

Public Document Pack

Cabinet

Wednesday, 19th July, 2023

at 11.00 am

PLEASE NOTE TIME OF MEETING

Council Chamber, Civic Centre

Members

Leader – Councillor Kaur

Deputy Leader and Cabinet Member for Adults, Health and Housing – Councillor Fielker

Cabinet Member for Finance and Change – Councillor Leggett

Cabinet Member for Economic Development – Councillor Bogle

Cabinet Member for Environment and Transport - Councillor Keogh

Cabinet Member for Children and Learning – Councillor Winning

Cabinet Member for Communities and Leisure– Councillor Kataria

Cabinet Member for Safer City – Councillor Renyard

(QUORUM – 3)

Contacts

Cabinet Administrator

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BACKGROUND AND RELEVANT INFORMATION

The Role of the Executive

The Cabinet and individual Cabinet Members make executive decisions relating to services provided by the Council, except for those matters which are reserved for decision by the full Council and planning and licensing matters which are dealt with by specialist regulatory panels.

The Forward Plan

The Forward Plan is published on a monthly basis and provides details of all the key executive decisions to be made in the four month period following its publication. The Forward Plan is available on request or on the Southampton City Council website, www.southampton.gov.uk

Implementation of Decisions

Any Executive Decision may be “called-in” as part of the Council’s Overview and Scrutiny function for review and scrutiny. The relevant Overview and Scrutiny Panel may ask the Executive to reconsider a decision, but does not have the power to change the decision themselves.

Mobile Telephones – Please switch your mobile telephones or other IT to silent whilst in the meeting.

Use of Social Media

The Council supports the video or audio recording of meetings open to the public, for either live or subsequent broadcast. However, if, in the Chair’s opinion, a person filming or recording a meeting or taking photographs is interrupting proceedings or causing a disturbance, under the Council’s Standing Orders the person can be ordered to stop their activity, or to leave the meeting.

By entering the meeting room you are consenting to being recorded and to the use of those images and recordings for broadcasting and or/training purposes. The meeting may be recorded by the press or members of the public. Any person or organisation filming, recording or broadcasting any meeting of the Council is responsible for any claims or other liability resulting from them doing so. Details of the Council’s Guidance on the recording of meetings is available on the Council’s website.

Municipal Year Dates (Tuesdays)

2023	2024
13 June	16 January
18 July	6 February
15 August	20 Feb (budget)
19 September	19 March
17 October	16 April
14 November	
19 December	

Executive Functions

The specific functions for which the Cabinet and individual Cabinet Members are responsible are contained in Part 3 of the Council’s Constitution. Copies of the Constitution are available on request or from the City Council website, www.southampton.gov.uk

Key Decisions

A Key Decision is an Executive Decision that is likely to have a significant:

- financial impact (£500,000 or more)
- impact on two or more wards
- impact on an identifiable community

Procedure / Public Representations

At the discretion of the Chair, members of the public may address the meeting on any report included on the agenda in which they have a relevant interest. Any member of the public wishing to address the meeting should advise the Democratic Support Officer (DSO) whose contact details are on the front sheet of the agenda.

Fire Procedure – In the event of a fire or other emergency, a continuous alarm will sound and you will be advised, by officers of the Council, of what action to take.

Smoking policy – The Council operates a no-smoking policy in all civic buildings.

Access – Access is available for disabled people. Please contact the Cabinet Administrator who will help to make any necessary arrangements.

Southampton: Corporate Plan 2022-2030 sets out the four key outcomes:

- Communities, culture & homes - Celebrating the diversity of cultures within Southampton; enhancing our cultural and historical offer and using these to help transform our communities.
- Green City - Providing a sustainable, clean, healthy and safe environment for everyone. Nurturing green spaces and embracing our waterfront.
- Place shaping - Delivering a city for future generations. Using data, insight and vision to meet the current and future needs of the city.
- Wellbeing - Start well, live well, age well, die well; working with other partners and other services to make sure that customers get the right help at the right time

CONDUCT OF MEETING

TERMS OF REFERENCE

The terms of reference of the Cabinet, and its Executive Members, are set out in Part 3 of the Council's Constitution.

RULES OF PROCEDURE

The meeting is governed by the Executive Procedure Rules as set out in Part 4 of the Council's Constitution.

DISCLOSURE OF INTERESTS

Members are required to disclose, in accordance with the Members' Code of Conduct, **both** the existence **and** nature of any "Disclosable Pecuniary Interest" or "Other Interest" they may have in relation to matters for consideration on this Agenda.

DISCLOSABLE PECUNIARY INTERESTS

A Member must regard himself or herself as having a Disclosable Pecuniary Interest in any matter that they or their spouse, partner, a person they are living with as husband or wife, or a person with whom they are living as if they were a civil partner in relation to:

(i) Any employment, office, trade, profession or vocation carried on for profit or gain.

(ii) Sponsorship:

Any payment or provision of any other financial benefit (other than from Southampton City Council) made or provided within the relevant period in respect of any expense incurred by you in carrying out duties as a member, or towards your election expenses. This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992.

(iii) Any contract which is made between you / your spouse etc (or a body in which the you / your spouse etc has a beneficial interest) and Southampton City Council under which goods or services are to be provided or works are to be executed, and which has not been fully discharged.

(iv) Any beneficial interest in land which is within the area of Southampton.

(v) Any license (held alone or jointly with others) to occupy land in the area of Southampton for a month or longer.

(vi) Any tenancy where (to your knowledge) the landlord is Southampton City Council and the tenant is a body in which you / your spouse etc has a beneficial interests.

(vii) Any beneficial interest in securities of a body where that body (to your knowledge) has a place of business or land in the area of Southampton, and either:

a) the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body, or

b) if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which you / your spouse etc has a beneficial interest that exceeds one hundredth of the total issued share capital of that class.

BUSINESS TO BE DISCUSSED

Only those items listed on the attached agenda may be considered at this meeting.

QUORUM

The minimum number of appointed Members required to be in attendance to hold the meeting is 3.

Other Interests

A Member must regard himself or herself as having an, 'Other Interest' in any membership of, or occupation of a position of general control or management in:

Any body to which they have been appointed or nominated by Southampton City Council

Any public authority or body exercising functions of a public nature

Any body directed to charitable purposes

Any body whose principal purpose includes the influence of public opinion or policy

Principles of Decision Making

All decisions of the Council will be made in accordance with the following principles:-

- proportionality (i.e. the action must be proportionate to the desired outcome);
- due consultation and the taking of professional advice from officers;
- respect for human rights;
- a presumption in favour of openness, accountability and transparency;
- setting out what options have been considered;
- setting out reasons for the decision; and
- clarity of aims and desired outcomes.

In exercising discretion, the decision maker must:

- understand the law that regulates the decision making power and gives effect to it. The decision-maker must direct itself properly in law;
- take into account all relevant matters (those matters which the law requires the authority as a matter of legal obligation to take into account);
- leave out of account irrelevant considerations;
- act for a proper purpose, exercising its powers for the public good;
- not reach a decision which no authority acting reasonably could reach, (also known as the "rationality" or "taking leave of your senses" principle);
- comply with the rule that local government finance is to be conducted on an annual basis. Save to the extent authorised by Parliament, 'live now, pay later' and forward funding are unlawful; and
- act with procedural propriety in accordance with the rules of fairness.

AGENDA

1 **APOLOGIES**

To receive any apologies.

2 **DISCLOSURE OF PERSONAL AND PECUNIARY INTERESTS**

In accordance with the Localism Act 2011, and the Council's Code of Conduct, Members to disclose any personal or pecuniary interests in any matter included on the agenda for this meeting.

EXECUTIVE BUSINESS

3 **STATEMENT FROM THE LEADER**

4 **RECORD OF THE PREVIOUS DECISION MAKING** (Pages 1 - 2)

Record of the decision making held on 13th June 2023, attached.

5 **MATTERS REFERRED BY THE COUNCIL OR BY THE OVERVIEW AND SCRUTINY MANAGEMENT COMMITTEE FOR RECONSIDERATION (IF ANY)**

There are no matters referred for reconsideration.

6 **REPORTS FROM OVERVIEW AND SCRUTINY COMMITTEES (IF ANY)**

There are no items for consideration.

7 **EXECUTIVE APPOINTMENTS**

To deal with any executive appointments, as required.

ITEMS FOR DECISION BY CABINET

8 **REVENUE AND CAPITAL OUTTURN 2022/23** (Pages 3 - 76)

To consider the report by the Cabinet Member for Finance and Change on the Revenue and Capital Outturn for 2022/23.

9 **EXCLUSION OF THE PRESS AND PUBLIC - EXEMPT PAPERS INCLUDED IN THE FOLLOWING ITEM**

To move 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 exempt appendices to the following Item.

Appendix 12 and Appendix 13 are exempt from publication by virtue of category 3 of rule 10.4 of the council's Access to Information Procedure Rules i.e. information relating to the financial or business affairs of any particular person. It is not in the public interest to disclose this information due to an ongoing commercial dispute which is subject to a protected alternative dispute resolution procedure. If the information was disclosed then the Council's financial position would be available to other parties to the dispute and prejudice the Council's ability to achieve best value.

10 MEDIUM TERM FINANCIAL STRATEGY UPDATE □ (Pages 77 - 398)

To consider the report of the Cabinet Member for Finance and Change providing details of the Medium Term Financial Strategy Update.

Tuesday, 11 July 2023

Director – Legal, Governance and HR

SOUTHAMPTON CITY COUNCIL
EXECUTIVE DECISION MAKING

RECORD OF THE DECISION MAKING HELD ON 13 JUNE 2023

Present:

Councillor Kaur	-	Leader
Councillor Fielker	-	Deputy Leader and Cabinet Member for Adults, Health and Housing
Councillor Bogle	-	Cabinet Member for Economic Development
Councillor Kataria	-	Cabinet Member for Communities and Leisure
Councillor Keogh	-	Cabinet Member for Environment and Transport
Councillor Leggett	-	Cabinet Member for Finance and Change
Councillor Winning	-	Cabinet Member for Children and Learning

1. SCRUTINY INQUIRY PANEL - PROTECTING, PRESERVING AND PROMOTING THE RIVER ITCHEN IN SOUTHAMPTON

DECISION MADE: (CAB 23/24 37726)

On consideration of the report of the report of the Chair of the Scrutiny Inquiry Panel, Cabinet agreed the following:

- (i) Subject to the report being approved by the OSMC on 8 June, Cabinet is recommended to receive the attached Scrutiny Inquiry Panel report to enable the Executive to formulate its response to the recommendations contained within it, in order to comply with the requirements set out in the Council's Constitution

2. EXECUTIVE APPOINTMENTS FOR 2023-2024

DECISION MADE: (CAB 23/24 37661)

On consideration of the Leader, Cabinet agreed the following:

- (i) That the Executive Appointments for the 2023/24 Municipal Year be approved as set out in the attached revised Register; and
- (ii) That all appointments be for one year save where the terms of reference and or constitution of the body or organisation concerned specify the duration of an appointment or where the decision on any nomination by the City Council to their membership is reserved to the body or organisation concerned to determine the appointment or continuation of appointments, in light of any changes in City Council Administration

3. PROPOSED SOUTHAMPTON MUSIC HUB BID

DECISION MADE: (CAB 23/24 37583)

On consideration of the report of the Cabinet Member for Children and Learning, Cabinet agreed the following:

- (i) To approve an application to be music hub lead organisation and Accountable Body for the new Department for Education prescribed geographical areas from September 2024 (BCP, Portsmouth, IOW and Southampton) and delegate authority to the Executive Director Wellbeing (Children & Learning), after consultation with the Executive Director Corporate Services and the Director of Governance, Legal and HR, to accept and take any action necessary to implement / deliver the service should the bid be successful.

Agenda Item 8

DECISION-MAKER:	CABINET COUNCIL		
SUBJECT:	REVENUE AND CAPITAL OUTTURN 2022/23		
DATE OF DECISION:	CABINET (19 JULY 2023) COUNCIL (19 JULY 2023)		
REPORT OF:	CABINET MEMBER FOR FINANCE & CHANGE		
<u>CONTACT DETAILS</u>			
Executive Director	Title:	Executive Director Corporate Services	
	Name:	Mel Creighton	Tel: 023 8083 3528
	E-mail:	Mel.Creighton@southampton.gov.uk	
Author	Title:	Head of Financial Planning and Management	
	Name:	Steve Harrison	Tel: 023 8083 4153
	E-mail:	Steve.Harrison@southampton.gov.uk	

STATEMENT OF CONFIDENTIALITY
N/A
BRIEF SUMMARY
<p>The purpose of this report is to summarise the overall financial outturn position of the council for 2022/23. The report sets out the General Fund revenue and capital outturn positions as well as the Housing Revenue Account (HRA) revenue and capital programme outturn position for 2022/23. It also includes the outturn position of the Collection Fund.</p> <p>In finalising the capital outturn for the year it is also necessary to review the estimates for 2023/24. This report includes those revised estimates for 2023/24 taking account of slippage and re-phasing.</p> <p>The position is reflected in the statement of accounts. These are subject to external audit scrutiny, which means this report is provisional, until such a time the audit has been completed.</p>

RECOMMENDATIONS:

	<u>General Fund – Revenue</u>
	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.
	<u>Housing Revenue Account</u> 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.
	<u>Capital Programme</u> 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.
	<u>General Fund – Revenue</u> It is recommended that Council:
i)	Notes the General Fund revenue outturn for 2022/23 has been balanced by drawing down £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)	Agrees the requests to carry forward un-ringfenced grant funding totalling £0.16M as outlined in paragraph 8 of Appendix 1.
iv)	Notes the performance of the Property Investment Fund (PIF) as detailed in paragraphs 9 to 11 of Appendix 1 and Annex 1.2.
	<u>Housing Revenue Account</u> It is recommended that Council:
v)	Notes the HRA revenue outturn for 2022/23 as outlined in paragraph 7 and paragraph 22 of Appendix 1 and Annex 1.4.
	<u>Capital Programme</u> It is recommended that Council:

vi)	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.
vii)	Notes the capital financing in 2022/23 as shown in table 3 of Appendix 2.
viii)	Approves 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.
ix)	Approves the latest prudential indicators for the revised capital programme as detailed in Annex 2.3.

REASONS FOR REPORT RECOMMENDATIONS

1.	To ensure that Cabinet fulfils its responsibilities for the overall financial management of the Council's resources.
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ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

2.	None, as the outturn position for 2022/23 has been prepared in accordance with statutory accounting requirements.
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DETAIL (including consultation carried out)

	<u>Revenue</u>												
3.	The outturn positions for the General Fund Revenue Account, Housing Revenue Account (HRA) and Collection Fund for the Council are summarised in Appendix 1.												
4.	The overall outturn on the General Fund was a year-end deficit of £11.38M, requiring a transfer from reserves to give a final balanced position. Although previous years have shown surpluses, this has often relied in part on some use of reserves in-year, for example using the social care demand reserve to assist the reported position for the 2021/22 outturn. 2022/23 also saw the additional strain on the budget of the cost of living crisis, high levels of inflation and rising interest rates impacting on council costs.												
5.	Table 1 summarises the General Fund outturn position. Table 1: General Fund Position												
	<table border="1"> <thead> <tr> <th></th> <th>£M</th> </tr> </thead> <tbody> <tr> <td>Portfolios Net Expenditure</td> <td>20.54 A</td> </tr> <tr> <td>Non Portfolio Expenditure</td> <td>6.64 F</td> </tr> <tr> <td>Additional Funding</td> <td>2.52 F</td> </tr> <tr> <td>Net Outturn Position</td> <td>11.38 A</td> </tr> <tr> <td>Funded from Reserves Transfer</td> <td>11.38 F</td> </tr> </tbody> </table>		£M	Portfolios Net Expenditure	20.54 A	Non Portfolio Expenditure	6.64 F	Additional Funding	2.52 F	Net Outturn Position	11.38 A	Funded from Reserves Transfer	11.38 F
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Additional Funding	2.52 F												
Net Outturn Position	11.38 A												
Funded from Reserves Transfer	11.38 F												
	An explanation of significant variances to budget and movements since the last quarter are provided in Annex 1.1.												
6.	The level of General Fund balance at 31 March 2023 remained at £10.07M, which is in line with the Medium Term Financial Strategy as agreed at the 22 February 2023 Council meeting. Earmarked revenue reserves totalled £55.05M at the end of 2022/23. Of these reserves a high proportion have been allocated for use in the Medium Term Financial Strategy over the next 5 to 10 years. Those that have not been allocated are addressing potential risks faced by the Council to assist in												

providing financial resilience.

The reserves available have been depleted over the last three years, from £87.76M at the end of 2019/20 to £55.05M at the end of 2022/23, thereby reducing the Council's financial resilience. A reserves strategy will be included in the revised medium term financial strategy, however it should be noted that relying on reserves to balance the position cannot continue and it is imperative the Council reduces the amount of expenditure in line with its resources.

Table 2 summarises the position on revenue reserves.

Table 2 Usable Revenue Reserves Summary as at 31 March

	31/03/2021	31/03/2022	31/03/2023
	£M	£M	£M
Earmarked Reserves – allocated	56.74	39.14	21.24
Earmarked Reserves – financial resilience risk reserves	73.63	57.05	28.35
School Balances	4.17	5.70	5.46
Total Reserves	134.54	101.89	55.05

Reserves have reduced by £46.84M during the year compared with £101.89M total reserves at the end of 2021/22. The balance at the end of 2021/22 included £14.08M of COVID-19 related grants being carried forward. There was an in-year surplus of £0.99M on the Dedicated Schools Grant (DSG) for 2022/23 and this is included within the £55.05M total noted above. Earmarked reserves do not include the £11.09M cumulative deficit on DSG as at 31 March 2022, which is being held in an unusable reserve so that it does not impact on the revenue account in accordance with regulations. More detail is provided in paragraphs 13 to 15 of Appendix 1.

7. The outturn position for the HRA was an adverse variance of £0.92M, as planned. An explanation of significant variances to budget and movements since the last quarter are provided in Annex 1.4.

8. The Council collects business rates and council tax not only for itself, but also for the Hampshire and Isle of Wight Fire & Rescue Authority and the Hampshire and Isle of Wight Police & Crime Commissioner and accounts for this via the Collection Fund. At the year end the Collection Fund had an overall surplus of £12.30M, comprising a surplus of £13.20M for business rates offset by a deficit of £0.90M for council tax.

The Council's share of the overall surplus is £5.71M as shown in Table 3 below.

Table 3 – SCC Share of Collection Fund Surplus

	Council Tax	Business Rates	Total
	£M	£M	£M
Outturn - SCC share of (Surplus)/Deficit	0.76	(6.47)	(5.71)

Add: Variance in SCC government grant income for business rates reliefs for 2022/23		(1.32)	(1.32)
Add: shortfall in SCC government grant income carried forward from 2021/22 due to deferral of the CARF* scheme, to be repaid to reserves in 2023/24		4.43	4.43
Outturn - SCC net share of (Surplus)/Deficit after government grant adjustments	0.76	(3.36)	(2.60)
Quarter 3 Revised Estimate SCC net share of (Surplus)/Deficit after government grant adjustments	0.26	1.43	1.69
Movement from quarter 3	0.50 A	4.79 F	4.29 F

*COVID Additional Relief Fund

There is an adjustment of £3.11M relating to timing differences for government grant income for business rates reliefs to deduct from SCC's share of the outturn surplus, leaving a net surplus of £2.60M. The Council's estimated share of the Collection Fund in January 2023 (as at quarter 3) for the purposes of setting the 2023/24 budget, after adjusting for government grant income for business rates reliefs, was a deficit of £1.69M. The £4.29M gain will be taken into account in setting the 2024/25 budget.

Capital

9. The General Fund and HRA capital expenditure and its financing for 2022/23 and the revised Capital Programme are summarised in Appendix 2.
10. The total General Fund capital expenditure in 2022/23 was £62.94M compared to the agreed revised programme of £98.63M, giving a variance of £35.69M (£34.94M net slippage and £0.75M of underspend).
11. The total HRA capital expenditure in 2022/23 was £35.88M compared to the agreed revised programme of £38.25M, giving a variance of £2.37M (£1.54M net slippage and £0.83M of underspend).

Statement of Accounts 2022/23

12. The 2022/23 draft statement of accounts will be presented to Governance Committee on 24 July 2023.
13. The annual audit, carried out by our auditors Ernst & Young LLP, is expected to commence in August 2023 and to be completed in October 2023. Changes to the statement of accounts (if any) arising from the annual audit will be reported to the Governance Committee before the Committee is formally asked to approve the accounts.

RESOURCE IMPLICATIONS

Capital/Revenue

14. The revenue and capital implications are contained in the report.

Property/Other

15. There are no specific property implications arising from this report other than the

schemes already referred to within Appendix 2 of the report.

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

16. Financial reporting is consistent with the Section 151 Officer's duty to ensure good financial administration within the Council.

