the report of the Cabinet Member for Finance, Cabinet agreed the following:

- (i) Notes the revised proposed General Fund Capital Programme, which totals £194.43M (as detailed in paragraph 36) and the associated use of resources.
- (ii) Notes the revised proposed HRA Capital Programme, which totals £216.89M (as detailed in paragraph 36) and the associated use of resources.
- (iii) Notes that the forecast position at Quarter 3 is £94.08M, resulting in a potential overspend of £0.72M, as detailed in paragraph 11 and Appendix 1.
- (iv) Notes that the capital programme remains fully funded up to 2021/22 based on the latest forecast of available resources although the forecast can be subject to change; most notably with regard to the value and timing of anticipated capital receipts and the use of prudent assumptions of future Government Grants to be received.

47. THE GENERAL FUND & HOUSING REVENUE ACCOUNT CAPITAL STRATEGY & PROGRAMME 2017/18 TO 2021/22

DECISION MADE: (CAB 17/18 20157)

On consideration of the report of the Cabinet Member for Finance, Cabinet agreed the following:

- (i) Notes the revised General Fund Capital Programme, which totals £194.43M (as detailed in paragraph 77) and the associated use of resources.
- (ii) Notes the revised Housing Revenue Account (HRA) Capital Programme, which totals £216.89M (as detailed in paragraph 77) and the associated use of resources.
- (iii) Notes that £1.21M has been added to the programme, with approval to spend, either under delegated powers or by Cabinet subject to the relevant financial limits. These additions are detailed in paragraph 7 and Appendix 1.

- (iv) Notes the addition of £0.25M to the Communities, Culture & Leisure programme and the request for approval to spend £0.25M as detailed in paragraphs 9 - 10 and Appendix 1.
- (v) Notes the addition of £67.45M to the Education & Children's Social Care programme and the request for approval to spend £67.45M as detailed in paragraph 11 and Appendix 1.
- (vi) Notes the virement of £1.53M within the Education & Childrens Social Care programme as detailed in paragraph 11 and Appendix 1.
- (vii) Notes the addition of £0.16M to the E&T – City Services programme and the request for approval to spend £0.16M as detailed in paragraph 12 and Appendix 1.
- (viii) Notes the addition of £1.20M to the Finance programme and the request for approval to spend £1.20M as detailed in paragraph 13 and Appendix 1.
- (ix) Notes the reduction of £1.50M to the Housing & Adult Social Care programme as detailed in paragraph 14 and Appendix 1.
- (x) Notes the addition of £0.09M to the Leaders programme and the request for approval to spend £0.09M as detailed in paragraph 15 and Appendix 1.
- (xi) Notes the virement of £7.13M within the Leaders programme as detailed in paragraph 16 and Appendix 1.
- (xii) Notes the reduction of £20.10M to the Leaders programme as detailed in paragraphs 17 – 18 and Appendix 1.
- (xiii) Notes the addition of £11.97M to the Transport – E&T programme and the request for approval to spend £11.97M as detailed in paragraphs 19 - 21 and Appendix 1.
- (xiv) Notes the addition of £34.01M to the HRA programme and the request for approval to spend £34.01M as detailed in paragraphs 22 - 26 and Appendix 1.
- (xv) Notes the slippage and re-phasing as set out in paragraph 27 – 70 and as detailed in Appendix 2.
- (xvi) Notes that the capital programme remains fully funded up to 2021/22 based on the latest forecast of available resources although the forecast can be subject to change; most notably with regard to the value and timing of anticipated capital receipts and the use of prudent assumptions of future Government Grants to be received.
- (xvii) Note that a review of the Council's capital strategy has been undertaken as detailed in Appendix 4.