

SOUTHAMPTON CITY COUNCIL
EXECUTIVE DECISION MAKING

RECORD OF THE DECISION MAKING HELD ON 19 JULY 2023

Present:

Councillor Kaur	-
Councillor Fielker	-
Councillor Bogle	-
Councillor Keogh	-
Councillor Renyard	-
Councillor Winning	-

Apologies: Councillor Kataria

4. REVENUE AND CAPITAL OUTTURN 2022/23

DECISION MADE: (CAB 23/24 37675)

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

General Fund – Revenue

It is recommended that Cabinet:

- i) Notes the General Fund revenue outturn for 2022/23 is a balanced position after a transfer of £11.38M from reserves to meet the year-end deficit, as outlined in paragraph 4 and in paragraph 2 of Appendix 1.
- ii) Notes the performance of individual portfolios in managing their budgets as set out in paragraphs 3 to 7 of Appendix 1 and Annex 1.1.
- iii) Recommends Council to approve the requests to carry forward un-ringfenced grant funding totalling £0.16M as outlined in paragraph 8 of Appendix 1.
- iv) Recommends Council to note the performance of the Property Investment Fund (PIF) as detailed in paragraphs 9 to 11 of Appendix 1 and Annex 1.2.
- v) Notes that the level of General Fund balances at 31 March 2023 was £10.07M and the level of earmarked reserves (including schools' balances) was £55.05M as detailed in paragraph 18 to 21 of Appendix 1 and Annex 1.3.
- vi) Notes the accounts for the Collection Fund in 2022/23 detailed in paragraphs 23 to 29 of Appendix 1 and Annex 1.5.

Housing Revenue Account

It is recommended that Cabinet:

- vii) Notes the HRA revenue outturn for 2022/23 as outlined in paragraph 7 and paragraph 22 of Appendix 1 and Annex 1.4.

Capital Programme

It is recommended that Cabinet:

- viii) Notes the actual capital spending in 2022/23 for the General Fund was £62.94M and for the HRA was £35.88M, as outlined in paragraphs 10 and 11 below and detailed in paragraphs 2 to 5 of Appendix 2.
- ix) Notes the capital financing in 2022/23 as shown in table 3 of Appendix 2.
- x) Recommends Council to approve the revised capital programme for 2022/23 to 2027/28 and its financing as summarised in paragraph 10 of Appendix 2 and detailed in Annex 2.2.
- xi) Notes the latest prudential indicators for the revised capital programme as detailed in Annex 2.3.

5. MEDIUM TERM FINANCIAL STRATEGY UPDATE

DECISION MADE: (CAB 23/24 37740)

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

General Fund – Revenue

It is recommended that Cabinet:

- i) Notes the updated budget position and MTFs forecast.
- ii) Notes the content of the draft CIPFA Review report at Appendix 1 and the further work that CIPFA are undertaking to support the council in improving its financial position.
- iii) Notes the approach as outlined in the Financial Strategy set out below (paras 24 to 31)
- iv) Notes and endorses the setting up of a voluntary improvement board as outlined in paragraph 29.
- v) Notes and endorses a move to 'cash limited' budgets for each service, which is intended to reinforce accountability and control. See paragraphs 49 to 54 on how this will operate.
- vi) Notes the Reserves Policy at Appendix 4.
- vii) Notes and endorses the parameters for the fees & charges policy as set out in paragraphs 69 to 79.
- viii) Notes and endorses the in-year budget cost control measures, which are mitigation to ensure the council lives within its agreed budget for 2023/24 attached at Appendix 6.
- ix) Notes the content of the procurement strategy and procurement forward programme 2023-25 contained at paragraph 108, appendix 7 and annex 7.1.
- x) Notes the proposed revisions to the Financial Procedure Rules as described in paragraphs 54 and 113 to 117, and set out in detail at Appendix 9 and subject to any comments and changes once this change has been considered at Governance Committee.
- xi) Notes the delegation sought to provide authority to the Executive Director Corporate Services (S151 Officer) following consultation with the relevant

Cabinet Member to accept Health Determinants Research Collaboration funding and approve spend in the event the funding is received (see paragraphs 99 to 102).

Housing Revenue Account

It is recommended that Cabinet:

- xii) Notes the budget pressures facing the Housing Revenue Account and the measures being considered to mitigate these set out in Appendix 12.
- xiii) Notes the approach to recovering costs of the Landlord Controlled Heating Account as set out in paragraphs 123 to 130 and specifically option 2 of a phased increase over five years.

Capital Programme

It is recommended that Cabinet:

- xiv) Notes and endorses the creation of a new Strategic Capital Board (paragraph 114), with its terms of reference given in Appendix 8.
- xv) Applies an indicator limit of no more than 11% for the ratio of capital financing to the Net Revenue Budget of the council for the General Fund. This is a key Prudential Indicator which will limit the scale of the capital programme's impact on the revenue budget (see paras 42 and 45).
- xvi) Notes and endorses the in-year budget adjustments to the General Fund capital programme, as detailed in paragraph 117.
- xvii) Notes and endorses the aim of reviewing the whole capital programme against the criteria of Purposeful Investment (see paragraphs 30 and 113-117).
- xviii) Notes the plans for transformation and notes the delegation to the Executive Director Corporate Services to apply, following consultation with the Cabinet member for Finance and Change and subject to a business case, capital receipts to the transformation programme in line with the strategy agreed at the February 2023 Council meeting. The current balance held on capital receipts is around £2.8M.