Other Legal Implications:

17. None.

RISK MANAGEMENT IMPLICATIONS

18. None.

POLICY FRAMEWORK IMPLICATIONS

19. The proposals contained in the report are in accordance with the Council's Policy Framework Plan.

KEY DECISION? No

WARDS/COMMUNITIES AFFECTED:	All
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SUPPORTING DOCUMENTATION

Appendices

1.	Revenue Outturn 2022/23
2.	Capital Outturn 2022/23

Documents In Members' Rooms

1.	None
2.	

Equality Impact Assessment

Do the implications/subject of the report require an Equality Impact Assessment (EIA) to be carried out?	No
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Privacy Impact Assessment

Do the implications/subject of the report require a Privacy Impact Assessment (PIA) to be carried out?	No
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Other Background Documents

Equality Impact Assessment and Other Background documents available for inspection at:

Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
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1.	The Revenue Budget 2022/23, Medium Term Financial Strategy and Capital Programme (Approved by Council in February 2022)	
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Agenda Item 8

Appendix 1

REVENUE OUTTURN 2022/23

1. This report summarises the outturn position and variances to budget for the General Fund Revenue Account, Housing Revenue Account and Collection Fund and highlights any significant changes since the financial monitoring position reported to Cabinet at its meeting on 21 February 2023 (at quarter 3).

GENERAL FUND REVENUE ACCOUNT - SUMMARY

2. The overall outturn for the General Fund Revenue Account was a deficit of £11.38M, requiring a transfer from reserves to bring the revenue account back into balance.

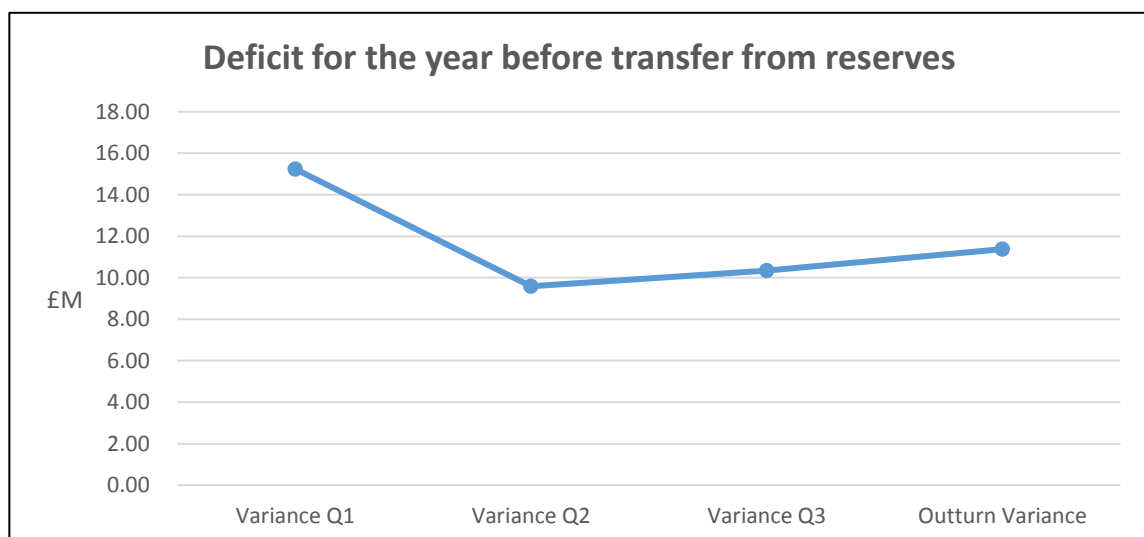
Table 1 – General Fund Revenue Account 2022/23

	Final Budget £M	Outturn £M	Outturn Variance £M
Portfolios Net Expenditure	218.04	238.58	20.54 A
Non-Portfolio Net Expenditure	(24.75)	(31.39)	6.63 F
Net Revenue Expenditure	193.29	207.19	13.90 A
Financing	(193.29)	(195.81)	2.52 F
Deficit for the year before transfer from reserves	0.00	11.38	11.38 A
Transfer from Reserves – Year End Deficit		(11.38)	11.38 F
(Surplus) / Deficit for the year	0.00	0.00	0.00

Numbers are rounded

3. Chart 1 below shows the trend in the forecast variance over the course of the year. This shows a reduction in the adverse variance following agreement of in-year savings plans at quarter 2, however a worsening of the overall position in the latter part of the year as new budget pressures emerged.

Chart 1 – General Fund forecast variance over 2022/23



4.	£15.57M of the portfolios adverse outturn variance relates to Children & Learning. The two biggest elements within this adverse variance are Pathways Through Care (£6.42M) due to placement numbers and costs not reducing as planned, and Home to School Transport (£4.13M) driven by increased numbers of eligible pupils with an Education, Health and Care Plan (EHCP) and increased unit costs for transport. The Health, Adults & Leisure portfolio also has an adverse of £5.86M, of which £3.86M is for increased costs for Adults' long term care relating to the revised discharge to assess process. Expenditure pressures expected to be on-going from 2022/23 were taken into account in the Medium Term Financial Strategy (MTFS) for 2023/24 to 2026/27 agreed at Council in February 2023. Those that emerged after the 2023/24 budget was set are reflected in the revised MTFS report elsewhere on this agenda.
5.	Of the £9.09M savings plans within portfolio budgets agreed in February 2022 £3.53M (39%) were achieved during the year and £5.56M (61%) were not. £4.52M of the unachieved savings relate to Children & Learning for the reasons noted above. Savings plans were reassessed as part of the 2023/24 budget setting process and those considered unachievable were taken into account within budget pressures. Unachievable savings that have emerged since the budget was set are reflected in the review of the Medium Term Financial Strategy.
6.	The £6.63M favourable outturn variance on non-portfolio net expenditure is primarily from a reduction in capital financing costs following a review of the capital programme and release of the agreed in-year savings that were being held centrally.
7.	Further details of outturn variances and significant movements since quarter 3 are provided in Annex 1.1.
	<u>Carry Forwards</u>
8.	In view of the overall outturn deficit on the General Fund Revenue Account no budgets are being carried forward from 2022/23 into 2023/24. In accordance with accounting requirements, £3.95M of unspent specific revenue grant funding is being carried forward via the Revenue Grants Reserve to be used in 2023/24. In addition, £1.32M of S31 Business Rates Grant is being carried forward in line with the MTFS agreed in February 2023 and noted in the quarter 3 financial monitoring report, and approval is sought to carry forward £0.16M of other un-ringfenced revenue grants that have been requested - £0.13M given for streamlining adult social care assessments and £0.03M for enforcing cladding regulations.
	<u>Property Investment Fund</u>
9.	As part of the scheme of delegation it was agreed the performance of the Property Investment Fund would be reported at outturn stage to Full Council. Annex 1.2 gives the details of this fund and Cabinet is asked to recommend Council note the performance.
10.	There have been no additional purchases during the year. The rate of return on investment in 2022/23 before borrowing costs and other on-costs was 5.74%. Borrowing costs of 3.90% were incurred giving a net rate of return of 1.84%. All of the properties remain fully let and the tenants are meeting their financial obligations under the leases (although one tenant has vacated the premises but continues to honour the lease).
11.	Investment properties are required to be revalued every year. The current valuation for those within the Property Investment Fund is £23.83M, a decrease in value compared with last year of £1.86M (an increase in value of £1.42M was reported for 2021/22).

Under current accounting rules changes in the value of investment properties do not impact on the General Fund.

Treasury Management

12. The Treasury Management outturn for 2022/23 will be reported to Governance Committee on 24 July 2023.

Dedicated Schools Grant (DSG) and Schools

13. The Dedicated Schools Grant is a ring-fenced grant and balances are carried forward each year. There was a £0.99M in-year surplus for 2022/23, reducing the cumulative deficit to £10.10M, as shown in Table 2 below.

Table 2 – DSG Outturn

	£M
Deficit carried forward from 2021/22	11.09
Net surplus in year	(0.99)
Balance to carry forward	10.10

Numbers are rounded

14. The DSG deficit has been driven by increased numbers and complexity of Education and Health Care Plans (EHCPs). Pressures on High Needs services is a nationally recognised issue with significant pressures being reported in most local education authorities. The Special Education Needs & Disabilities (SEND) team have an ongoing strategic review of the High Needs activity to manage demand for SEND services. This includes increasing resources for earlier intervention and providing additional places in special schools to reduce the number of pupils being placed in highly expensive placements in independent school settings. The increase in High Needs funding in 2022/23 also helped to mitigate some of the pressure being experienced. Further work is being undertaken as part of the Department for Education (DfE) programme Delivering Better Value in SEND which aims to support the achievement of goals and aspirations of children without the need for an EHCP and in a mainstream setting rather than in a special school.

15. The Schools Budget is ringfenced and the DSG deficit will not impact on the wider Council services or council tax payers unless there is a change in Government policy. In accordance with regulations, the deficit that accumulated up to the end of 2021/22 is being held within an unusable reserve so that it does not form part of the balance on earmarked revenue reserves. Regulations stipulate that only in-year deficits can be added to this unusable reserve. The in-year surplus for 2022/23 is included within earmarked revenue reserves.

16. There are 12 schools (out of 42 schools maintained by the Council) reporting a deficit balance as at the 31 March 2023 as shown in Table 3 below. This is one less than the number of schools reporting a deficit as at the previous year end but the total deficit has increased by £0.82M. During the year three schools cleared their deficits and four schools went into deficit from a surplus position. The latter includes one school that converted to an academy during 2022/23 and the Council will have to meet the £0.03M deficit balance.

Table 3 – Schools in Deficit

	2021/22		2022/23	
	Deficit £M	No. of Schools	Deficit £M	No. of Schools
Primary/Nursery	2.70	10	3.05	9
Secondary/Other	0.93	3	1.40	3
Total	3.63	13	4.45	12

Numbers are rounded

17. During 2022/23 three schools were issued with a Notice of Concern regarding their financial performance and accumulated deficit. One of these schools managed to reduce the level of their deficit by 31 March 2023. At the time of writing the Council is still waiting for a deficit recovery plan from this school to demonstrate how further reductions in the deficit will be achieved. One of the other two schools has produced a deficit recovery plan which the Council has accepted.
- The Schools Finance team are working with schools and providing advice on areas where the schools need to make changes to return to surplus. It is recommended that further advice and support is provided by the Director of Education to ensure robust deficit recovery plans are put in place for all schools.

Reserves & Balances

18. The General Fund balance stands at £10.07M, which is in line with the February 2023 Medium Term Financial Strategy (MTFS).
19. Earmarked revenue reserves totalled £55.05M at the end of 2022/23, comprising £5.46M of schools' balances and £49.59M other revenue reserves. This is an overall reduction of £46.84M compared with the £101.89M total reserves at the end of 2021/22. The balance at the end of 2021/22 included £20.93M of revenue grant funding being carried forward via reserves, of which £14.08M related to COVID-19. The balance at the end of 2022/23 includes £5.43M of revenue grants being carried forward.
20. The balance on the Medium Term Financial Risk Reserve has reduced by £28.70M over the year, from £57.05M down to £28.35M. Of this, £12.66M was planned net use per the MTFS agreed in February 2022, £11.38M was to meet the year-end deficit, £4.43M to manage timing differences relating to receipt of S31 grant for business rates reliefs (budgeted to be repaid to the reserve in 2023/24), and other net transfers from the reserve of £0.23M.
21. Further details of the year end balances and the changes since the quarter 3 position are set out in Annex 1.3. The main changes to the position as at quarter 3 are:
- A further £4.11M of revenue grants being carried forward via reserves compared with the forecast at quarter 3, as noted in paragraph 8;
 - An in-year surplus of £0.99M on the Dedicated Schools Grant being transferred to earmarked reserves, as noted in paragraph 15.

HOUSING REVENUE ACCOUNT (HRA)

22. The HRA had a deficit of £0.92M in 2022/23 as had been planned for the year and as summarised in Table 4 below. The planned deficit of £0.92M was met from a carry

forward of a planned surplus in 2021/22, such that by the end of 2022/23 the HRA balance has returned to £2M.
Further details on significant variances to budget and movements since quarter 3 are provided in Annex 1.4.

Table 4 – Housing Revenue Account Outturn 2022/23

HRA	Final Budget £M	Outturn £M	Outturn Variance £M
Expenditure	77.33	75.99	1.34 F
Income	(76.41)	(75.07)	1.34 A
(Surplus) / Deficit for the year	0.92	0.92	0.00

Numbers are rounded

COLLECTION FUND (for Council Tax and Business Rates)

23. Proceeds from local council tax and business rates are paid into the Collection Fund operated by the City Council, and then paid out to meet the net budgeted amounts of not only Southampton City Council, but also the Hampshire and Isle of Wight Police & Crime Commissioner and Hampshire and Isle of Wight Fire & Rescue Authority. Government also receives a 50% share of the proceeds from the local business rates collected.
24. The outturn for the Collection Fund as a whole is an overall surplus of £12.30M, as shown in Annex 1.5 and summarised in Table 5. The table shows a comparison of the outturn position with the revised estimate at quarter 3 which was taken into account in setting the 2023/24 budget.

Table 5 – Overall Collection Fund (Surplus)/Deficit Carried Forward

	Outturn £M	Quarter 3 Revised Estimate £M	Movement from Qtr 3 £M
Council Tax	0.90	0.31	0.59 A
Business Rates	(13.20)	(3.45)	9.76 F
Total	(12.30)	(3.14)	9.16 F

Numbers are rounded

25. The increase in the council tax deficit is mainly from a higher contribution to the amount set aside for doubtful debts (£0.41M).
26. The improvement in the business rates surplus is largely due a reduction in the amount set aside for losses from successful appeals against rateable values (£11.28M), as the window for commencing action against the 2017 rating list closed at 31 March 2023 and the anticipated level of appeals did not materialise. Added to this was a reduction in the contribution to the amount set aside for doubtful debts (£0.63M). These favourable variances were offset by a reduction in business rates income (£2.04M).

27.	The net impact for Southampton City Council (SCC) alone is shown in Table 6.																												
	<p>Table 6 – SCC Share of Collection Fund (Surplus)/Deficit 2022/23</p> <table border="1"> <thead> <tr> <th data-bbox="255 297 938 432"></th> <th data-bbox="938 297 1109 432">Council Tax £M</th> <th data-bbox="1109 297 1284 432">Business Rates £M</th> <th data-bbox="1284 297 1455 432">Total £M</th> </tr> </thead> <tbody> <tr> <td data-bbox="255 432 938 488">Outturn - SCC share of (Surplus)/Deficit</td> <td data-bbox="938 432 1109 488">0.76</td> <td data-bbox="1109 432 1284 488">(6.47)</td> <td data-bbox="1284 432 1455 488">(5.71)</td> </tr> <tr> <td data-bbox="255 488 938 577">Add: Variance in SCC government grant income for business rates reliefs for 2022/23</td> <td data-bbox="938 488 1109 577"></td> <td data-bbox="1109 488 1284 577">(1.32)</td> <td data-bbox="1284 488 1455 577">(1.32)</td> </tr> <tr> <td data-bbox="255 577 938 745">Add: shortfall in SCC government grant income carried forward from 2021/22 due to deferral of the CARF* scheme, to be repaid to reserves in 2023/24</td> <td data-bbox="938 577 1109 745"></td> <td data-bbox="1109 577 1284 745">4.43</td> <td data-bbox="1284 577 1455 745">4.43</td> </tr> <tr> <td data-bbox="255 745 938 869">Outturn - SCC net share of (Surplus)/Deficit after government grant adjustments</td> <td data-bbox="938 745 1109 869">0.76</td> <td data-bbox="1109 745 1284 869">(3.36)</td> <td data-bbox="1284 745 1455 869">(2.60)</td> </tr> <tr> <td data-bbox="255 869 938 992">Quarter 3 Revised Estimate SCC net share of (Surplus)/Deficit after government grant adjustments</td> <td data-bbox="938 869 1109 992">0.26</td> <td data-bbox="1109 869 1284 992">1.43</td> <td data-bbox="1284 869 1455 992">1.69</td> </tr> <tr> <td data-bbox="255 992 938 1048">Movement from quarter 3</td> <td data-bbox="938 992 1109 1048">0.50 A</td> <td data-bbox="1109 992 1284 1048">4.79 F</td> <td data-bbox="1284 992 1455 1048">4.29 F</td> </tr> </tbody> </table> <p data-bbox="762 1059 1002 1086">Numbers are rounded</p> <p data-bbox="255 1093 603 1120">*COVID Additional Relief Fund</p>		Council Tax £M	Business Rates £M	Total £M	Outturn - SCC share of (Surplus)/Deficit	0.76	(6.47)	(5.71)	Add: Variance in SCC government grant income for business rates reliefs for 2022/23		(1.32)	(1.32)	Add: shortfall in SCC government grant income carried forward from 2021/22 due to deferral of the CARF* scheme, to be repaid to reserves in 2023/24		4.43	4.43	Outturn - SCC net share of (Surplus)/Deficit after government grant adjustments	0.76	(3.36)	(2.60)	Quarter 3 Revised Estimate SCC net share of (Surplus)/Deficit after government grant adjustments	0.26	1.43	1.69	Movement from quarter 3	0.50 A	4.79 F	4.29 F
	Council Tax £M	Business Rates £M	Total £M																										
Outturn - SCC share of (Surplus)/Deficit	0.76	(6.47)	(5.71)																										
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Add: shortfall in SCC government grant income carried forward from 2021/22 due to deferral of the CARF* scheme, to be repaid to reserves in 2023/24		4.43	4.43																										
Outturn - SCC net share of (Surplus)/Deficit after government grant adjustments	0.76	(3.36)	(2.60)																										
Quarter 3 Revised Estimate SCC net share of (Surplus)/Deficit after government grant adjustments	0.26	1.43	1.69																										
Movement from quarter 3	0.50 A	4.79 F	4.29 F																										
28.	<p>The Council's share of the estimated deficit at quarter 3 after adjusting for government grant for business rates reliefs was taken into account in setting the 2023/24 General Fund revenue budget in February 2023. The outturn position shows a favourable variance of £4.29M compared with the quarter 3 revised estimate. Under the arrangements for operating the Collection Fund, differences between the outturn position and the estimates used when setting the budget for the next year are reflected in the following year's estimates. This favourable variance will therefore be taken into account in setting the 2024/25 General Fund revenue budget.</p>																												
29.	<p>The 2022/23 General Fund budget included the Council's share of the estimated deficit on the Collection Fund in 2021/22 arising from COVID Additional Relief Fund (CARF) business rate reliefs, to be met from compensation grant that was assumed to be receivable in 2021/22 and carried forward via reserves. Due to the deferment of the award of the reliefs no grant was received in 2021/22, however the charge to the General Fund in 2022/23 remained as it was based on the estimate made in January 2022 and not the outturn position. Grant income has been received in 2022/23 to match the award of the reliefs during the year and forms part of the variance in SCC government grant income shown in table 6 above. The timing differences relating estimates and actuals for CARF relief and associated grant income have been managed via reserves and unwind in 2023/24.</p>																												
	<p>Conclusion</p>																												
30.	<p>The Council's formal 2022/23 Statement of Accounts is subject to external audit, after which it will be submitted for approval by the Governance Committee.</p>																												

31.	<p>The Council experienced severe financial pressures during 2022/23, not only from continued high demand for services, particularly within Children & Learning, but also due to the impact of high levels of inflation and pay increases. Despite actions being taken to help address the financial position a significant deficit remained at year end which had to be met from revenue reserves. This, alongside the planned use of reserves to balance the 2023/24 budget, has severely weakened the Council's financial resilience. It is imperative that the council reduces its expenditure in line with the funding available and delivers on the savings proposed. The MTFS Update report elsewhere on this agenda sets out the approach being taken to return the Council to a sustainable financial footing.</p>
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Annexes

1. General Fund Revenue Account Outturn 2022/23
2. Property Investment Fund 2022/23
3. Earmarked Reserves 2022/23
4. Housing Revenue Account Outturn 2022/23
5. Collection Fund Outturn 2022/23

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GENERAL FUND REVENUE ACCOUNT OUTTURN 2022/23 Appendix 2

A summary of the overall outturn for the General Fund Revenue Account is shown in the table below:

Portfolio	Final Budget £M	Outturn £M	Outturn Variance £M
Children & Learning	59.96	75.54	15.57 A
Communities & Customer Engagement	6.22	7.07	0.86 A
Economic Development	2.72	2.77	0.06 A
Finance & Change	39.93	40.88	0.95 A
Health, Adults & Leisure	85.72	91.59	5.86 A
Housing & the Green Environment	7.90	8.02	0.12 A
Leader	13.15	12.98	0.17 F
Safer City	1.47	1.30	0.18 F
Transport & District Regeneration	0.97	(1.58)	2.54 F
Total Portfolios	218.04	238.58	20.54 A
Levies & Contributions	0.09	0.09	0.00 A
Capital Asset Management	11.33	7.37	3.96 F
Net Housing Benefit Payments	0.00	0.52	0.52 A
Other Expenditure & Income	(36.17)	(39.36)	3.19 F
Net Revenue Expenditure	193.29	207.19	13.90 A
Council Tax	(111.24)	(111.24)	0.00
Business Rates	(32.78)	(32.78)	0.00
Non-Specific Government Grants	(49.27)	(51.79)	2.52 F
Total Financing	(193.29)	(195.81)	2.52 F
Deficit before transfer from reserves	0.00	11.38	11.38 A
Transfer from Reserves – Year End Deficit		(11.38)	11.38 F
(Surplus)/Deficit	0.00	0.00	0.00

Numbers are rounded

The variance trend for the year is summarised below:

	Variance Q1	Variance Q2	Variance Q3	Outturn Variance
	£M	£M	£M	£M
Net Revenue Expenditure*	15.26 A	9.61 A	10.36 A	13.90 A
Financing	0.02 F	0.02 F	0.02 F	2.52 F
Deficit before transfer from reserves	15.24 A	9.59 A	10.34 A	11.38 A

Numbers are rounded

*Including agreed in-year savings from Q2

EXPLANATIONS BY PORTFOLIO

1. CHILDREN & LEARNING PORTFOLIO

KEY REVENUE ISSUES – OUTTURN 2022/23

The portfolio has a deficit of **£15.58M** at year-end, which represents a percentage variance against budget of 26.0%.

	Final Budget	Outturn	Outturn Variance	% of Budget
	£M	£M	£M	%
Portfolio Outturn	59.96	75.54	15.58 A	26.0

The portfolio outturn variance has moved adversely by **£4.56M** from the position reported at Quarter 3. The variance trend for the year is shown below.

	Variance Q1	Variance Q2	Variance Q3	Outturn Variance
	£M	£M	£M	£M
Portfolio Variance	9.19 A	9.43 A	11.02 A	15.58 A

A summary of the Portfolio outturn variance by Service Area is shown in the table below:

Service Area	Final Budget	Outturn	Outturn Variance
	£M	£M	£M
Children & Families First	2.24	2.24	0.01 F
DSG Central School Services Block	(0.06)	(0.06)	0.00
Divisional Management & Legal	2.55	2.65	0.10 A
Education - Home to school transport and property management	6.02	11.06	5.04 A
Education - Services for schools and High Needs	4.35	6.24	1.89 A
Pathways Through Care	28.88	35.29	6.42 A
ICU – Children’s Services	0.44	0.42	0.02 F
Young Peoples Service	3.18	3.46	0.28 A
Quality Assurance Business Unit	2.40	2.60	0.21 A

Safeguarding	9.41	11.10	1.69 A
Other	0.54	0.53	0.01 F
Total	59.96	75.54	15.58 A

The SIGNIFICANT variations for the Portfolio are:

Service Area	Outturn Variance	Explanation:
	£M	
Education - Home to school transport and property mgt	5.04 A	<p>The Home to School Transport service experienced cost pressures of £4.13M driven by the increased numbers of pupils with an Education, Health and Care Plan (EHCP) who are eligible for home to school transport and by an increase in the unit costs for transport. There were also cost pressures for increased numbers of school escorts as well as increased transport costs. To mitigate the pressures the service is exploring a range of initiatives including re-procurement and the offer of independent travel training. The initial estimate is that these cost pressures will continue into 2023/24 with an adverse forecast of £4.43M. The Council has engaged with the industry to attract new suppliers in an attempt to provide a more competitive market. There are further actions planned such as route optimisation and a review of travel arrangements.</p> <p>There is a pressure in the property costs relating to the delayed academisation date for one of the schools of £0.47M, feasibility and project costs exceeded budget by £0.21M relating to the special education needs (SEN) school expansion programme and pressures relating to utility charges and maintenance costs totalling £0.10M.</p> <p>There is a pressure in the Education Psychologists team of £0.13M driven by the increase in EHCPs, coupled with short term staff absence leading to additional staff costs as well as prior year savings not being achieved. These pressures are continuing into 2023/24 and to mitigate the impact the service is presenting cost control measures which will reduce spend and increase income in other teams.</p> <p>The adverse movement of £3.58M from Quarter 3 is due to:</p> <ol style="list-style-type: none"> 1. increased costs totalling £2.58M in the Home to School Transport service due to a sharp increase in route costs following a retendering exercise and additional routes being required. 2. Income received to the council was £0.48M lower than expected.

		<ol style="list-style-type: none"> 3. Costs related to the school academisation were £0.44M higher than planned for the year. 4. £0.08M due to increased feasibility costs, utility charges and staff costs.
Education - Services for schools, High Needs	1.89 A	<p>The Jigsaw service experienced pressures relating to</p> <ol style="list-style-type: none"> 1. high-cost placements of £1.34M, £1.2M relates to the on-going costs of care continuing from 2021/22 and £0.14M for a new high cost placement following a family's move into the city. The 2023/24 budget for placements was adjusted in February 2023 to reflect the on-going costs of £1.2M. However, the costs of new placements are expected to create a pressure of £0.3M in 2023/24. 2. Increased costs in direct payments due to a rise in the number of children requiring packages of care of £0.10M, partly offset by a contribution from the Integrated Care Board (ICB) towards direct payments of £0.06M. This is not expected to have a continuing impact on the 2023/24 budget. 3. Delays in recruiting to new posts in the Jigsaw service has meant that it was necessary to extend agency staff to cover the posts and manage the backlog in assessments, leading to a pressure of £0.09M. This is not expected to have an impact on the 2023/24 budget. 4. Savings and income targets across Education teams were not met leading to a pressure of £0.38M. These pressures are continuing into 2023/24 and to mitigate the impact the service is presenting cost control measures which will reduce spend and increase income across the Education service. 5. There were also further small variances totalling £0.04M relating to contract costs and premises related costs. <p>The adverse movement of £0.47M from Quarter 3 is due to:</p> <ul style="list-style-type: none"> • an increase in care packages (£0.14M), • increased staff costs (£0.12M), offset by higher contributions from the ICB (£0.04M). • The pressures from not meeting the savings and income targets being £0.2M higher than forecast at Quarter 3 • Premises and contract costs being £0.05M higher than forecast.
Pathways Through Care	6.42 A	<p>There have been a number of demand pressures within the Children Looked After Teams' placement spend. These adverse variances against budget are detailed below:</p> <ul style="list-style-type: none"> • Residential placements - £2.55M • Independent Foster Carers (IFA) - £0.90M

		<ul style="list-style-type: none"> • SCC Foster Carers - £0.96M • Special Guardianship - £0.39M • Children in Care Teams - £1.47M <p>In addition, to manage this increase in demand during the year, the Fostering, Adoption and Contact Teams have had additional staffing costs in year of £0.14M.</p> <p>The adverse movement of £0.44M from Quarter 3 relates to several placement cost increases in residential cases.</p> <p>It is important to note that the numbers of children looked after and costs across the service have decreased since April 2023 and this trend is expected to continue through 2023/24. The expected reduction in placement spend will be monitored closely in the new year.</p> <p>In March 2023 the weekly total care costs were £42k less per week than at the same point 12 months previously, a 10% reduction. If the trajectory continues it will have a significant impact on the projected spend for 2023/24.</p>
Young Peoples Service	0.28 A	<p>There is an adverse variance of £0.28M relating to staffing and agency cover.</p> <p>Within the missing, exploited and trafficked team, there are 2 additional staff on fixed term contracts backfilling for 2 members of staff that are on social worker apprenticeships and as a result carry a much-reduced caseload.</p> <p>This approach supports future permanent social workers in the service. The missing, exploited, trafficked (MET) team have 3 staff on apprenticeships which will yield 3 more social workers in the next 18 months.</p> <p>The demand on the Young People's service has been greater than anticipated, with 175 young people currently receiving a service. Due to the complexity and volume, the service has needed additional agency staff to manage demand. This has been exacerbated by 2 newly qualified social workers having to move from the service to a different team due to the work being too complex and high risk for them. In 2023/24 the service is expected to be fully staffed, reducing reliance on agency staff.</p>
Quality Assurance Business Unit	0.21 A	<p>There is an adverse variance of £0.21M related to agency staff required in the service. This primarily relates to the need for Independent Reviewing Officers (high numbers of children in care combined with government guidance about Independent Reviewing Officer caseloads) and also Child Protection Chairs, in particular to ensure that there is sufficient capacity to chair Risk of Harm Outside the Home (ROTH) conferences.</p> <p>Agency staff within Quality Assurance have substantially reduced for 2023/24 with only one remaining.</p>

Safeguarding	1.69 A	<p>There is an adverse variance of £1.69M relating to agency staff, additional allowances and overtime in the service.</p> <p>This adverse variance relates to vacancies, the high number of inexperienced permanent staff within the service and the need to hold agency staff while gradually building up their caseloads.</p> <p>The service now has 90% permanent staffing which is a significant improvement, but there is a need to maintain a level of experience via agency workers to ensure that children receive the service they need.</p> <p>Of the 17 newly qualified social workers (NQSW) across the service most were not registered until August or September. This meant that they could not hold social work cases.</p> <p>There were delays in the arrival of some of the international social workers. Caseloads for international social workers were kept at a lower level for a period of time while they settle into the country and familiarise themselves with UK legislation and practices. As the number of cases they can deal with increases and NQSWs increase, less additional agency have been required.</p> <p>The demand in the Emergency Duty Team from case numbers and complexity has meant additional allowances and overtime being paid to emergency duty team staff. These overtime payments are closely overseen by the senior managers in the service. In 2023/24 there will be a review of the EDT service to ensure it has the right capability and capacity.</p>
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2. COMMUNITIES & CUSTOMER ENGAGEMENT PORTFOLIO

KEY REVENUE ISSUES – OUTTURN 2022/23

The portfolio has a deficit of **£0.86M** at year-end, which represents a percentage variance against budget of 13.8%.

	Final Budget	Outturn	Outturn Variance	% of Budget
	£M	£M	£M	%
Portfolio Outturn	6.22	7.07	0.86 A	13.8%

The portfolio outturn variance has moved adversely by **£0.26M** from the position reported at quarter 3. The variance trend for the year is shown below.

	Variance Q1	Variance Q2	Variance Q3	Outturn Variance
	£M	£M	£M	£M
Portfolio Variance	0.60 A	0.71 A	0.60 A	0.86 A

A summary of the portfolio outturn variance by service area is shown in the table below:

Service Area	Final Budget	Outturn	Outturn Variance
	£M	£M	£M
Bereavement Services	0.01	0.84	0.83 A
Registration Services	(0.14)	(0.19)	0.05 F
Customer Services	2.15	2.15	0.00
Directorate Management - Place	(0.10)	0.24	0.34 A
Grants to Voluntary Organisations	0.87	0.83	0.02 F
Libraries	2.02	2.03	0.01 A
Stronger Communities	1.42	1.16	0.25 F
Total	6.22	7.07	0.86 A

The SIGNIFICANT variations for the Portfolio are:

Service Area	Outturn Variance	Explanation:
	£M	
Bereavement Services	0.83 A	<p>The adverse variance relates to:</p> <ul style="list-style-type: none"> • energy cost (gas and electricity) increases for the crematorium of £0.13M mainly due to price increases • coroners costs of £0.55M, • agency and fly tipping costs of £0.04M • Loss of income of £0.14M. This has been partially offset by a reduction in non essential spend of £0.03M. <p>Coroner's costs are recharged by Hampshire County Council, of which £0.15M is in relation to Q4 of 2021/22 and £0.40M for 2022/23. Coroner's costs are high due to a backlog of cases, and is being addressed by Hampshire County Council at additional cost. A pressure has already been built into the budget for 2023/24, based on the Q3 position, and the MTFS update reflects potential further pressures.</p>
Directorate Management - Place	0.34 A	A directorate wide saving target was held centrally rather than applied to relevant services. The saving was met from underspends in the wider directorate.
Stronger Communities	0.25 F	The favourable variance of £0.25M is made up of vacancy savings across the Stronger Communities team of £0.09M, and savings of £0.16M on the Year of the Child budget. The year of the child underspend was not carried forward to assist in addressing the financial position for 2022/23. This has been included in the MTFS update.

3. ECONOMIC DEVELOPMENT PORTFOLIO

KEY REVENUE ISSUES – OUTTURN 2022/23

The portfolio has a deficit of **£0.06M** at year-end, which represents a percentage variance against budget of 2.2%.

	Final Budget	Outturn	Outturn Variance	% of Budget
	£M	£M	£M	%
Portfolio Outturn	2.72	2.77	0.06 A	2.2

The portfolio outturn variance has moved favourably by **£1.13M** from the position reported at Quarter 3. The variance trend for the year is shown below.

	Variance Q1	Variance Q2	Variance Q3	Outturn Variance
	£M	£M	£M	£M
Portfolio Variance	0.80 A	1.38 A	1.19 A	0.06 A

A summary of the portfolio outturn variance by service area is shown in the table below:

Service Area	Final Budget	Outturn	Outturn Variance
	£M	£M	£M
Facilities Management	2.15	2.74	0.58 A
Central Repairs & Maintenance	2.59	2.42	0.17 F
Energy Team	(0.11)	0.01	0.12 A
Planning	0.63	1.03	0.39 A
Economic Development	0.27	0.23	0.05 F
Property Services	3.41	2.40	1.01 F
Social Fund & Property	0.28	0.27	0.01 F
Property Portfolio Management	(6.52)	(6.32)	0.20 A
Total	2.72	2.77	0.06 A

The SIGNIFICANT variations for the Portfolio are:

Service Area	Outturn Variance	Explanation:
	£M	
Facilities Management	0.58 A	<p>This variance is a combination of significant additional costs of £0.50M for geo-thermal usage and £0.28M for additional electricity costs. This is offset by:</p> <ul style="list-style-type: none"> • savings within other facilities management budgets of £0.11M for other building related costs; • £0.04M savings within the staffing budget • £0.05M additional income for the cleaning contract.
Planning	0.39 A	<p>There is an adverse position on Development Management of £0.66M from reduced planning income due to the impact of the wider economic conditions reducing the number of planning application. This is partially offset by a favourable variance in Strategic Planning of £0.27M from work associated with the Local Plan slipping into later years.</p>
Property Services	1.01 F	<p>There is a favourable variance of £0.38M against the Mayflower Park project budget which was paused following the Levelling up bid submission and subsequent result. There is also £0.63M of favourable variances against staffing and income from;</p> <ul style="list-style-type: none"> • holding vacancies; • delaying recruitment; • appointments being reduced; • increase in staffing recharge income from external organisations; • and, an increase in staff processing recharges as part of an in-year saving proposal.
Property Portfolio Management	0.20 A	<p>There is an adverse variance of £0.20M on the property portfolio. This is due to £0.16M of additional operating costs of One Guildhall Square, especially on utilities and business rates following a revaluation of the rateable value and the space SCC is liable for increasing due to previous tenants moving out.</p> <p>There is an additional adverse variance of £0.04M from the Investment Property Portfolio due to pressure on income from profit sharing arrangements. They are calculated a year in arrears and the retail sector is still generally recovering from a slowdown over recent years.</p>

4. FINANCE & CHANGE PORTFOLIO

KEY REVENUE ISSUES – OUTTURN 2022/23

The portfolio has a deficit of **£0.95M** at year-end, which represents a percentage variance against budget of 2.4%.

	Final Budget	Outturn	Outturn Variance	% of Budget
	£M	£M	£M	%
Portfolio Outturn	39.93	40.88	0.95 A	2.4

The portfolio outturn variance has moved favourably by **£0.12M** from the position reported at quarter 3. The variance trend for the year is shown below.

	Variance Q1	Variance Q2	Variance Q3	Outturn Variance
	£M	£M	£M	£M
Portfolio Variance	1.19 A	2.24 A	1.07 A	0.95 A

A summary of the portfolio outturn variance by service area is shown in the table below:

Service Area	Final Budget	Outturn	Outturn Variance
	£M	£M	£M
Accounts Payable	0.33	0.41	0.08 A
Accounts Receivable	2.11	2.02	0.09 F
Business Development	0.00	0.33	0.33 A
Business Support	2.13	2.34	0.20 A
Centrally Apportionable Overheads	(7.67)	(7.64)	0.02 A
City Services - Management & Compliance	0.32	0.30	0.02 F
City Services - Waste Operations	16.08	14.33	1.75 F
Commercialisation	(0.39)	0.10	0.49 A
Corporate Finance	3.08	3.05	0.03 F
Corporate Management	(0.04)	(0.11)	0.07 F

Data & Intelligence	0.36	0.34	0.02 F
Highways Contracts	6.93	6.93	0.00
Internal Audit	0.35	0.27	0.08 F
IT Services	8.25	10.06	1.81 A
Local Taxation & Benefits Services	1.67	2.08	0.41 A
Pension & Redundancy Costs	2.28	1.86	0.42 F
Projects, Policy & Performance	1.55	1.50	0.05 F
Risk Management	1.54	1.46	0.08 F
Supplier Management Services	1.05	1.24	0.19 A
Total	39.93	40.88	0.95 A

The SIGNIFICANT variations for the Portfolio are:

Service Area	Outturn Variance	Explanation:
	£M	
Business Development	0.33 A	<p>This cost centre is holding the revenue maintenance arrears of £0.33M associated with the Care Director system which were agreed as part of contract negotiations in March 2023.</p> <p>There has been an adverse movement of £0.35M between the Q3 forecast and the outturn position due to the restructure of the portfolios taking place in Q4 and changes in the responsibilities of managers between portfolios in the same period.</p>
Business Support	0.20 A	<p>The overall adverse variance of £0.20M is due to a £0.10M adverse variance in the staffing budget as the service were unable to meet their vacancy management target of £0.08M and incurred temporary staffing costs of £0.02M.</p> <p>There is an adverse variance of £0.06M in the savings targets budget, and additional adverse variances of £0.04M in the supplies and services and transport budgets.</p>
City Services – Waste Operations	1.75 F	<p>There is a favourable variance in waste operations of £1.75M.</p> <p>This is made up of favourable variances on:</p>

		<ul style="list-style-type: none"> - Vehicles of £0.39M following a change in how the recharge rate for older vehicles is calculated. - Income of £0.59M from an increase in market rates for dry mixed recyclables and glass, along with an increase in garden waste income and other recharges - Waste disposal costs of £0.09M - Trade waste of £0.19M following a review of costs in year to ensure only those related to the provision of the service are charged to the service - Staffing of £0.29M from vacant positions over the year following the restructure - Waste transformation project costs of £0.42M based on the decision to pause the programme until the legislative requirements from the new Environment Act are announced. <p>This is offset by:</p> <ul style="list-style-type: none"> - Adverse position of £0.10M on energy costs from increased prices - There are also pressures on fuel charges of £0.12M from price rises in the year. <p>The forecast moved favourably by £0.94M from quarter 3. This was due to:</p> <ul style="list-style-type: none"> • An increase in income of £0.43M following an increase in market rates for dry mixed recyclables and glass • an increase in garden waste income and other recharges. • Waste Transformation project costs of £0.42M based on the decision to pause the programme until the legislative requirements from the new Environment Act are announced. • Other net movements across the service of £0.09M primarily due to staffing levels built into the forecast at Quarter 3 not being met due to challenges filling positions in the current job market.
Commercialisation	0.49 A	The commercialisation savings target of £0.56M for this service area has not been achieved. The unfavourable variance is in part offset by a saving of £0.07M from the commercialisation manager post being vacant. This target is currently included in 2023/24 budget and is unlikely to be met unless the fees and charges policy is agreed.
IT Services	1.81 A	The adverse variance of £1.81M consists of four main issues: <ul style="list-style-type: none"> • A staffing variance of £0.16M adverse • An unachieved savings target of £0.70M

		<ul style="list-style-type: none"> • An income variance of £1.51M adverse, this is due to income from capital and schools being unachievable • Supplies and Services and Premises favourable variance of £0.56M. <p>There has been an adverse movement of £1.08M between the Q3 forecast and the outturn position. The full details of the budget pressures in this area were identified in Q4 and are detailed in the paragraph above.</p> <p>Of the total unfavourable income variance of 1.51M, there is an unfavourable capital charge variance of £1.18M against a budgeted income target of £1.75M (£0.57M income achieved). There is also a shortfall of £0.33M against the school income budget target of £0.73M (£0.4M income achieved). The budgets for IT Services will be reviewed during 2023/24.</p>
Local Taxation & Benefits	0.41 A	<p>There is an adverse variance of £0.41M in this budget mainly resulting from a variance of £0.44M against budget for the income from charges for council tax court costs. This variance is partly mitigated by the receipt of a government grant of £0.19M for council tax services. In addition, there is a shortfall in the achievement of the efficiency savings targets for this area of £0.16M.</p>
Pension & Redundancy Costs	0.42 F	<p>There has been a £0.35M underspend in the charge from Hampshire County Council (HCC) against the Compensatory Added Years budget. There is also an additional saving of £0.04M from HCC for the prepayment of Local Government Pension Scheme (LGPS) contributions and a favourable variance of £0.03M compared to our redundancy budget provision for 2022/23.</p> <p>There has been a favourable movement of £0.42M between the Q3 forecast and the outturn position. The full details of the adverse movement are explained in the paragraph above.</p>
Supplier Management Services	0.19 A	<p>There has been a favourable movement of £0.29M on this cost centre between the Q3 forecast and the outturn position. The forecast adverse variance in Q3 included a shortfall of £0.48M in the achievement of the target efficiency saving of £0.95M. In Q4 this was mitigated through the inclusion of additional grant income of £0.28M that reduced the unfavourable outturn position to £0.19A.</p>

5. HEALTH, ADULTS & LEISURE PORTFOLIO

KEY REVENUE ISSUES – OUTTURN 2022/23

The portfolio has a deficit of **£5.86M** at year-end, which represents a percentage variance against budget of 6.8%.

	Final Budget	Outturn	Outturn Variance	% of Budget
	£M	£M	£M	%
Portfolio Outturn	85.72	91.59	5.86 A	6.8

The portfolio outturn variance has moved adversely by **£1.32M** from the position reported at Quarter 3. The variance trend for the year is shown below.

	Variance Q1	Variance Q2	Variance Q3	Outturn Variance
	£M	£M	£M	£M
Portfolio Variance	2.39 A	3.37 A	4.54 A	5.86 A

A summary of the portfolio outturn variance by service area is shown in the table below:

Service Area	Final Budget	Outturn	Outturn Variance
	£M	£M	£M
Adults - Adult Services Management	2.27	1.69	0.58 F
Adults - Long Term	39.86	43.27	3.42 A
Adults - Provider Services	4.44	4.61	0.17 A
Adults - Reablement & Hospital Discharge	7.83	8.21	0.38 A
Adults - Safeguarding Adult Mental Health & Out Of Hours	11.59	13.69	2.10 A
ICU - Provider Relationships	13.65	13.70	0.05 A
ICU - System Redesign	2.01	2.03	0.03 A
Leisure Contracts and Strategy	1.82	1.98	0.16 A
Public Health - Management & Overheads	2.26	2.40	0.14 A
Total	85.72	91.59	5.86 A

The SIGNIFICANT variations for the portfolio are:

Service Area	Outturn Variance	Explanation:
	£M	
Adults - Adult Services Management	0.58 F	<p>The favourable variance is due to £0.44M relating to ongoing restructuring and recruitment of staff to the Adult Social Care staffing pressures approved at February 2022 budget setting. This has resulted in vacant posts during the financial year and thus a favourable variance in this area. There is also a £0.11M favourable variance related to a review of learning and development spend mainly taking into account cost control criteria updates and £0.03M of smaller favourable variances.</p>
Adults - Long Term	3.42 A	<p>The adverse variance is due to:</p> <ul style="list-style-type: none"> - A £3.86M impact of the increased cost of care and in particular the costs relating to the revised discharge to assess process where clients are discharged from hospital in line with the updated Covid response process. This often leads to increased average costs compared to pre Covid levels due to the early discharge plus potential lack of reablement support to ensure that clients do not require enhanced packages of care. This includes a £0.52M adverse variance due to additional payment of spot rate beds, above the contract total. - There is an adverse variance of £0.24M due to reduced income relating to direct payments. - There is an adverse variance of £0.16M due to non-achievement of savings around double handed care. - There is an adverse variance of £2.01M due to an increase cost of Learning Disability client demand and a small number of high cost clients. - There is a £0.12M adverse variance due to the cost of staffing pressures for agency staff and overtime in the Social Wellbeing and Learning Disability teams. - There is a £0.40M adverse variance due to an increase in the bad debt provision requirement. - The above has been offset by the use of £1.91M from reserves which was set aside to meet in year Adult Social Care pressures, £0.90M ASC Discharge Funding released from Central Government to partially fund the impact of Discharge to Assess cost and £0.56M usage of Fair Cost of Care funding. <p>There has been a £1.65M adverse movement since Quarter 3 due to:</p> <ul style="list-style-type: none"> - A £1.50M impact of the increased cost of care. - An adverse variance of £0.08M due to reduced income relating to direct payments. - A £0.10M adverse movement due to an increase in the bad debt provision. - Smaller favourable variances of £0.03M.

		<p>For 2023/24 these adverse movements represent a risk to the ongoing financial position. To mitigate this, Adult Social Care are carrying out a review of the service, looking at current working practices and aiming to arrive at an updated target operating model. Material strategic related changes may take time however, so this area remains a financial risk.</p>
Adults - Reablement & Hospital Discharge	0.38 A	<p>There is a £0.38M adverse variance due to ongoing agency staffing pressures in the Hospital Discharge and Connect teams with the areas having a £0.35M and £0.16M adverse variance respectively. This is partially offset by a £0.13M favourable variance in the Community Independence Service and Urgent Response Services due to vacancies arising and not being backfilled via agency.</p> <p>There has been a £0.35M favourable movement since Quarter 3 due to a £0.07M reduction in the staffing adverse variance in the Hospital Discharge team, a £0.20M reduction in spend on the Connect team, part funded from the Disabled Facilities Grant from hoarder project funds, and £0.08M smaller adverse variances.</p> <p>For 2023/24 there has been additional budget pressures added for the risk of additional agency/temporary staff continuing to be required for Hospital Discharge and Connect. However, a revised process for Hospital Discharge and Connect is currently being looked at, which may reverse the need for these additional staffing pressures.</p>
Adults - Safeguarding Adult Mental Health & Out Of Hours	2.10 A	<p>There is a £2.10M adverse variance due to a £1.88M adverse variance for residential, nursing and direct payments. There is also a £0.03M favourable variance in the Adult Mental Health team due to staffing vacancies, a £0.36M increase in the cost of substance misuse clients, partially offset by a £0.11M favourable variance due to a reduction in the anticipated cost of agency staff for Deprivation of Living Safeguards (DOLS) and Best Interest Assessor (BIA) assessments due to difficulty in recruiting staff.</p> <p>There has been a £0.64M adverse movement since Quarter 3 due to:</p> <ul style="list-style-type: none"> • £0.47M reallocation of spend relating to discharge to assess clients from Long Term care following an analysis of their care primary support reason. • £0.08M further increase in client care costs. • £0.06M favourable movement in costs for the Adult Mental Health team, • £0.19M adverse movement in the cost of substance misuse clients

		<ul style="list-style-type: none">• £0.04M favourable movement in the cost of agency staff for Deprivation Of Living Safeguards (DOLS) and Best Interest Assessor (BIA) assessments.• For 2023/24, the current operating model is being assessed for future development/change which it is expected will lead to favourable cost and operational outcomes.
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6. HOUSING & THE GREEN ENVIRONMENT PORTFOLIO

KEY REVENUE ISSUES – OUTTURN 2022/23

The portfolio has a deficit of **£0.12M** at year-end, which represents a percentage variance against budget of 1.51%.

	Final Budget	Outturn	Outturn Variance	% of Budget
	£M	£M	£M	%
Portfolio Outturn	7.90	8.02	0.12 A	1.51%

The portfolio outturn variance has moved favourably by **£0.14M** from the position reported at Quarter 3. The variance trend for the year is shown below.

	Variance Q1	Variance Q2	Variance Q3	Outturn Variance
	£M	£M	£M	£M
Portfolio Variance	0.03 A	0.18 A	0.26 A	0.12 A

A summary of the portfolio outturn variance by service area is shown in the table below:

Service Area	Final Budget	Outturn	Outturn Variance
	£M	£M	£M
Air Quality Monitoring	0.22	0.22	0.00
City Services- Commercial	0.46	0.65	0.19 A
City Services – District Areas	4.10	4.70	0.60 A
City Services – Trees & Ecology	0.87	0.87	0.00
City Services – Trading Areas	(1.46)	(0.74)	0.71 A
Flood Risk Management	0.23	0.13	0.10 F
Housing Needs	3.12	2.05	1.07 F
Private Sector Housing	0.36	0.14	0.21 F
Total	7.90	8.02	0.12 A

The SIGNIFICANT variations for the portfolio are:

Service Area	Outturn Variance	Explanation:
	£M	
City Services - District Areas	0.60 A	<p>The adverse variance of £0.60M relates to:</p> <ul style="list-style-type: none"> • Pressures on staffing of £0.10M due to absences and vacancies leading to temporary cover being required, • Operational cost pressures of £0.20M including the requirement to pay Veolia to keep the Marchwood site open on Sunday to receive collected waste and contract costs associated with the locking/unlocking of monuments. • Increased fuel charges of £0.15M as a result of increased market prices. • £0.21M on external hire vehicles used during the year whilst new vehicles were waiting delivery and an unachievable saving of £0.10M associated with the introduction of solar bins. The collection vehicle required to optimise compaction rates and reduce collection rounds is still to be received following a delay in delivery after issues with the chassis were identified. <p>This is offset by a favourable variance of £0.16M on recharges to capital and the Housing Revenue Account (HRA) for work undertaken in year.</p> <p>To address these issues in 2023/24 fuel charges were included as a pressure in the budget approved in February 2023. New vehicles for the team are in the process of being received with a batch due in summer 2023. Operational processes for Sunday working are being reviewed to enable Sunday collected waste to be stored temporarily to eliminate the requirement to transfer immediately to Marchwood.</p>
City Services – Trading Areas	0.71 A	<p>Overall there is an adverse variance of £0.71M on the City Services Trading Areas. This is due to an adverse position on the Fleet service of £0.86M following a change in how older vehicles are recharged from the start of the financial year. Vehicles purchased through borrowing as part of the capital programme include a financing charge in the fleet recharge to services to recover the initial capital outlay. Previously the charge to services has remained consistent throughout a vehicle's lifespan. Under the revised charging method once the initial capital outlay has been recovered the financing charge will be removed. The adverse position on the Fleet Trading Area will be offset by favourable variances in the user services and HRA.</p>

		<p>Within City Services – Trading Areas the adverse position in Fleet is offset by a favourable variance in Landscapes of £0.14M based on the performance in year. The service has a budget of £0.24M to cover costs that cannot be recharged to capital so the function still operated at a loss of around £0.10M but it was able to keep the non-rechargeable elements to a minimum by utilising contractors on capital projects where possible.</p>
Housing Needs	1.07 F	<p>The variance of £1.07M relates mainly to the funding for the Homes for Ukraine scheme, offsetting the council wide costs supporting this programme.</p> <p>There has been a favourable movement since Quarter 3 of £0.27M relating to the balance of funding of £0.15M for the Afghan bridging hotel, a reduction in forecast homelessness costs of £0.1M, and other minor variances.</p>
Private Sector Housing	0.21 F	<p>The favourable variance of £0.21M relates to vacancy management of £0.04M, procurement issues with the planned Housing Condition survey resulting in a favourable variance of £0.12M, unringfenced grant funding awarded in December 2022 of £0.04M and other minor variances of £0.02M. Although agreement has been given to spend the grant funding, spend was not complete by March. There was no significant movement from Quarter 3. The Housing Condition Survey budget has not been carried forward and this will be addressed in the MTFs update.</p>

7. LEADER PORTFOLIO

KEY REVENUE ISSUES – OUTTURN 2022/23

The portfolio has a surplus of **£0.17M** at year-end, which represents a percentage variance against budget of 1.29%.

	Final Budget	Outturn	Outturn Variance	% of Budget
	£M	£M	£M	%
Portfolio Outturn	13.15	12.98	0.17 F	1.29%

The portfolio outturn variance has moved favourably by **£0.73M** from the position reported at Quarter 3. The variance trend for the year is shown below.

	Variance Q1	Variance Q2	Variance Q3	Outturn Variance
	£M	£M	£M	£M
Portfolio Variance	0.69 A	0.26 A	0.56 A	0.17 F

A summary of the portfolio outturn variance by service area is shown in the table below:

Service Area	Final Budget	Outturn	Outturn Variance
	£M	£M	£M
City of Culture	0.51	0.46	0.05 F
Corporate Communications	0.97	0.92	0.04 F
Cultural Services	2.50	2.45	0.05 F
Democratic Representation & Management	2.59	2.70	0.11 A
HR Services	3.53	3.58	0.05 A
Land Charges	(0.17)	(0.12)	0.05 A
Legal Services & Customer Relations	1.95	1.91	0.04 F
Registration of Electors and Elections Costs	0.49	0.59	0.11 A
Strategic Management of the Council	0.79	0.48	0.31 F
Total	13.15	12.98	0.17 F

The SIGNIFICANT variations for the portfolio are:

Service Area	Outturn Variance	Explanation:
	£M	
Strategic Management of the Council	0.31 F	The post of Deputy Chief Executive was held vacant as part of the senior management organisational review. The saving resulting from the vacancy was £0.16M and there were savings of £0.04M in the corporate memberships and subscriptions budget. In addition, there was a favourable variance of £0.11M in the Leader's contingency budget.

8. SAFER CITY PORTFOLIO

KEY REVENUE ISSUES – OUTTURN 2022/23

The portfolio has a surplus of **£0.18M** at year-end, which represents a percentage variance against budget of 12%.

	Final Budget	Outturn	Outturn Variance	% of Budget
	£M	£M	£M	%
Portfolio Outturn	1.47	1.30	0.18 F	12%

The portfolio outturn variance has moved favourably by **£0.12M** from the position reported at Quarter 3. The variance trend for the year is shown below.

	Variance Q1	Variance Q2	Variance Q3	Outturn Variance
	£M	£M	£M	£M
Portfolio Variance	0.04 A	0.07 A	0.06 F	0.18 F

A summary of the portfolio outturn variance by service area is shown in the table below:

Service Area	Final Budget	Outturn	Outturn Variance
	£M	£M	£M
Community Safety	0.33	0.25	0.08 F
Environmental Health	1.69	1.42	0.27 F
Licensing	(0.10)	(0.02)	0.08 A
Port Health & Trading Standards	(0.56)	(0.41)	0.16 A
Emergency Planning	0.12	0.04	0.07 F
Total	1.47	1.30	0.18 F

The SIGNIFICANT variations for the portfolio are:

Service Area	Outturn Variance	Explanation:
	£M	
Environmental Health	0.27 F	<p>The favourable variance of £0.27M relates primarily to vacancy and overtime savings of £0.22M, unspent carry forward of £0.04M in respect of food safety inspections, and reductions in non essential spend forecast of £0.02M. The reduction in spend was partially offset by the one-off purchase of noise monitoring equipment, costing £0.02M, essential to reducing the workload of the team in future with regards to noise complaints.</p>

9. TRANSPORT & DISTRICT REGENERATION PORTFOLIO

KEY REVENUE ISSUES – OUTTURN 2022/23

The portfolio has a surplus of **£2.54M** at year-end, which represents a percentage variance against budget of 263%.

	Final Budget	Outturn	Outturn Variance	% of Budget
	£M	£M	£M	%
Portfolio Outturn	0.97	(1.58)	2.54 F	263.0

The portfolio outturn variance has moved favourably by **£0.72M** from the position reported at Quarter 3. The variance trend for the year is shown below.

	Variance Q1	Variance Q2	Variance Q3	Outturn Variance
	£M	£M	£M	£M
Portfolio Variance	0.33 A	1.40 F	1.82 F	2.54 F

A summary of the portfolio outturn variance by service area is shown in the table below:

Service Area	Final Budget	Outturn	Outturn Variance
	£M	£M	£M
Parking & Itchen Bridge	(6.34)	(6.63)	0.29 F
Transportation	7.31	5.06	2.25 F
Total	0.97	(1.58)	2.54 F

The SIGNIFICANT variations for the portfolio are:

Service Area	Outturn Variance	Explanation:
	£M	
Parking & Itchen Bridge	0.29 F	<p>The overall favourable movement of £0.29M relates to stronger than anticipated car parking income in the final quarter of 2022/23, following the reinstatement of evening charges in Autumn 2022, and minor cost reductions across the service.</p> <p>The favourable variance movement of £0.36M since Quarter 3 is due to the reinstatement of evening car parking charges in November 2022.</p>
Transportation	2.25 F	<p>The favourable variance of £2.25M relates to underspend of:</p> <ul style="list-style-type: none"> • £0.44M for salaries and recharge income as a result of a number of unfilled posts in the new structure in the Transport Policy team which were not being recruited to due to the freeze on recruitment plus an ongoing high number of vacancies in the School Crossing Patrol team. • £0.27M not required from the additional budget for Comms Officers linked to the Transforming Cities Fund project. • £0.10M of additional income from the revenue share from the scooters contract. • £1.21M under spend from the concessionary fares budget due to continued decline in patronage as a result of slow COVID recovery. • £0.07M of uncommitted non-ring-fenced grant applied against existing spend rather than new spend. • £0.40M for a backdated inflation payment from the bus stop advertising contract. • £0.06M S106 contribution towards the bus subsidies. • £0.05M of underspends due to the essential spend mandate. <p>This is offset by:</p> <ul style="list-style-type: none"> • £0.08M overspend in relation to the sustainable distribution centre contract. • £0.09M cost for £1 evening bus fare subsidy. • £0.12M cost for the 5 for £5 subsidy. • £0.06M pressure for agency staff in the TCU team to cover additional work related to the increase in demand in home to school transport.

		<p>The position has moved by £0.28M favourably in the last quarter of the year due to vacancies in the Transport team of £0.13M and Communication Officer savings of £0.05M, underspends due to the essential spend criteria of £0.05M and lower bus patronage £0.10M. The favourable movement was reduced by less income from the scooters contract of £0.02M, because of the change in the contract terms and concessionary fares costs of £0.03M Q3 due to a correction to the number of payments in the period.</p>
--	--	---

10. NON-PORTFOLIO BUDGETS

KEY REVENUE ISSUES – OUTTURN 2022/23

Non-Portfolio Net Expenditure budgets had a surplus of **£6.63M** at year-end and Financing budgets had a surplus of **£2.52M**.

	Final Budget	Outturn	Outturn Variance	% of Budget
	£M	£M	£M	%
Non-Portfolio Net Expenditure	(24.75)	(31.39)	6.63 F	26.8%
Financing	(193.29)	(195.81)	2.52 F	1.3%

Non-Portfolio Net Expenditure budgets have moved favourably by **£4.33M** from the position reported at quarter 3 and Financing budgets have moved favourably by **£2.49M**. The variance trend for the year is shown below.

	Variance Q1	Variance Q2	Variance Q3	Outturn Variance
	£M	£M	£M	£M
Non-Portfolio Net Expenditure	0.00	2.60 F	2.30 F	6.63 F
Financing	0.02 F	0.02 F	0.02 F	2.52 F

A summary of the portfolio outturn variance by service area is shown in the table below:

Service Area	Final Budget	Outturn	Outturn Variance
	£M	£M	£M
Levies & Contributions	0.09	0.09	0.00
Capital Asset Management	11.33	7.37	3.96 F
Net Housing Benefits Payments	0.00	0.52	0.52 A
Other Expenditure & Income	(36.17)	(39.96)	3.19 F
Non-Portfolio Net Expenditure	(24.75)	(31.39)	6.63 F
Council Tax	(111.24)	(111.24)	0.00
Business Rates	(32.78)	(32.78)	0.00
Non-Specific Government Grants & Other Funding	(49.27)	(51.79)	2.52 F
Financing	(193.29)	(195.81)	2.52 F

The SIGNIFICANT variations for the portfolio are:

Service Area	Outturn Variance	Explanation:
	£M	
Capital Asset Management	3.96 F	There has been a reduction in capital financing costs following a review of the capital programme expenditure and its financing. The outturn position includes £1.00M of savings from a further review of capital, use of Community Infrastructure Levy (CIL) to finance capital expenditure and Liability Benchmark adjustment previously reported separately as agreed in-year savings at quarter 3.
Net Housing Benefit Payments	0.52 A	There has been an increase in general homelessness expenditure that doesn't attract housing benefit subsidy. The budget was increased by £0.3M for 2023/24 and future years as part of the MTFS agreed in February 2023 to recognise these additional expenditure pressures. Expenditure pressures are forecast to increase above £0.3M in 2023/24 and Homelessness Prevention Grant will be used to help mitigate this pressure where possible.
Other Expenditure & Income	3.19 F	The favourable outturn variance includes £4.14M of savings being held centrally previously reported separately as agreed in-year savings at quarter 3. Further favourable variances are from £0.29M unused contingency, £0.15M reduction in the general bad debts provision and £0.10M additional income allocated corporately. These favourable variances are offset by transfers to reserves for £1.32M of additional S31 Business Rates Grant in line with the MTFS agreed in February 2023 and £0.16M of other non-specific grants transferred to reserves for use in 2023/24.
Non-Specific Government Grants & Other Funding	2.52 F	The favourable variance is from the £1.33M additional S31 Business Rates Grant noted above, £0.46M Business Rates Levy Surplus, £0.46M new burdens funding mostly one-off for administering various Government schemes and £0.27M of other unbudgeted non-specific grants received.

Property Investment Fund as at 31 March 2023

	Purchase Date	Purchase Price	Purchase Costs	Capital Investment	2022/23 Rent per annum	Interest	MRP Charge	Valuation 31 March 2022	Valuation 31 March 2023	2022/23 Change in Valuation
		£	£	£	£	£	£	£	£	£
3 Ely Road, Cambridge	08/09/16	6,125,000	343,438	6,468,438	406,335	-193,890	-58,356	4,875,750	4,790,000	-85,750
241 & 271 Winchester Road, Southampton	05/10/16	14,000,000	689,500	14,689,500	825,091	-440,314	-132,525	11,642,700	10,611,832	-1,030,868
Unit 50, Warth Park Way, Raunds, Northants	23/04/17	8,200,000	328,000	8,528,000	471,216	-255,625	-76,937	9,165,425	8,425,000	-740,425
Total		28,325,000	1,360,938	29,685,938	1,702,642	-889,829	-267,818	25,683,875	23,826,832	-1,857,043

Rate of Return
 5.74% Gross
 1.84% Net

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Reserve	Balance as at 31/03/2022	Transfers to/(from) Reserves	Balance as at 31/03/2023	Forecast as at Quarter 3	Difference
	£M	£M	£M	£M	£M
Medium Term Financial Risk Reserve	57.05	(28.70)	28.35	28.37	(0.02)
Revenue Contributions to Capital	0.93	0.00	0.93	0.63	0.30
Revenue Grants Reserve	20.93	(15.50)	5.43	1.32	4.11
Portfolio Carry Forwards*	4.49	(3.15)	1.34	1.34	0.00
PFI Sinking Fund	4.39	(0.01)	4.38	4.02	0.36
Insurance General Reserve	2.37	(0.37)	2.00	1.70	0.30
On Street Parking Reserve	2.33	0.88	3.21	3.13	0.09
DSG Reserve [#]	0.00	0.99	0.99	0.00	0.99
Other	3.71	(0.75)	2.96	2.11	0.85
Sub-Total	96.19	(46.60)	49.59	42.61	6.98
Schools' Balances	5.70	(0.24)	5.46	1.65	3.81
Total	101.89	(46.84)	55.05	44.26	10.80

* The £1.34M balance for Portfolio Carry Forwards at 31/03/2023 is planned for use in 2023/24 as per the MTFS agreed in February 2023.

[#] A cumulative deficit of £11.09M on the Dedicated Schools Grant as at 31/03/2022 is held separately in an unusable reserve in accordance with legislation.

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Housing Revenue Account Outturn 2022/23

	Final Budget £M	Outturn £M	Outturn Variance £M
Expenditure			
Responsive repairs	13.27	15.67	2.40 A
Cyclical repairs	7.36	5.91	1.45 F
Rents payable	0.10	0.44	0.34 A
Debt management	0.08	0.58	0.50 A
Supervision & management	25.05	25.60	0.54 A
Interest & principal repayments	5.16	5.12	0.04 F
Depreciation	23.76	20.86	2.90 F
Direct revenue financing of capital	2.54	1.81	0.73 F
Total expenditure	77.33	75.99	1.34 F
Income			
Dwelling rents	(71.84)	(70.56)	1.28 A
Other rents	(1.18)	(1.14)	0.04 A
Service charge income	(2.34)	(2.31)	0.02 A
Leaseholder service charges	(1.05)	(0.99)	0.06 A
Interest received	0.00	(0.06)	0.06 F
Total income	(76.41)	(75.07)	1.34 A
(Surplus) / Deficit for the year	0.92	0.92	0.00

Numbers are rounded

There was a planned deficit of £0.92M for 2022/23 to be met from a carry forward of a planned surplus in 2021/22, such that by the end of 2022/23 the HRA balance has returned to £2M.

The significant variations for the Portfolio are:

Service Area	Outturn Variance £M	Explanation:
Responsive and cyclical repairs	0.96 A	The adverse variance of £0.96M relates to inflation on building materials and labour costs, and increased levels of reactive maintenance totalling £2.63M, this is partially offset by favourable variances on vehicle recharging of £0.42M and increased recharge rates for Housing Operations of £0.3M following agreement to increase recharge rates. The current level of inflation for building materials was reported at over 12% in Q4 of 2021/22 and high inflation continued into 2022/23.

		Increased reactive maintenance costs were offset by a subsequent reduction in cyclical maintenance work costs of £0.95M. The business plan for 2023/24 reflected an inflationary increase for reactive maintenance, and further review of capital programming will take place in 2023/24.
Rents payable	0.34 A	The adverse variance relates to increased levels of council tax chargeable on void properties. The high level of voids drove a significant increase in cost, which is assumed to continue in the 2023/24 business plan.
Supervision & Management	1.05 A	The adverse variance of £1.05M is due to the increased cost of energy in relation to communal lighting, lifts and other services, and the pay award being higher than assumed, which generated an adverse variance of 0.39M. In addition, the restaurants at Erskine Court and Potters Court are running at a loss of £0.08M, and increasing arrears due to the cost of living increased the bad debt provision contribution by £0.2M. These pressures are offset by a review of Fleet cost, following which a cost reduction of £0.08M has been achieved, and a decision to remove the optional Renewable Energy Guarantee of Origin (REGO) levy from the council-wide electricity bills which resulted in a saving of £0.04M, a more assertive charging policy for major repairs contributions (MRC) generated additional income of £0.08M, and increased disrepair claims of £0.08M. In addition, one-off costs in respect of fire safety of £0.5M were incurred during 2022/23.
Depreciation	2.90 F	The depreciation calculation shows a favourable variance of £2.9M. The methodology for calculating the charge was revised in 2021/22 to take into account land elements of buildings within the valuation. This resulted in a lower calculation in 2021/22 and a similar methodology applied in 2022/23 resulted in a £1.9M reduction. The depreciation charge is further reduced by £1M as a result of a downward valuation of dwelling stock.
Direct Revenue funding of Capital	0.73 F	The annual contribution to the capital programme was reduced by £0.73M in order to maintain the minimum working balance of £2M.
Rent & Service charges	1.39 A	The adverse variance on rental income relates to the current high level of voids, which is subsequently impacting through lost rental income. Continuing high voids is recognised in the MTFs review and work is ongoing to identify investment required to reduce void losses in the long term.

COUNCIL TAX COLLECTION FUND REVENUE ACCOUNT
FOR YEAR ENDED 31 MARCH 2023

Original Estimate		Revised Estimate	Actual	Variance Adverse / (Favourable)
2022/23 £M	Council Tax	2022/23 £M	2022/23 £M	2022/23 £M
	<u>Income</u>			
(128.46)	Total Council Tax Income	(128.02)	(127.83)	0.18
	<u>Expenditure</u>			
131.37	Total Council Tax Expenditure (incl. precepts)	131.08	131.49	0.41
2.92	Council Tax - Deficit / (Surplus) for the Year	3.07	3.66	0.59
(2.65)	Council Tax - Deficit / (Surplus) Brought Forward	(2.76)	(2.76)	0.00
0.26	Council Tax Deficit / (Surplus) Carried Forward	0.31	0.90	0.59
	Business Rates			
	<u>Income</u>			
(123.32)	Total Business Rates Income	(115.59)	(113.55)	2.04
	<u>Expenditure</u>			
99.05	Total Business Rates Expenditure	95.04	83.24	(11.80)
(24.27)	Business Rates - Deficit / (Surplus) for the Year	(20.56)	(30.31)	(9.76)
26.26	Business Rates - Deficit / (Surplus) Brought Forward	17.11	17.11	0.00
1.99	Business Rates Deficit / (Surplus) Carried Forward	(3.45)	(13.20)	(9.76)
2.26	Total Collection Fund Deficit / (Surplus) Carried Forward	(3.14)	(12.30)	(9.16)
	Council Tax (Surplus)/Deficit			
	Contribution (to)/ from SCC		0.76	
	Contribution (to)/ from H&IOWPCC		0.11	
	Contribution (to)/ from H&IOWFRA		0.03	
	Council Tax Collection Fund Balance c/f		0.90	
	Business Rates (Surplus)/Deficit			
	Contribution (to)/ from SCC		(6.47)	
	Contribution (to)/ from DLUHC		(6.60)	
	Contribution (to)/ from H&IOWFRA		(0.13)	
	NDR Collection Fund Balance c/f		(13.20)	
	Total SCC (Surplus)/Deficit		(5.71)	

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CAPITAL FINANCIAL MONITORING FOR THE PERIOD TO MARCH 2023																																																																							
1.	The focus for this report is on the capital outturn position for 2022/23, the variances compared with the agreed programme, the financing of the capital spend and any changes to the programme.																																																																						
2022/23 CAPITAL OUTTURN POSITION																																																																							
2.	The total General Fund capital expenditure in 2022/23 was £62.94M compared to a revised budget of £98.63M, giving a variance of £35.69M or 36.18% of the programme. The variance is comprised of £34.94M net slippage and £0.75M of underspend. Net slippage is the net effect of slippage where budget is rolled forward into future years and rephasing where budget from future years has been brought forward to the current year.																																																																						
3.	The total HRA capital expenditure in 2022/23 was £35.88M compared to a budget of £38.25M, giving a variance of £2.37M or 6.22% of the programme. The variance is comprised of £1.54M net slippage and £0.83M of surplus budget.																																																																						
4.	The performance of individual capital programmes in 2022/23 is summarised in table 1 and 2.																																																																						
Table 1 – Summary of the General Fund & HRA Capital Outturn 2022/23																																																																							
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="text-align: center;">Approved Programme</th> <th style="text-align: center;">Actual</th> <th colspan="2" style="text-align: center;">Variance</th> </tr> <tr> <th></th> <th style="text-align: center;">£M</th> <th style="text-align: center;">£M</th> <th style="text-align: center;">£M</th> <th style="text-align: center;">%</th> </tr> </thead> <tbody> <tr> <td>Children & Learning</td> <td style="text-align: center;">18.79</td> <td style="text-align: center;">12.78</td> <td style="text-align: center;">(6.01)</td> <td style="text-align: center;">(31.99)</td> </tr> <tr> <td>Communities & Customer Engagement</td> <td style="text-align: center;">0.72</td> <td style="text-align: center;">0.20</td> <td style="text-align: center;">(0.52)</td> <td style="text-align: center;">(73.07)</td> </tr> <tr> <td>Economic Development</td> <td style="text-align: center;">1.86</td> <td style="text-align: center;">1.11</td> <td style="text-align: center;">(0.75)</td> <td style="text-align: center;">(40.56)</td> </tr> <tr> <td>Finance & Change</td> <td style="text-align: center;">7.58</td> <td style="text-align: center;">4.22</td> <td style="text-align: center;">(3.36)</td> <td style="text-align: center;">(44.26)</td> </tr> <tr> <td>Health, Adults & Leisure</td> <td style="text-align: center;">2.39</td> <td style="text-align: center;">1.45</td> <td style="text-align: center;">(0.94)</td> <td style="text-align: center;">(39.14)</td> </tr> <tr> <td>Housing & the Green Environment</td> <td style="text-align: center;">10.51</td> <td style="text-align: center;">6.53</td> <td style="text-align: center;">(3.98)</td> <td style="text-align: center;">(37.83)</td> </tr> <tr> <td>Leader</td> <td style="text-align: center;">2.17</td> <td style="text-align: center;">0.78</td> <td style="text-align: center;">(1.39)</td> <td style="text-align: center;">(63.88)</td> </tr> <tr> <td>Safer City</td> <td style="text-align: center;">0.66</td> <td style="text-align: center;">0.06</td> <td style="text-align: center;">(0.60)</td> <td style="text-align: center;">(90.77)</td> </tr> <tr> <td>Transport & District Regeneration</td> <td style="text-align: center;">53.95</td> <td style="text-align: center;">35.81</td> <td style="text-align: center;">(18.14)</td> <td style="text-align: center;">(33.62)</td> </tr> <tr> <td>Total GF Capital Programme</td> <td style="text-align: center;">98.63</td> <td style="text-align: center;">62.94</td> <td style="text-align: center;">(35.69)</td> <td style="text-align: center;">(36.18)</td> </tr> <tr> <td>Total HRA Capital Programme</td> <td style="text-align: center;">38.25</td> <td style="text-align: center;">35.88</td> <td style="text-align: center;">(2.37)</td> <td style="text-align: center;">(6.22)</td> </tr> <tr> <td>Total Capital Programme</td> <td style="text-align: center;">136.88</td> <td style="text-align: center;">98.82</td> <td style="text-align: center;">(38.06)</td> <td style="text-align: center;">(27.81)</td> </tr> </tbody> </table>		Approved Programme	Actual	Variance			£M	£M	£M	%	Children & Learning	18.79	12.78	(6.01)	(31.99)	Communities & Customer Engagement	0.72	0.20	(0.52)	(73.07)	Economic Development	1.86	1.11	(0.75)	(40.56)	Finance & Change	7.58	4.22	(3.36)	(44.26)	Health, Adults & Leisure	2.39	1.45	(0.94)	(39.14)	Housing & the Green Environment	10.51	6.53	(3.98)	(37.83)	Leader	2.17	0.78	(1.39)	(63.88)	Safer City	0.66	0.06	(0.60)	(90.77)	Transport & District Regeneration	53.95	35.81	(18.14)	(33.62)	Total GF Capital Programme	98.63	62.94	(35.69)	(36.18)	Total HRA Capital Programme	38.25	35.88	(2.37)	(6.22)	Total Capital Programme	136.88	98.82	(38.06)	(27.81)
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Table 2 – 2022/23 Breakdown of Variance by Programme

Programme	(Surplus)/ Deficit £M	Slippage/ (Rephasing) £M	Variance £M
Children & Learning	(0.04)	(5.97)	(6.01)
Communities & Customer Engagement	(0.00)	(0.52)	(0.52)
Economic Development	(0.02)	(0.73)	(0.75)
Finance & Change	(0.19)	(3.17)	(3.36)
Health, Adults & Leisure	(0.00)	(0.94)	(0.94)
Housing & the Green Environment	0.17	(4.15)	(3.98)
Leader	(0.71)	(0.68)	(1.39)
Safer City	0.00	(0.60)	(0.60)
Transport & District Regeneration	0.04	(18.18)	(18.14)
Total GF Capital Programme	(0.75)	(34.94)	(35.69)
Total HRA Capital Programme	(0.83)	(1.54)	(2.37)
Total Capital Programme	(1.59)	(36.48)	(38.06)

5. Reasons for major variances on individual schemes since the last reported position are detailed for each programme in annex 2.1.

CAPITAL FINANCING

6. The resources used to finance the 2022/23 expenditure for the General Fund HRA capital programmes are summarised in table 3 below. The most significant source of financing for the General Fund was capital grants and for the HRA it was MRA financing.

Table 3 – Capital Financing 2022/23

	General Fund £M	HRA £M	Total £M
Total Financing Required	62.94	35.88	98.82
Financed By: -			
Council Resources	14.53	6.15	20.68
Capital Receipts	0.31	6.27	6.58
Direct Revenue Financing	0.00	1.79	1.79
Capital Grants	34.92	0.00	34.92
Contributions	13.18	0.90	14.08
MRA	0.00	20.76	20.76
Total	62.94	35.88	98.82

7. Any deficit spend on individual schemes are financed from identified additional funding or from savings elsewhere within the programme. Programmes are

	required to balance their capital programmes within the resources available to them, this may result in reduced outputs where a deficit results in reductions being made elsewhere in the programme.																																
8.	The impact of scheme variances for 2022/23 on future years' capital expenditure will feed into future capital programme updates aligned to Council priorities.																																
	THE 5 YEAR CAPITAL PROGRAMME																																
9.	Table 4 shows a comparison of the latest capital estimate for the period 2022/23 to 2027/28 including any amendments noted elsewhere within this report, compared to the previously reported programme for the same period, and shows a decrease of £2.01M.																																
10.	<p><u>Table 4 – Programme Comparison</u></p> <table border="1"> <thead> <tr> <th></th> <th>2022/ 2023 £M</th> <th>2023/ 2024 £M</th> <th>2024/ 2025 £M</th> <th>2025/ 2026 £M</th> <th>2026/ 2027 £M</th> <th>2027/ 2028 £M</th> <th>Total £M</th> </tr> </thead> <tbody> <tr> <td>Actual 2022/23 /Latest Programme</td> <td>98.82</td> <td>178.76</td> <td>139.93</td> <td>106.89</td> <td>103.43</td> <td>31.42</td> <td>659.23</td> </tr> <tr> <td>Previous Programme</td> <td>150.81</td> <td>179.54</td> <td>119.13</td> <td>70.97</td> <td>109.37</td> <td>31.42</td> <td>661.24</td> </tr> <tr> <td>Variance</td> <td>(51.99)</td> <td>(0.79)</td> <td>20.80</td> <td>35.92</td> <td>(5.95)</td> <td>0.00</td> <td>(2.01)</td> </tr> </tbody> </table>		2022/ 2023 £M	2023/ 2024 £M	2024/ 2025 £M	2025/ 2026 £M	2026/ 2027 £M	2027/ 2028 £M	Total £M	Actual 2022/23 /Latest Programme	98.82	178.76	139.93	106.89	103.43	31.42	659.23	Previous Programme	150.81	179.54	119.13	70.97	109.37	31.42	661.24	Variance	(51.99)	(0.79)	20.80	35.92	(5.95)	0.00	(2.01)
	2022/ 2023 £M	2023/ 2024 £M	2024/ 2025 £M	2025/ 2026 £M	2026/ 2027 £M	2027/ 2028 £M	Total £M																										
Actual 2022/23 /Latest Programme	98.82	178.76	139.93	106.89	103.43	31.42	659.23																										
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Variance	(51.99)	(0.79)	20.80	35.92	(5.95)	0.00	(2.01)																										
11.	Annex 2.2 provides details of the revised budget by individual scheme and use of resources by each programme up to 2027/28.																																
	PRUDENTIAL INDICATORS																																
12.	The Prudential Code requires the prudential indicator for actual capital expenditure to be reported against the estimates previously reported. The estimates shown in the tables in annex 2.3 are those reported to Council as part of the February 2023 Annual Treasury Management Strategy and Prudential Limits report.																																
<u>SUPPORTING DOCUMENTATION</u>																																	
Annexes																																	
1.	GF & HRA Major Variance Explanations																																
2.	GF & HRA Scheme Budgets and Use of Resources for 2022/23 to 2027/28																																
3.	Capital Prudential Indicators 2022/23																																

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GF & HRA MAJOR VARIANCE EXPLANATIONS SINCE LAST REPORTED POSITION

CHILDREN & LEARNING	
	<u>Slippage and Rephasing</u>
1.	<p><u>School Condition works (Slippage of £0.87M from 2022/23 to 2023/24)</u> Net Variance £0.87M slippage rephasing on schemes within Schools Capital Maintenance programme. Slippage is predominantly due to:</p> <ul style="list-style-type: none"> • DT Block Green Lane (SEND) £0.23M – the design work was undertaken 2022/23 but installation is planned for 2023/24. No delays have occurred, when the budget was added the profile was unknown. • Regents Park Roof £0.07M – due to delay signing construction contract which cascade lead to the acceptance period for award to expire. This was in SCC’s financial interest, as it allowed a review of the tender sum. <p>A number of projects had minor underspends, where the budget has been slipped into 2023/24 for contingency to cover unforeseen urgent projects and existing project inflation.</p> <ul style="list-style-type: none"> • St Marys C of E Windows replacement - £0.18M underspend as works were originally costed on replacing the existing windows for wooden windows as opposed to aluminium windows. Planning confirmed the use of aluminium windows, and the tenders came in under the original budget. • Disabled Access Bitterne C of E (Replacement door sets) £0.02M • Woolston Infant School roof coverings & associated works £0.01M • Hardmoor E Y roof coverings & associated works £0.02M
2.	<p><u>St Marks (Slippage of £1.60M from 2022/23 to 2023/24)</u> The secondary school was completed on 13 July 2022. Practical completion occurred at the start of 2023/24, as there were some additional works required to the school field. The remaining budget is to be slipped for the residual retention.</p>
3.	<p><u>Chamberlayne (Slippage of £1.90M from 2022/23 to 2023/24)</u> A funding transfer agreement is in place with the Trust to provide extensive works to the school. The programme and delivery are under the management of the Trust and outside of SCC control. The outstanding sum is projected to be paid to the Trust in 2023-2024, in line with work completion.</p>
4.	<p><u>Newlands (Slippage of £0.29M from 2022/23 to 2023/24)</u> As with a number of schemes within the current economic climate a potential budget shortfall was identified. Therefore it was delayed whilst the additional funding was identified and approved as part of the February budget. The scheme has now started and will be completed in 2023/24.</p>
5.	<p><u>SEND Review (Slippage of £0.89M from 2022/23 to 2023/24)</u> The final account for the modular buildings is still to be finalised and there outstanding planning conditions to be discharged in 2023/24.</p>

COMMUNITIES & CUSTOMER ENGAGEMENT	
	<u>Slippage and Rephasing</u>
6.	<u>Crematorium Refurbishment (Slippage of £0.49M from 2022/23 to 2023/24)</u> Procurement delays have resulted in the project being delayed into 2023/24.
ECONOMIC DEVELOPMENT	
	<u>Slippage and Rephasing</u>
7.	<u>Belgrave Industrial Estate Roof (Slippage of £0.46M from 2022/23 to 2023/24)</u> Following an additional inspection with the consultants & contractors, the condition of the roof was identified as being in a worse condition than was anticipated, and far more remedial works will be needed to make the building watertight so the remaining budget will need to slip to 2023/24.
8.	<u>Works to Investment Property (Slippage of £0.14M from 2022/23 to 2023/24)</u> A decision was taken to delay the start of works while lease arrangements were being investigated. The original intention was to split the commercial unit into 2 and it has been identified that there are some planning concerns which will need to be satisfied before the works are undertaken. It is hoped that works will take place later in 2023/24 and any progress will be reported as part the in year financial monitoring.
FINANCE & CHANGE	
	<u>Slippage and Rephasing</u>
9.	<u>CareDirector (Slippage of £0.84M from 2022/23 to 2023/24)</u> There have been difficulties recruiting temporary staff, with the right skill set, which has meant a delay in project delivery. It is hoped that all positions will be filled in the summer and the project can be completed in 2023/24.
10.	<u>Transformation Programme (Slippage of £0.89M from 2022/23 to 2023/24)</u> A full review has been undertaken of the transformational activity required across the whole organisation to ensure that these resources are best utilised to maximise efficiencies both in financial terms and service delivery. An updated Flexible Use of Capital Receipts Strategy will be presented to Council in July 2023, detailing the plans for this project.
11.	<u>Corporate Assets Decarbonisation Scheme (CADS) (Slippage of £1.19M from 2022/23 to 2023/24)</u> The slippage is primarily due to the project to replace the street lighting across the city. Works could not be undertaken while the street lighting contract was being re-negotiated; which has now been concluded and therefore works are expected to progress in 2023/24 and delivered the intended efficiencies.
	<u>Surplus & Deficit</u>
12.	<u>CareDirector Phase 1 (Surplus of £0.19M)</u> Following the successful implementation phase of CareDirector, there is a small surplus as a result of contract negotiations and utilising internal staff expertise.

HEALTH, ADULTS & LEISURE	
	<u>Slippage and Rephasing</u>
13.	<u>Outdoor Sports Centre (Slippage of £0.74M from 2022/23 to 2023/24)</u> Progress was delayed whilst the Levelling Up Fund were assessing the council's funding allocation. It is hoped that this will not impact the overall delivery timescale. The Pre-Construction Services Agreement has been entered into and the final project plans will be reported to Council in the autumn.
HOUSING & THE GREEN ENVIRONMENT	
	<u>Slippage and Rephasing</u>
14.	<u>Fleet Vehicle Purchase (Slippage of £1.03M from 2022/23 to 2023/24)</u> Due to ongoing delays in the manufacturing process of new vehicles, a number of purchases have been delayed into 2023/24. This delay will give additional time to fully assess the fleet needs of the council going forward.
15.	<u>1000 Parking Spaces (Slippage of £0.54M from 2022/23 to 2023/24)</u> Bad weather over the winter has meant that the project has not been able to be progressed as planned, as the work involves a lot of groundwork. The project is anticipated to complete by Summer 2023.
16.	<u>S106 – Affordable Homes (Slippage of £1.13M from 2022/23 to 2024/25)</u> There have not been any projects over the past year which fulfilled the conditions of the S106 agreements to provide affordable homes. It is hoped that a number of schemes will be developed over the coming year to increase the number of new affordable homes in the city.
17.	<u>Mayflower Park (Slippage of £0.46M from 2022/23 to 2023/24)</u> Works were delayed whilst the project was being scoped. It had been hoped that this work would form part of a larger grant bid, which was unsuccessful. Works will continue as originally planned.
18.	<u>SANGS Improvements Works (Slippage of £0.28M from 2022/23 to 2023/24)</u> This project was agreed as part of the February budget, there was not sufficient time to mobilise projects before the end of March. A number of schemes are being developed to progress in 2023/24, in line with the commitment to provide suitable alternative natural green space (SANGS).
	<u>Surplus & Deficit</u>
19.	<u>Warm Homes (Deficit of £0.46M in 2022/23)</u> The overspend on Warm Homes is due to significantly increased demand on the service following the increase in fuel costs in 2022/23. Better Care Fund agreed to contribute £0.25m of DFG funding to the Healthy Homes project to ensure that the most vulnerable have access to support to reduce their energy bills, and zero carbon initiatives will continue to be met from s106 zero carbon contributions. Therefore, the deficit was fully funded from external sources and allowed the Council to deliver additional supports to residents in need.
LEADER	
	<u>Slippage and Rephasing</u>
20.	<u>Bargate Walls Restoration (Slippage of £0.48M from 2022/23 to 2023/24)</u> This project has been re-profiled to accurately reflect the delivery of the project.

	<u>Surplus & Deficit</u>
21.	<u>Art Gallery Roof (Surplus of £0.66M in 2022/23)</u> This project was awarded over £2M in grant funding in February, which has allowed for a reduction in council resources to fund the works.
SAFER CITY	
	<u>Slippage and Rephasing</u>
22.	<u>Safer Neighbourhoods (Slippage of £0.50M from 2022/23 to 2023/24)</u> There have been delays to the design and procurement of this project to deliver motorcycle interventions. Work is planned to be undertaken in the summer months.
TRANSPORT & DISTRICT REGENERATION	
	<u>Slippage and Rephasing</u>
23.	<u>Transforming Cities (Slippage of £16.07M from 2022/23 to 2023/24)</u> The most significant proportion of this slippage is due to a delay in grant payments from Department for Transport (DfT) to those set out in the original grant letter, resulting in significantly lower payments to Hampshire County Council than budgeted. DfT was unclear throughout the year as to the level of payments that would be received, hence the 2022/23 budget was not adjusted. The remaining grant will now be paid and spent in 2023/24. The change control for the city centre which was previously not accepted by DfT, was revised and resubmitted in June. DfT responded positively to it at the end of August 2022. The uncertainty of outcome led to programme delays and reduced spend during Q1 and Q2 of 2022 particularly for the city centre schemes. DfT announced a review in December 2022, to be carried out by Arup. Throughout the review process which was concluded by the end of February with the high level outcome communicated by the end of March 2023, there was uncertainty about future funding. Scheme development was limited during that time to funding that had already been received from DfT. This led to reduced spend during the latter parts of Q3 and throughout Q4 of 2022. Another significant slippage relates to the Northern Inner Ring Road scheme Phase 2 which was programmed to be implemented from January 2023 but had to be reprogrammed to fit with other Transforming Cities Fund schemes.
24.	<u>Future Transport Zone (Slippage of £0.17M from 2022/23 to 2023/24)</u> Delays to some of the schemes within the Solent Future Transport Zone Programme combined with the recent funder (DfT) approval for a one year extension (to June 2025) have resulted in slippage. The major schemes of slippage are the theme 2 area of the programme (Drones, Macro & Micro Consolidation) as a result of lack of resource to progress following unsuccessful rounds of recruitment. This resource constraint is due to be resolved imminently, with delays mitigated somewhat by the approved programme extension and funding fully reprofiled and scheduled to be incurred during 2023/2025.

25.	<u>Footways Programme (Slippage of £0.64M from 2022/23 to 2023/24)</u> There are 7 orders with Balfour Beatty Local Partnership (BBLP) that have spanned the financial years. There are two schemes currently in progress: Premier Parade and South East Road, which will continue into 2023/24. The remaining balance is to cover identified sites where the last winter has severely damaged the highway asset and deterioration will require emergency works imminently.
26.	<u>Local Transport (Slippage of £0.22M from 2022/23 to 2023/24)</u> The programme is a rolling programme split over financial years and as such money will need to be carried over into 2023/24 to continue these programmes as some work is delayed from its original schedule.
27.	<u>Integrated Transport Scheme (Slippage of £0.21M from 2022/23 to 2023/24)</u> The programme is a rolling programme split over financial years and as such money will need to be carried over into 23/24 to continue these programmes as some work is delayed from its original schedule.
28.	<u>Northam Bridge (Slippage of £0.18M from 2022/23 to 2023/24)</u> Decision on the strategic outline business case (SOBC) for Northam Rail Bridge is expected from the government soon, this is later than anticipated so spend will need to be carried over into 2023/24 to develop the full business case.
29.	<u>Public Transport (Slippage of £0.12M from 2022/23 to 2023/24)</u> The programme is a rolling programme split over financial years and as such money will need to be carried over into 2023/24 to continue these programmes. One of the slippages relates to a DfT grant which the council is awaiting on further instructions from the DfT on how to continue the programme into 2023/24.
HRA	
	<u>Slippage and Rephasing</u>
30.	<u>Roofing Lot 1 West (Rephase of £0.47M from 2023/24 to 2022/23)</u> Although this project has had some delays due to the global issues with the supply chain for material, there is an element of retention that has been actioned. This will be funded via a rephase of budget from 2023/24. Works on this project are now approximately 80% through the programme. The Contractor is currently on programme to complete all the works by November 2023.
31.	<u>Bathroom Refurbishment Programme (Rephase of £0.19M from 2024/25 to 2022/23)</u> All works for 2022/23 were completed, so 2023/24 works have been accelerated as the contractor was in place to carry more work.
32.	<u>Door Entry Systems (Slippage of £0.19M from 2022/23 to 2023/24)</u> This project has been affected by the adverse effect of global supply chain and manufacturing time scales. This means that the intended 2 blocks at Thornhill will have to be carried out in 2023/24.

33.	<u>Townhill Park Regeneration (Slippage of £0.48M from 2022/23 to 2023/24)</u> There has been slower than anticipated decommissioning (decanting tenants and leasehold buy backs). The demolition of Plot 9 Kingsdown Way blocks has not proceeded because the council doesn't have vacant possession of the site due to one leaseholder remaining in situ.
34.	<u>Starboard Way (Slippage of £0.15M from 2022/23 to 2023/24)</u> There were delays to completion caused by defective fire stopping works and as of the current date only 48 of 103 properties have been handed over. All units were due to complete by Q1 2022-23 financial year. Completion of remedial works, and final certification payments, are expected in early 2023/24.
35.	<u>HRA IT Equipment and Software Refresh (Slippage of £0.11M from 2022/23 to 2023/24)</u> This project has been affected by the supply chain issues and meant delivery has not happened in current financial year. As a result, the project will incur slippage for NEC Upgrade project in 2023/24.
36.	<u>1,000+ Parking Spaces (Slippage of £1.06M from 2022/23 to 2023/24)</u> The 1000 parking spaces project was reviewed during the summer of 2022/23, and the outcome of that review was that only projects currently in progress would continue. The remaining funding will be slipped into 2023/24 pending the outcome of the review.
	<u>Surplus & Deficit</u>
37.	<u>External Windows and Doors (Deficit of £0.11M in 2022/23)</u> Phase One works were being undertaken by Housing Operations and it has taken longer than anticipated to mobilise the project due to resource and access issues. The tender package for Phase Two works to low and medium rise blocks has been amended to accommodate window and door replacements to housing stock to support delivery by Housing Operations. As a result, this project has incurred a surplus from the original budget of £1m in 22/23 but a deficit from the previous quarter.
38.	<u>Electrical Heating Systems (Deficit of £0.45M in 2022/23)</u> The deficit is due to reactive workload and high efficiency of turnaround from Housing Operations. Also, change to the Preliminaries rate agreed in November with the board. Following a review, there was a demand for works and as a result the project was directed to use subcontractors, at a higher cost, as Housing Operations were under resourced. Finally, increased inflation on building materials and the overall increase in demand for work has resulted in a deficit on this project.
39.	<u>HFRS Fire Safety / Sprinkler Project (Deficit of £0.38M in 2022/23)</u> Additional works identified around flat ventilation requiring replacement of non-functioning extract fire damper cones with fire damper grilles to ensure adequate extract and protection against smoke and fire spread. Existing ducts and grilles have asbestos containing products and the original plan for upgrading the system as a separate project is subject to a feasibility exercise but in the meantime the protection needs to be put in place. As a result, the deficit on this project has been offset by surpluses within the HRA programme, as detailed within this report.
40.	<u>Estate Regeneration Woodside/Wimpson (Deficit of £0.93M in 2022/23)</u> Project recorded the requirement to finance further works having acknowledged deficiencies in the delivered works, which shall have to be corrected, namely the relocation of lift landing call buttons, replacement of lift landing doors (14nr) and potential corrective works in association with the Renewables.

41.	<u>HFRS Fire Safety Doors (Deficit of £0.86M in 2022/23)</u> The overspend in this project is due to the costs of replacing leaseholder doors, which is funded by contributions from leaseholders. Also, replacement works were ahead of programme to ensure residents safety in high-risk blocks. Communal compartmentation surveys and remedial work were undertaken to ensure compliance in conjunction with fire door replacements. As a result, the budget incurred a deficit.
42.	<u>Block Modernisation Programme (Deficit of £0.24M in 2022/23)</u> The overspend in this project is due to the costs of replacing leaseholder doors, which is funded by contributions from leaseholders. Also, replacement works were ahead of programme to ensure residents safety in high-risk blocks. Communal compartmentation surveys and remedial work were undertaken to ensure compliance in conjunction with fire door replacements. As a result, the budget incurred a deficit.
43.	<u>Asbestos Removal (Deficit of £0.35M in 2022/23)</u> The programme is reviewing the ducts and grilles that have asbestos containing products and will be looking to upgrading them. As a result, the project has incurred a deficit in 2022/23 dealing with additional upgrades.
44.	<u>Wall Structure & Finish (Surplus of £0.24M in 2022/23)</u> Labour levels on site for the previous years has caused the budget not being spent. Work has not progressed as planned due to shortage of labour. Therefore, the works were continuing slowly on site by Housing Op's. As a result, the budget has not been spent with the current labour levels. Future works will be covered by the future year's budgets.
45.	<u>Roads/Paths/Hard Standing (Surplus of £0.10M in 2022/23)</u> A project at Challis Court which was anticipated for completion in 2022/23, however, it was not completed in this financial year due to delays in waiting for the contractor to programme in the work and start on site. The works will commence in the early part of the 2023/24 financial year and will be covered by the future years budget.
46.	<u>DN: Estate Improvement Programme (EIP) (Surplus of £0.18M in 2022/23)</u> This project was agreed to be removed to provide cost saving in 2022/23.
47.	<u>Renew Porch Canopy (Surplus of £0.10M in 2022/23)</u> Works had a slow start on site last August 2022. Also, Housing Operation could not get canopies delivered in time from their current supplier. Measures are in place to ensure orders for canopies are carried out in good time avoiding delays. Therefore, the budget has occurred a surplus.
48.	<u>Structural Works (Surplus of £0.28M in 2022/23)</u> This budget has an element of contingency works within it which depends on new issues being found and resolved. In addition, there are condition survey generated concrete repair works lasting 3 years which has generated less than expected repair requests. As a result, the budget has incurred a surplus.
49.	<u>Sprinkler Work (Surplus of £1.57M in 2022/23)</u> The project had to be re-tendered, and the scope of works changed by omitting and adding blocks. Project was delayed due to need to re-tendering process. Therefore, the project is still behind programme. As a result, the project has incurred a surplus as there is available budget in future years.
50.	<u>Structural Inspections to High Rise Blocks (Surplus of £0.60M in 2022/23)</u> The surplus in this project is due to the fee per building being reduce by offering the 7 remaining as a single package.

51. **Fire Detection Upgrades (Surplus of £0.22M in 2022/23)**

This project has moved the labour to support Electrical Installation Condition Report EICR programme. As a result, the project has incurred a surplus.

CHILDREN & LEARNING

Scheme No.	Project Description	Budget 2022/23 £M	Budget 2023/24 £M	Budget 2024/25 £M	Budget 2025/26 £M	Budget 2026/27 £M	Budget 2027/28 £M	Total £M
CC0004	Primary Review P2 - Fairisle Junior	(0.001)	0.000	0.000	0.000	0.000	0.000	(0.001)
CC0008	Springwell School - Main Expansion 15/16	(0.079)	0.000	0.000	0.000	0.000	0.000	(0.079)
CC0010	Springhill Primary Academy School - one modular building	0.000	0.039	0.000	0.000	0.000	0.000	0.039
CC0014	St Denys	0.000	0.004	0.000	0.000	0.000	0.000	0.004
CC0020	Schools Condition Works	1.168	2.381	1.595	0.145	0.000	0.000	5.289
CC0021	Early Years Expansion Programme	0.152	0.306	0.000	0.000	0.000	0.000	0.458
CC0023	St Mark's School	4.584	2.194	0.000	0.000	0.000	0.000	6.778
CC0025	Schools Devolved Capital	0.482	0.000	0.000	0.000	0.000	0.000	0.482
CC0035	Regent Park Expansion	0.148	0.000	0.000	0.000	0.000	0.000	0.148
CC0037	St George's Expansion	0.124	0.402	1.621	0.000	0.000	0.000	2.147
CC0038	Cantell Secondary Expansion	0.024	0.000	0.000	0.000	0.000	0.000	0.024
CC0039	Chamberlayne Refurbishment	0.458	1.887	0.000	0.000	0.000	0.000	2.345
CC0042	Sure Start Sholing Year R Springwell	0.062	0.000	0.000	0.000	0.000	0.000	0.062
CC0044	Regent Park Sports Facility	0.011	0.000	1.332	0.000	0.000	0.000	1.343
CC0047	Mount Pleasant Junior Health & Safety	0.000	0.006	0.000	0.000	0.000	0.000	0.006
CC0048	Newlands Resource Base	0.196	1.477	0.000	0.000	0.000	0.000	1.673
CC0049	SEND Review	3.686	3.036	3.890	8.780	25.820	0.000	45.212
CC0050	Childrens Services- Residential Unit	0.000	1.663	0.000	0.000	0.000	0.000	1.663
CC0051	Childrens Services- Assessment Unit	0.035	0.614	0.000	0.000	0.000	0.000	0.649
CC0052	Maytree School Playground	0.000	0.010	0.040	0.000	0.000	0.000	0.050
CC0053	Surestart	0.014	0.019	0.000	0.000	0.000	0.000	0.033
CC0055	Modular relocation & purchase from Springwell to Vermont	0.018	0.000	0.000	0.000	0.000	0.000	0.018
CC0056	Reconfiguration of Compass School Green Lane	0.133	0.000	0.000	0.000	0.000	0.000	0.133
CC0057	Polygon All Weather Pitch	0.050	0.000	0.000	0.000	0.000	0.000	0.050
CC0058	St Marks ICT Equipment	0.000	0.041	0.041	0.000	0.000	0.000	0.082
CC0059	St Monica's Academisation	1.261	0.000	0.000	0.000	0.000	0.000	1.261
CC0060	Young Peoples Hub	0.242	0.063	0.000	0.000	0.000	0.000	0.305
CC0061	SEND - 2 primary classrooms for Sept 22	0.000	0.100	0.000	0.000	0.000	0.000	0.100
CC0062	Townhill Junior	0.010	0.890	0.400	0.200	0.000	0.000	1.500
		12.776	15.132	8.919	9.125	25.820	0.000	71.772
Sources of Finance								
	Council Resources	0.242	3.037	0.000	5.520	25.820	0.000	34.619
	Contributions	1.600	0.014	0.000	0.000	0.000	0.000	1.614
	Central Govt Grants	10.934	12.081	8.919	3.605	0.000	0.000	35.539
	Total Programme	12.776	15.132	8.919	9.125	25.820	0.000	71.772

COMMUNITIES & CUSTOMER ENGAGEMENT

Scheme No.	Project Description	Budget 2022/23 £M	Budget 2023/24 £M	Budget 2024/25 £M	Budget 2025/26 £M	Budget 2026/27 £M	Budget 2027/28 £M	Total £M
CG0237	Solent SkySky Museum	0.030	0.030	0.000	0.000	0.000	0.000	0.060
CG0244	British Library IP Centre	0.074	0.000	0.000	0.000	0.000	0.000	0.074
CG0266	Community CIL Awards	0.065	0.000	0.000	0.000	0.000	0.000	0.065
CT0081	Crematorium Refurbishment	0.026	0.488	0.000	0.000	0.000	0.000	0.514
		0.195	0.518	0.000	0.000	0.000	0.000	0.713
Sources of Finance								
	Council Resources	0.000	0.294	0.000	0.000	0.000	0.000	0.294
	Contributions	0.121	0.224	0.000	0.000	0.000	0.000	0.345
	Other Grants	0.074	0.000	0.000	0.000	0.000	0.000	0.074
	Total Programme	0.195	0.518	0.000	0.000	0.000	0.000	0.713

ECONOMIC DEVELOPMENT

Scheme No.	Project Description	Budget 2022/23	Budget 2023/24	Budget 2024/25	Budget 2025/26	Budget 2026/27	Budget 2027/28	Total £M
		£M	£M	£M	£M	£M	£M	
CG0148	Town Depot	0.006	0.054	0.000	0.000	0.000	0.000	0.060
CG0246	Belgrave Industrial Estate Roof	0.537	0.464	0.000	0.000	0.000	0.000	1.001
CG0248	Works to Winchester Road Property	0.007	1.830	0.000	0.000	0.000	0.000	1.837
CG0253	Bitterne Triangle Toilet Block	0.011	0.000	0.000	0.000	0.000	0.000	0.011
CG0268	Corporate Council Buildings	0.547	0.736	0.000	0.000	0.000	0.000	1.283
		1.108	3.084	0.000	0.000	0.000	0.000	4.192
Sources of Finance								
	Council Resources	1.091	3.068	0.000	0.000	0.000	0.000	4.159
	Contributions	0.018	0.016	0.000	0.000	0.000	0.000	0.034
	Total Programme	1.108	3.084	0.000	0.000	0.000	0.000	4.192

FINANCE & CHANGE

Scheme No.	Project Description	Budget 2022/23	Budget 2023/24	Budget 2024/25	Budget 2025/26	Budget 2026/27	Budget 2027/28	Total £M
		£M	£M	£M	£M	£M	£M	
CA0010	Client Case Management System	0.333	0.000	0.000	0.000	0.000	0.000	0.333
CA0012	CareDirector	0.922	1.563	0.000	0.000	0.000	0.000	2.485
CG0158	Civic Centre Upgrade	0.168	0.813	0.000	0.000	0.000	0.000	0.981
CG0211	IT Equipment and Software Refresh	2.252	1.506	1.015	0.000	0.000	0.000	4.773
CG0212	IT Equipment and Software Refresh	0.001	0.000	0.000	0.000	0.000	0.000	0.001
CG0220	Public Sector Decarbonisation Scheme	0.009	0.049	0.000	0.000	0.000	0.000	0.058
CG0251	Materials Recycling Facility	0.000	0.000	0.000	3.450	0.000	0.000	3.450
CG0270	Transformation programme	0.311	2.688	0.000	0.000	0.000	0.000	2.999
CI0002	CRM Phase 2	0.039	0.000	0.000	0.000	0.000	0.000	0.039
CI0040	Contact Centre Telephony	0.096	0.040	0.000	0.000	0.000	0.000	0.136
CT0091	Corporate Assets Decarbonisation Scheme (CADS)	0.094	5.837	0.000	0.000	0.000	0.000	5.931
		4.224	12.496	1.015	3.450	0.000	0.000	21.185
Sources of Finance								
	Council Resources	3.810	9.559	1.015	3.450	0.000	0.000	17.834
	Capital Receipts	0.311	2.688	0.000	0.000	0.000	0.000	2.999
	Contributions	0.094	0.000	0.000	0.000	0.000	0.000	0.094
	Central Govt Grants	0.009	0.249	0.000	0.000	0.000	0.000	0.258
	Total Programme	4.224	12.496	1.015	3.450	0.000	0.000	21.185

HEALTH, ADULTS & LEISURE

Scheme No.	Project Description	Budget 2022/23	Budget 2023/24	Budget 2024/25	Budget 2025/26	Budget 2026/27	Budget 2027/28	Total £M
		£M	£M	£M	£M	£M	£M	
CA0003	S106 - Centenary Quay	0.014	0.000	0.000	0.000	0.000	0.000	0.014
CA0006	Telecare Equipment	0.096	0.207	0.000	0.000	0.000	0.000	0.303
CA0009	Integrated Working	0.000	0.100	0.000	0.000	0.000	0.000	0.100
CA0011	Holcroft House - Fire Safety Measures	0.037	0.573	0.000	0.000	0.000	0.000	0.610
CG0139	Outdoor Sports Centre Improvements	0.938	4.142	15.000	9.000	1.005	0.000	30.085
CT0095	Golf Course	0.368	0.135	0.000	0.000	0.000	0.000	0.503
		1.454	5.157	15.000	9.000	1.005	0.000	31.616

Sources of Finance

Council Resources	0.640	1.157	2.732	1.891	0.067	0.000	6.487
Capital Receipts	0.000	0.000	0.000	0.000	0.325	0.000	0.325
Contributions	0.068	1.233	2.268	1.109	0.000	0.000	4.678
Central Govt Grants	0.627	2.761	10.000	6.000	0.613	0.000	20.001
Other Grants	0.119	0.006	0.000	0.000	0.000	0.000	0.125
Total Programme	1.454	5.157	15.000	9.000	1.005	0.000	31.616

HOUSING & THE GREEN ENVIRONMENT

Scheme No.	Project Description	Budget 2022/23	Budget 2023/24	Budget 2024/25	Budget 2025/26	Budget 2026/27	Budget 2027/28	Total £M
		£M	£M	£M	£M	£M	£M	
CG0233	Hoarders Project	0.047	0.000	0.000	0.000	0.000	0.000	0.047
CG0236	1000 Parking Spaces (General Fund Element)	0.828	0.543	0.000	0.000	0.000	0.000	1.371
CG0265	River Itchen Flood Alleviation Scheme (RIFAS)	0.000	0.500	4.000	4.200	0.500	1.000	10.200
CG0282	Coastal Monitoring Programme	0.025	0.000	0.000	0.000	0.000	0.000	0.025
CT0001	Purchase of vehicles	0.983	2.883	1.000	1.000	1.000	0.000	6.866
CT0018	Daisy Dip Play Area	0.001	0.000	0.000	0.000	0.000	0.000	0.001
CT0020	Coxford Play Area	0.000	0.000	0.000	0.000	0.000	0.000	0.000
CT0027	Disabled Facilities Grants - Approved Adaptations	1.691	3.388	1.900	0.000	0.000	0.000	6.979
CT0030	Estate Parking Improvements	0.152	0.036	0.000	0.000	0.000	0.000	0.188
CT0031	Southampton Common	0.000	0.050	0.000	0.000	0.000	0.000	0.050
CT0037	Riverside Park	0.000	0.000	0.000	0.000	0.000	0.000	0.000
CT0039	Westwood Greenway	0.011	0.017	0.000	0.000	0.000	0.000	0.028
CT0044	Blechynden Terrace Park	0.000	0.012	0.000	0.000	0.000	0.000	0.012
CT0055	Solar Powered Compactor Bins	0.360	0.424	0.000	0.000	0.000	0.000	0.784
CT0061	Weston Shore Coastal Erosion	0.885	0.012	0.000	0.000	0.000	0.000	0.897
CT0064	Welfare Improvements at Mayfield Depot	0.000	0.017	0.000	0.000	0.000	0.000	0.017
CT0068	Warm Homes	0.527	0.000	0.000	0.000	0.000	0.000	0.527
CT0071	Tranman - Fleet System Upgrade	0.000	0.019	0.000	0.000	0.000	0.000	0.019
CT0072	S106 - Affordable Homes	0.000	0.000	1.122	0.000	0.000	0.000	1.122
CT0075	City Services - Depots	0.247	0.384	0.000	0.000	0.000	0.000	0.631
CT0083	Open Spaces	0.133	0.446	0.000	0.000	0.000	0.000	0.579
CT0084	High Priority Play Parks	0.134	0.820	0.350	0.000	0.000	0.000	1.304
CT0085	Traveller Defences	0.055	0.024	0.000	0.000	0.000	0.000	0.079
CT0090	Green City Action Plan	0.029	0.099	0.000	0.000	0.000	0.000	0.128
CT0092	Mayflower Park Revetments	0.000	0.456	0.000	0.000	0.000	0.000	0.456
CT0093	Weston Shore	0.011	0.169	0.000	0.000	0.000	0.000	0.180
CT0094	Green Flag Improvements	0.174	0.268	0.000	0.000	0.000	0.000	0.442
CT0096	East Park Pavillion	0.142	0.000	0.000	0.000	0.000	0.000	0.142
CT0099	Members Minor Works - Parks and Open Spaces	0.041	0.188	0.000	0.000	0.000	0.000	0.229
CT0100	SANGS Improvements Works	0.056	0.684	0.000	0.000	0.000	0.000	0.740
		6.532	11.439	8.372	5.200	1.500	1.000	34.043

Sources of Finance

Council Resources	2.112	4.326	1.000	1.000	1.000	0.000	9.438
Contributions	2.243	3.725	5.472	4.200	0.500	1.000	17.140
Central Govt Grants	2.046	3.388	1.900	0.000	0.000	0.000	7.334
Other Grants	0.131	0.000	0.000	0.000	0.000	0.000	0.131
Total Programme	6.532	11.439	8.372	5.200	1.500	1.000	34.043

LEADER

Scheme No.	Project Description	0.000	1.663	0.000	0.000	0.000	0.000	Total £M
CG0208	Heritage Assets- Strategy	0.244	0.000	0.000	0.000	0.000	0.000	0.244
CG0216	Art Gallery Roof	0.134	0.360	3.370	0.087	0.000	0.000	3.951
CG0235	SeaCity Museum	0.003	0.000	0.000	0.000	0.000	0.000	0.003
CG0242	Restoring and Promoting Heritage Assets	0.366	3.162	2.349	0.750	0.000	0.000	6.627
CG0267	Bargate Walls Restoration Works	0.036	0.484	0.000	0.000	0.000	0.000	0.520
		0.783	4.006	5.719	0.837	0.000	0.000	11.345

Sources of Finance

Council Resources	0.003	3.075	3.486	0.750	0.000	0.000	7.314
Contributions	0.780	0.677	0.000	0.000	0.000	0.000	1.457
Central Govt Grants	0.000	0.254	2.233	0.087	0.000	0.000	2.574
Total Programme	0.783	4.006	5.719	0.837	0.000	0.000	11.345

SAFER CITY

Scheme No.	Project Description	Budget 2022/23	Budget 2023/24	Budget 2024/25	Budget 2025/26	Budget 2026/27	Budget 2027/28	Total £M
		£M	£M	£M	£M	£M	£M	
CG0018	CCTV Cameras	0.058	0.103	0.000	0.000	0.000	0.000	0.161
CG0269	Safer Neighbourhoods	0.002	0.498	0.000	0.000	0.000	0.000	0.500
		0.061	0.601	0.000	0.000	0.000	0.000	0.662
Sources of Finance								
	Council Resources	0.000	0.103	0.000	0.000	0.000	0.000	0.103
	Contributions	0.061	0.498	0.000	0.000	0.000	0.000	0.559
	Total Programme	0.061	0.601	0.000	0.000	0.000	0.000	0.662

TRANSPORT & DISTRICT REGENERATION

Scheme No.	Project Description	Budget 2022/23	Budget 2023/24	Budget 2024/25	Budget 2025/26	Budget 2026/27	Budget 2027/28	Total £M
		£M	£M	£M	£M	£M	£M	
CG0003	Improved Safety – Engineering	0.003	0.000	0.000	0.000	0.000	0.000	0.003
CG0004	QE2 Mile - Bargate Square	0.000	1.260	0.000	0.000	0.000	0.000	1.260
CG0005	Road Safety Partnership	0.001	0.000	0.000	0.000	0.000	0.000	0.001
CG0006	Cycling	0.814	1.070	0.150	0.000	0.000	0.000	2.034
CG0008	Public Transport	0.261	1.047	0.090	0.000	0.000	0.000	1.398
CG0009	Improved Safety	0.208	0.509	0.150	0.000	0.000	0.000	0.867
CG0010	Travel to School	0.159	0.134	0.205	0.000	0.000	0.000	0.498
CG0012	School Travel Plan Measures	0.029	0.000	0.000	0.000	0.000	0.000	0.029
CG0013	Accessibility	0.168	0.277	0.137	0.000	0.000	0.000	0.582
CG0016	Members Minor Work - Transport	0.142	0.218	0.000	0.000	0.000	0.000	0.360
CG0017	ITS	0.150	0.555	0.300	0.000	0.000	0.000	1.005
CG0024	Electric Vehicle Action Plan	0.111	0.070	0.000	0.000	0.000	0.000	0.181
CG0026	Carriageways	12.692	10.453	5.950	0.000	0.000	0.000	29.095
CG0027	Essential Highways Minor Works	0.067	0.108	0.090	0.000	0.000	0.000	0.265
CG0028	Pothole Action Fund	0.080	0.000	0.000	0.000	0.000	0.000	0.080
CG0029	Cycleways Improvements Programme	0.048	0.022	0.000	0.000	0.000	0.000	0.070
CG0034	NCR: Ave East Lodge Rd – Dorset St	0.025	0.000	0.000	0.000	0.000	0.000	0.025
CG0038	Bus Corridor Minor Works	0.000	0.087	0.050	0.000	0.000	0.000	0.137
CG0040	Northam Rail Bridge	0.070	3.350	5.340	9.190	48.606	0.000	66.556
CG0042	Other Bridge Works	0.557	1.229	0.300	0.000	0.000	0.000	2.086
CG0050	Footways - Various Treatments	1.321	2.046	1.410	0.000	0.000	0.000	4.777
CG0051	Highways Network Delivery	0.001	0.000	0.000	0.000	0.000	0.000	0.001
CG0052	Highways Drainage Investigations	0.256	0.281	0.250	0.000	0.000	0.000	0.787
CG0053	St Lighting	0.006	0.024	0.000	0.000	0.000	0.000	0.030
CG0054	Road Restraint Systems	0.006	0.594	0.300	0.000	0.000	0.000	0.900
CG0060	Highways Improvements (Developer)	0.025	0.083	0.040	0.000	0.000	0.000	0.148
CG0197	S106 - Highways	0.000	0.292	0.000	0.000	0.000	0.000	0.292
CG0198	S106 - Integrated Transport	0.000	0.005	0.000	0.000	0.000	0.000	0.005
CG0209	FTZ Theme 1 - Personal Mobility	3.395	3.303	1.690	0.192	0.000	0.000	8.580
CG0215	Transforming Cities Fund	11.813	35.966	0.010	0.000	0.000	0.000	47.789
CG0217	FTZ Theme 2 - Sustainable Urban Logistics	1.265	6.130	2.107	0.000	0.000	0.000	9.502
CG0218	FTZ Programme - Other	1.195	1.555	1.599	0.439	0.000	0.000	4.788
CG0241	Safer Streets	0.269	0.503	0.200	0.000	0.000	0.000	0.972
CG0247	District Centre Improvements	0.057	0.893	1.300	0.750	0.000	0.000	3.000
CG0250	Bedford Place	0.513	0.557	0.000	0.000	0.000	0.000	1.070
CG0252	Itchen Bridge	0.000	0.300	4.200	0.000	0.000	0.000	4.500
CT0065	Clean Air Zone	0.002	0.068	0.000	0.000	0.000	0.000	0.070
CT0067	Townhill Park Infrastructure - Parks	0.100	0.000	0.000	0.000	0.000	0.000	0.100
		35.810	72.989	25.868	10.571	48.606	0.000	193.844
Sources of Finance								
	Council Resources	6.632	11.910	9.667	1.018	6.086	0.000	35.313
	Capital Receipts	0.000	0.000	0.000	0.000	0.000	0.000	0.000
	Contributions	8.195	7.683	2.583	2.750	0.750	0.000	21.961
	Central Govt Grants	20.982	51.396	12.618	6.803	41.770	0.000	133.569
	Direct Revenue	0.000	2.000	1.000	0.000	0.000	0.000	3.000
	Total Programme	35.810	72.989	25.868	10.571	48.606	0.000	193.844

HOUSING REVENUE ACCOUNT

Sum2	Scheme No.	Project Description	Budget 2022/23 £M	Budget 2023/24 £M	Budget 2024/25 £M	Budget 2025/26 £M	Budget 2026/27 £M	Budget 2027/28 £M	Total £M
	CG0065	Roofing Lot 1 West	2.291	1.591	1.400	1.400	1.400	1.655	9.737
	CG0066	Roofing Lot 2 East	1.471	1.414	1.400	1.400	1.400	1.655	8.740
	CG0083	Door Entry Systems	0.360	0.200	0.200	0.200	0.200	0.350	1.510
	CG0087	Wall Structure & Finish	0.408	0.350	0.350	0.350	0.350	0.500	2.308
	CG0096	Bathroom Refurbishment Programme	2.034	1.400	1.400	1.400	1.400	1.500	9.134
	CG0163	Renew Porch/Canopy	0.097	0.000	0.000	0.000	0.000	0.000	0.097
	CG0174	Lift Refurbishment - Shirley Towers	0.612	0.600	0.000	0.100	0.000	0.000	1.312
	CG0186	Electrical System Upgrades/Refurbishments	0.293	0.420	0.420	0.420	0.420	0.500	2.473
	CG0189	Total Mobile	0.050	0.050	0.000	0.000	0.000	0.000	0.100
Improving Quality of Homes	CG0213	Housing Health and Safety Rating System and Disrepair	0.034	0.060	0.060	0.060	0.060	0.060	0.334
	CG0221	IT Upgrade - Compliance module	0.185	0.210	0.000	0.000	0.000	0.000	0.395
	CG0256	Balcony rectification works	0.000	0.100	0.000	0.000	0.000	0.000	0.100
	CG0257	Palmerstone House - redecoration and lighting	0.240	0.000	0.000	0.000	0.000	0.000	0.240
	CG0258	Wyndham Court Refurbishment	0.024	0.600	0.000	0.000	0.000	0.000	0.624
	CG0259	Major Works - reactive	0.948	0.800	0.800	0.800	0.800	0.880	5.028
	CG0261	Structural Inspections to High Rise Blocks	0.001	0.600	0.000	0.000	0.000	0.000	0.601
	HCAP1	Holyrood Estate Heating Upgrade	0.000	1.000	0.000	0.000	0.000	0.000	1.000
	HCAP2	Electrical Meters	0.000	0.100	0.000	0.000	0.000	0.000	0.100
	HCAP3	Tower block flooring, pipewor & gas plant programme	0.000	0.000	0.000	0.000	0.000	0.660	0.660
	HCAP11	Kitchen refurbishment programme	0.000	1.400	1.400	1.400	1.400	1.500	7.100
	HCAP12	Emergency Lighting Upgrade (LED lamps)	0.000	0.050	0.050	0.050	0.050	0.050	0.250
Improving Quality of Homes Total			9.048	10.945	7.480	7.580	7.480	9.310	51.843
	CG0084	External Windows and Doors	0.360	1.300	1.300	1.300	1.300	1.700	7.260
	CG0089	Electrical Heating Systems	1.745	0.400	0.400	0.400	0.400	2.000	5.345
	CG0099	ECO: City Energy Scheme	0.117	0.427	0.000	0.000	0.000	0.000	0.544
	CG0125	ECO - Canberra Towers	0.111	4.154	4.154	0.000	0.000	3.000	11.419
	CG0130	ECO - Lydgate EWI	0.067	0.000	0.000	0.000	0.000	0.000	0.067
Making Homes Energy Efficient	CG0181	Gas Heating Upgrades/Refurbishments	1.086	1.500	1.500	1.500	1.500	1.500	8.586
	CG0182	Insulation Upgrades	0.297	1.000	1.000	1.000	1.000	1.000	5.297
	CG0183	Millbank House EWI Refurbishment	0.008	0.000	2.600	3.000	0.000	0.000	5.608
	CG0184	Millbrook House - EWI Upgrade	0.037	0.000	0.000	0.000	0.000	0.000	0.037
	CG0185	Albion Towers Heating	0.013	0.000	1.050	1.155	0.000	0.000	2.218
	CG0222	Passive Fire Safety Works	0.524	1.850	4.284	5.095	1.772	0.000	13.525
	CG0223	P-Type Ring beam External Wall Insulation	0.002	0.000	0.000	0.000	0.000	0.000	0.002
	CG0260	Network Heating & District Heating meters (HIU Units)	0.034	0.130	0.000	0.000	0.000	0.000	0.164
	HCAP4	External Doors - Front/Rear	0.000	0.400	0.400	0.400	0.400	0.400	2.000
Making Homes Energy Efficient Total			4.401	11.161	16.688	13.850	6.372	9.600	62.072
	CG0080	Communal Areas Works	1.007	0.241	0.192	0.000	0.000	0.000	1.440
	CG0082	Structural Works	0.004	0.000	0.000	0.000	0.000	0.000	0.004
	CG0097	HFRS Fire Safety / Sprinkler Project	1.777	0.000	0.000	0.000	0.000	0.000	1.777
	CG0102	Remedial Works Following Compliance Inspections	0.583	0.150	0.150	0.150	0.150	0.150	1.333
	CG0123	HFRS Fire Safety Doors	0.859	0.000	0.000	0.000	0.000	0.000	0.859
	CG0178	Structural Works	0.917	0.900	0.900	0.900	0.900	0.900	5.417
	CG0187	Block Modernisation Programme	7.380	7.135	6.370	3.635	0.000	0.000	24.521
Making Homes Safe	CG0226	HRA IT Equipment and Software Refresh	0.698	0.070	0.000	0.000	0.000	0.000	0.768
	CG0227	Asbestos Removal	0.624	0.250	0.250	0.250	0.250	0.100	1.724
	CG0228	Sprinkler Work	0.277	2.990	1.744	1.744	1.744	1.700	10.198
	CG0263	Fire Detection Upgrades to LD2 - domestic dwellings	0.383	1.000	1.000	1.000	1.000	0.300	4.683
	HCAP5	Communal Fire Detector Upgrade	0.000	0.030	0.030	0.030	0.030	0.030	0.150
	HCAP6	Fire Safety - Fire Stopping Communal Areas (Low & Medium Blocks)	0.000	1.496	1.496	1.496	1.496	1.500	7.485
	HCAP7	Fire Safety - High Rise Ventilation Upgrades	0.000	1.288	1.288	1.288	1.288	1.300	6.450
	HCAP8	Fire Safety - Wyndham Court Upgrade	0.000	0.800	0.200	0.000	0.000	0.000	1.000
	HCAP9	Fire Safety - Fire Door Remedials	0.000	0.813	0.813	0.813	0.813	0.800	4.050
Making Homes Safe Total			14.509	17.162	14.432	11.305	7.670	6.780	71.858
	CG0114	Townhill Park Regeneration	0.990	4.260	3.601	0.000	0.000	0.000	8.851
Regeneration	CG0116	Estate Regeneration Woodside/Wimpson	0.196	0.065	0.000	0.000	0.000	0.000	0.261
	CG0190	GN New Homes	0.089	1.250	27.127	31.033	0.872	0.000	60.371
	CG0191	Starboard Way	0.725	1.073	0.000	0.000	0.000	0.000	1.798
New Homes & Regeneration Total			2.001	6.648	30.728	31.033	0.872	0.000	71.282
	CG0069	Decent Neighbourhoods Projects	0.878	1.000	1.000	1.000	1.000	1.279	6.157
	CG0090	Roads/Paths/Hard Standing	0.220	0.250	0.250	0.250	0.250	0.250	1.470
	CG0111	DN: Estate Improvement Programme (EIP)	0.025	0.150	0.150	0.150	0.150	0.150	0.775
	CG0112	DN: Cuckmere Lane	0.003	0.000	0.000	0.000	0.000	0.000	0.003
Supporting Communities	CG0207	Container Homes	0.333	0.500	0.000	0.000	0.000	0.000	0.833
	CG0232	1,000+ Parking Spaces (HRA Element)	1.696	1.312	0.000	0.000	0.000	0.000	3.008
	CG0240	CCTV initiatives (HRA Element)	0.010	0.000	0.000	0.000	0.000	0.000	0.010
	CG0265	Wimpson Lane & Oakley Road - external improvement works	0.000	0.100	0.000	0.000	0.000	0.000	0.100
	HCAP10	Deregistration - Cambridge Rd	0.000	0.100	0.000	0.000	0.000	0.000	0.100
Supporting Communities Total			3.166	3.412	1.400	1.400	1.400	1.679	12.457
Supporting Independent Living	CG0104	Renew Warden Alarm	0.011	1.250	1.550	0.840	0.000	0.000	3.651
	CG0177	Disabled Adaptations	2.657	2.700	2.700	2.700	2.700	3.050	16.507
	CG0255	Suited locks	0.083	0.055	0.055	0.000	0.000	0.000	0.193
Supporting Independent Living Total			2.750	4.005	4.305	3.540	2.700	3.050	20.350
			35.876	53.333	75.033	68.708	26.494	30.419	289.863
Sources of Finance									
		Council Resources	6.154	20.859	39.457	49.519	11.493	8.780	136.262
		Capital Receipts	6.272	4.713	4.824	0.000	0.000	0.000	15.809
		Contributions	0.898	0.000	0.000	0.000	0.000	0.000	0.898
		Other Grants	0.000	0.570	0.000	0.000	0.000	0.000	0.570
		MRA	20.763	25.894	30.691	18.712	14.524	20.360	130.943
		Direct Revenue	1.790	1.297	0.062	0.477	0.477	1.279	5.382
Total Programme			35.876	53.333	75.033	68.708	26.494	30.419	289.863

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GENERAL FUND AND HRA CAPITAL OUTTURN 2022/23 – PRUDENTIAL INDICATORS

1. Table 1 below reports the movement in the total capital programme since last reported and updates the prudential indicators up to and including 2026/27. These indicators reflect the change made in this report.

Table 1 – Estimate of Capital Expenditure

Capital Expenditure and Financing	2022/2023	2022/2023	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027
	Actual £M	Forecast £M	Variance £M	Forecast £M	Forecast £M	Forecast £M	Forecast £M
General Fund	62.94	98.63	(35.69)	125.42	64.89	38.18	76.93
HRA	35.88	38.25	(2.37)	53.33	75.03	68.71	26.49
Total Expenditure	98.82	136.88	(38.06)	178.76	139.93	106.89	103.43
Capital receipts	(6.58)	(2.24)	(4.35)	(7.40)	(4.82)	0.00	(0.33)
Capital Grants	(34.92)	(53.87)	(18.95)	(70.71)	(35.67)	(16.49)	(42.38)
Contributions	(14.08)	(18.93)	(4.85)	(14.07)	(10.32)	(8.06)	(1.25)
Major Repairs Allowance	(20.76)	(21.86)	(1.10)	(25.89)	(30.69)	(18.71)	(14.52)
Direct Revenue Financing	(1.79)	(2.45)	(0.66)	(3.30)	(1.06)	(0.48)	(0.48)
Council Resources – borrowing	(20.68)	(37.53)	(16.85)	(57.36)	(57.36)	(63.15)	(44.47)
Total Financing	(98.82)	(136.88)	(38.06)	(178.76)	(139.93)	(106.89)	(103.43)

2. When the strategy was last updated in February 2023, the capital financing requirement (CFR) for 31 March 2023 was estimated at £533.97M, the Council's actual CFR at the end of the year was £517.45M. This decrease was due to the variance in the capital programme. The CFR for future years, based on the proposed programme, is detailed in table 2 below.

Table 2 – Current and Estimated Capital Financing Requirement

	31/03/23 Actual	31/03/23 Forecast	Variance	31/03/24 Forecast	31/03/25 Forecast	31/03/26 Forecast	31/03/27 Forecast
	£M	£M	£M	£M	£M	£M	£M
Balance Brought forward	339.15	339.15	0.00	342.57	361.27	363.34	362.61
New Borrowing	14.53	24.55	10.02	31.47	16.76	13.63	32.97
MRP	(7.61)	(7.93)	(0.32)	(9.11)	(10.35)	(10.51)	(10.40)
Movement in Other Liabilities	(3.50)	(3.50)	0.00	(3.66)	(4.34)	(3.85)	(3.58)
Total General Fund Debt	342.57	352.27	9.70	361.27	363.34	362.61	381.60
HRA	174.88	181.70	6.82	201.25	229.92	260.33	260.33
Total CFR	517.45	533.97	16.52	562.52	593.26	622.94	641.93
Estimated Debt	360.29	364.43	4.14	420.27	449.42	477.44	494.49
Under / (Over) Borrowed	157.16	169.54	(12.38)	142.25	143.84	145.50	147.44

3. The estimated gross debt reported in February 2023 was £364.43M the actual debt at the end of the year was £360.29M, a reduction of £4.14M. This decrease was due to lower capital spend. The higher than expected level of short term borrow was due to volatility in the interest rate market and a

	prudent decision to wait for rates to drop over the next six months before entering into further long term borrowing. Table 3 below details this and the estimated debt in future years based on the proposed programme.							
4.	<u>Table 3 – Current and Estimated Gross Debt</u>							
		31/03/23 Actual	31/03/23 Forecast	Variance	31/03/24 Estimate Forecast	31/03/25 Estimate Forecast	31/03/26 Estimate Forecast	31/03/27 Estimate Forecast
		£M	£M	£M	£M	£M	£M	£M
	Borrowing (Long Term GF)	125.82	127.02	1.20	162.52	166.81	167.80	187.90
	Borrowing (Long Term HRA)	172.37	179.87	7.50	199.28	228.49	259.39	259.90
	Borrowing (Short Term)	5.00	0.44	(4.56)	5.00	5.00	5.00	5.00
	Total Borrowing	303.19	307.33	4.14	366.80	400.30	432.19	452.80
	Finance leases and Private Finance Initiatives	44.37	44.37	0	41.09	37.11	33.61	30.41
	Transferred Debt	12.73	12.73	0	12.38	12.01	11.64	11.28
	Total Other Debt	57.10	57.10	0.00	53.47	49.12	45.25	41.69
	Total Debt	360.29	364.43	4.14	420.27	449.42	477.44	494.49
5.	Table 4 below shows the ratio of financing costs to net revenue stream based on the proposed capital programme. This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet borrowing costs. The ratio is based on the forecast of net revenue expenditure in the medium term financial model. The upper limit for this ratio is currently set at 15% and will remain so for the General Fund to allow for known borrowing decisions in the next five years and to allow for additional borrowing affecting major schemes.							
6.	This indicator is not so relevant for the HRA, especially since the introduction of self-financing, as financing costs have been built into their 40-year business plan including the voluntary payment of MRP. No problem is seen with the affordability but if problems were to arise then the HRA would have the option not to make principle repayments in the early years, which it has currently opted to do.							
7.	<u>Table 4 - Ratio of Financing Costs to Net Revenue Stream</u>							
		2022/23 Actual	2022/23 Forecast	Variance	2023/24 Forecast	2024/25 Forecast	2025/26 Forecast	2026/27 Forecast
		%	%	%	%	%	%	%
	General Fund	9.58	9.81	(0.23)	10.30	10.57	10.15	9.91
	HRA	6.81	6.85	(0.04)	8.79	10.33	11.75	12.51
	Total	8.79	10.11	(1.32)	9.92	10.51	10.55	10.57

DECISION-MAKER:	CABINET COUNCIL		
SUBJECT:	MEDIUM TERM FINANCIAL STRATEGY UPDATE		
DATE OF DECISION:	CABINET (19 JULY 2023) COUNCIL (19 JULY 2023)		
REPORT OF:	CABINET MEMBER FOR FINANCE & CHANGE		
<u>CONTACT DETAILS</u>			
Executive Director	Title:	Chief Executive Officer Executive Director Corporate Services (S151)	
	Name:	Mike Harris Mel Creighton	Tel: 023 8083 3528
	E-mail:	Mel.Creighton@southampton.gov.uk	
Author	Title:	Head of Financial Planning and Management	
	Name:	Steve Harrison	Tel: 023 8083 4153
	E-mail:	Steve.Harrison@southampton.gov.uk	

STATEMENT OF CONFIDENTIALITY	
<p>Appendix 12 and Appendix 13 are exempt from publication by virtue of category 3 of rule 10.4 of the council's Access to Information Procedure Rules i.e. information relating to the financial or business affairs of any particular person. It is not in the public interest to disclose this information due to an ongoing commercial dispute which is subject to a protected alternative dispute resolution procedure. If the information was disclosed then the council's financial position would be available to other parties to the dispute and prejudice the council's ability to achieve best value.</p>	
BRIEF SUMMARY	

This report updates on the budget position for 2023/24 and beyond. It outlines the financial strategy adopted and actions being undertaken to reduce expenditure to within budget for 2023/24 and to achieve a sustainable budget for next year and over the lifetime of the Medium Term Financial Strategy (MTFS). Cabinet and the Executive Management Team (EMT) have prioritised this work to ensure we are doing all we can to achieve a balanced and sustainable budget despite significant inflationary, demand and cost of living pressures. There is a full recognition of the financial situation and the strategy laid out aims to take the organisation to a sustainable financial footing, where we can invest purposefully to ensure the city is growing to its full potential to be the city of opportunity.

This report deals with our plan and actions to prevent a deficit in this year's budget.

Whilst we do not face the historic problems of some high profile authorities which over the last decade have taken material capital and commercial risks and reached borrowing levels that cannot be sustained, we do, however, face material revenue

pressures following budget decisions over that same period where we now face additional challenges because we did not maximise council tax increases which have reduced our capacity to raise resources. At the same time the council made insufficient savings against growing budget pressures.

When the 2023/24 budget was agreed it was evident the council faced significant and serious budget challenges with a heavy reliance on reserves. Following this report the Cabinet, Executive Management Team and the new S151 Officer, immediately engaged CIPFA (the Chartered Institute of Public Finance and Accountancy) to review the financial management and the financial resilience of the organisation.

Recognising the situation the council faced, work on a revised Medium Term Financial Strategy began immediately. In the medium term the council remains ambitious to create economic prosperity through growth. But we recognise that the current position needs urgent and responsible attention alongside that focus on achieving this vision in the longer term.

The financial situation is still serious with a great deal of local and national uncertainty impacting on forecasts. As a result, CIPFA will be reviewing the forecast to ensure external validation and informal discussions have commenced with government to appraise them of our financial situation, as would be expected of any authority with this level of financial challenge.

We are committed to be proactive in the budget challenges, learning from other councils nationally who have faced similar challenge and have avoided financial failure by taking strong and early action. As the majority of our spend and continuing pressures is in Children and Adults Social Care, a main focus within our plans is to keep these areas under review with weekly meetings.

We are recommending that the council takes the type of urgent action and steps necessary, on a precautionary basis, as if the council were to fail to reach a balanced budget position. We must bring external challenge, best practice and a programme of measures; and so it is recommended an Improvement Board be created with external subject matter experts to challenge and oversee the progress to a sustainable budget.

Other councils have avoided financial failure by taking strong and early action to avoid the greater risk to frontline services which would occur by not taking action. By acting in this transparent and clear way we aim to identify and take the further difficult decisions that will be needed in a planned and effective manner that minimises the potential for disruption. Where councils have not responded in this proposed way, we have seen budget problems lasting longer and deeper.

We have also implemented a cost control panel, from advice from CIPFA, which will put strong controls on the council's expenditure.

Cabinet have requested weekly meetings looking at financial performance for both Adults and Children's, these will also bring in voluntary subject matter experts to enable challenge.

The council's 2022/23 outturn position was also a significant overspend within directorates and with some issues emerging that had not been known when setting the 2023/24 budget.

The council's new S151 Officer and the Executive Management Team (EMT) have reviewed the financial framework the council operates under. Changes to improve budgetary control and an approach to support identifying the major savings needed to ensure a balanced budget are covered in this report.

The full review of the financial position has projected that the in-year forecast may be significantly above the approved revenue budget and reserves available. The cost control measures brought forward in this report do help to reduce the forecast, but more will need to be done if the council is to achieve a balanced position in the current financial year.

It should be noted that these figures are estimates at this stage and contain some contingency for increasing demand in areas where expenditure is heavily driven by demand pressure.

The following additional actions have been taken immediately:

1. Cash limited budgets are introduced in this report and savings targets issued.
2. Cabinet and EMT have held deep dive and 'star chamber' style challenge sessions to identify and review cost control measures. Star Chambers will continue through the year to identify savings for next financial year, whilst the 'intensive care' sessions will focus on controlling pressures and costs.
3. Ensure all savings proposals in this year and future years are supported by clear delivery plans with a focus on delivering prior to the start of the financial year going forward.
4. The introduction of a clear status rating for Cabinet and EMT to be aware of when considering proposals. These status ratings being concept, work in progress, delivery plan in place, and implemented.
5. The introduction of a finance opinion (on behalf of the S151 Officer) and completed in conjunction with the Executive Director, regarding achievability of saving when considering proposals.
6. Based on the rating and finance opinion, only savings will come forward that are either delivered or have a plan for delivery and have an achievability rating of green.
7. The appointment of the Chartered Institute of Public Finance and Accountancy (CIPFA) to review the council's financial sustainability and financial management practices.
8. Cabinet have requested that a short monthly monitoring statement is brought forward to complement the more detailed quarterly monitoring report.

9. The implementation of a signed accountability statement for budget holders, which will support the introduction of cash limited budgets and the duty to manage within that resource.
10. The introduction of quarterly MTFS updates to Cabinet including further cost control measures.

These cost control measures have been brought forward as a means to help offset the budget pressures faced and details are given in this report. Cost control will continue throughout the year.

The council has limited reserves available before it would need to drawdown on its statutory general fund balance. CIPFA advise that this balance should sit at a minimum of 5% of spend, this would be £10M for the council, which is the current balance.

Due to the uncertainty of demand some sensitivity analysis has been carried out on the areas of high demand (see paragraph 33).

This report is a detailed document, representing a milestone in adopting a Financial Strategy as a framework to help resolve the council's financial challenges, with supporting information and strategies outlined and attached where relevant.

To assist the reader, the report covers the following areas (with paragraph numbers in brackets):

- Background (8 – 12)
- council priorities (13 - 14)
- CIPFA resilience and financial management review (15 - 23)
- Financial strategy (24 - 31)
- Review of budgets (32 - 47)
- Right sizing the budget (48 - 79)
- Stabilisation (80 - 89)
- Sustainable Budget (90 -112)
- Purposeful Investment (113 – 117)
- Housing Revenue Account (118 - 130)
- Consultation policy (131)
- Conclusion and Next Steps (132 - 133)

The report appendices are listed at the end of this report.

RECOMMENDATIONS:

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).
<u>Housing Revenue Account</u>	
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.
<u>Capital Programme</u>	
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.
<u>General Fund – Revenue</u>	
It is recommended that Council:	
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)	Agrees the approach as outlined in the Financial Strategy set out below (paras 24 to 31)
iv)	Agrees to the setting up of a voluntary improvement board as outlined in paragraph 29.
v)	Supports 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)	Agrees the Reserves Policy at Appendix 4.
vii)	Agrees the parameters for the fees & charges policy as set out in paragraphs 69 to 79.
viii)	Approves 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)	Agrees the procurement strategy and procurement forward programme 2023-25 contained at paragraph 108, appendix 7 and Annex 7.1 to go forward to procurement, subject to review of the Cost Control Panel.
x)	Agrees 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, subject to any comments and changes once this change has been considered at Governance Committee.
xi)	Agrees to delegate 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).
<u>Housing Revenue Account</u>	
It is recommended that Council:	
xii)	Notes the budget pressures facing the Housing Revenue Account and the measures being considered to mitigate these set out in Appendix 12.
xiii)	Approves 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.
<u>Capital Programme</u>	
It is recommended that Council:	
xiv)	Approves the creation of a new Strategic Capital Board (para 114), with its terms of reference given in Appendix 8.
xv)	Approves 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)	Approves the in-year budget adjustments to the General Fund capital programme, as detailed in paragraph 117.
xvii)	Supports 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 agrees 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.

REASONS FOR REPORT RECOMMENDATIONS

1.	<p>Against a backdrop of the challenging economic climate, detailed in paragraph 4, the council is facing significant pressures in all areas, and is showing signs of financial stress as described in the CIPFA Financial Management Model. Despite these pressures it is focussed on sizing the expenditure to meet the resources available whilst delivering on the corporate plan and manifesto pledges.</p> <p>The delivery of a balanced budget for 2023/24 and a sustainable financial plan for 2024/25 onwards is non-negotiable and the council has a collective responsibility to work together to achieve this.</p>
2.	<p>The report details the outcome of a full review of pressures, assumptions and the cost control measures that have been identified to date. These measures must be taken immediately to help reduce the forecast in-year pressure. The report also details the conclusions of the review by the Chartered Institute of Public Finance and Accountancy (CIPFA) that has been undertaken, as well as further work needed.</p>
3.	<p>As a result, Cabinet and the Executive Management Team have been working on a new financial strategy to balance the council's finances in the medium term and to strengthen the balance sheet position thereby the improving financial resilience of the organisation.</p> <p>Any decisions regarding the budget have been set against the political priorities of:</p> <ol style="list-style-type: none"> 1. Ensuring delivery of the manifesto 2. Supporting residents with the cost of living crisis 3. Increasing income and growing the economy 4. Ensuring efficient services providing value for money for residents 5. Any decision taken should not increase demand in another part of the council.
4.	<p>The task of right sizing the council's expenditure to match its resources and rebuilding reserves should not be underestimated. The council is in an uncertain financial position and will need the whole organisation to focus on cost control, at the same time as we are growing the City and the income streams of council tax, business rates and fees and charges.</p> <p>Part of the background to the financial challenges the council faces is national economic issues that have impacted on costs as well as continued pressure of demand for our local services. These include, (but are not limited to), for example:</p> <ul style="list-style-type: none"> • Unusually high levels of inflation and the cost of living crisis impact • Very sharp increases in the costs of energy for the council • Higher than expected nationally set pay awards • Sharply rising interest rates, after a prolonged period of very low interest rates (NB the Bank of England raised its base rate to 5% in June 2023, compared with 1.25% 12 months earlier). • Continuing high demand for council services, especially in the field of social care for both Adults and Children, but also other key areas such as Home-to-School Transport.

	<ul style="list-style-type: none"> Inflation has also impacted on contractual costs and continues to influence the costs arising from the capital programme.
5.	The economic and other pressures have compounded the council's financial challenges, at a time when it was already applying reserves as a stop gap to support the budget (with £20.6M used for this purpose in 2023/24) and has previously applied a council tax freeze in 2022/23 foregoing a 2% increase in council tax and 1% including Adult Social Care precept to help the financial situation.
6.	The same economic pressures faced on the General Fund, coupled with the decision made in February 2022 to freeze rents and service charges for 2022/23 (when most authorities implemented a 4.1% rise), has presented major financial challenges to the HRA. The one year freeze in rents has meant that over 40 years, an estimated £157M of income has been foregone. The HRA must not only present a balanced budget for 2023/24, but it must also demonstrate that spending plans are affordable over a 40 year horizon to manage its resources and maintain the housing stock in good condition for tenants.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

7.	<p>An approach of failing to take actions in-year and apply a new Financial Strategy would lead to a large forecast overspend which would mean the council being financially unsustainable and the issuing of a S114 notice. This would result in Government intervention. This is not a recommended way forward. Work will need to continue to increase certainty over the likely outturn position. Actions and plans being taken in this report give a positive start and significant further work will be undertaken over the summer and beyond to increase certainty and improve the financial position.</p> <p>The Housing Revenue Account would also face extra financial challenges, albeit these would be over the medium term and may have difficulty meeting obligations as a landlord over that period.</p> <p>No action with regard to the Dedicated Schools Grant (DSG) and the budget deficits currently with individual schools (total £4.5M) would also carry significant risk for the council. The DSG deficit is currently £10.1M but a temporary statutory override means that this is not included in the council's main revenue budget and is therefore not factored into the budget shortfall. This override expires on 1 April 2026 and therefore any deficit would impact on the General Fund at that point. School deficits remain with the council, should those schools be forced to become an academy upon an Ofsted assessment of 'requires improvement'.</p>
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DETAIL (including consultation carried out)

	<u>Background</u>
	February 2023 MTFS
8.	Full Council approved a Medium Term Financial Strategy (MTFS) for the period 2023/24 to 2026/27 in February 2023. The aim of the MTFS is to provide a strategic financial framework for the delivery of the council's priorities.
9.	Table 1 below summarises the MTFS as reported in February 2023. The 2023/24 budget was balanced using £20.6M of reserves and a recurrent budget shortfall of around £21M - £25M per annum after 2023/24 was forecast.

10. Table 1 Forecast Budget Shortfall 2023/24 to 2026/27

	2023/24 £M	2024/25 £M	2025/26 £M	2026/27 £M
Net Expenditure	221.45	250.50	258.26	266.58
Funding	(221.45)	(229.28)	(235.70)	(241.79)
Forecast Budget Shortfall	0.00	21.22	22.56	24.79

Numbers are rounded

2022/23 General Fund Outturn

11. There was an outturn deficit of £11.38M on the General Fund for 2022/23, which was required to be met from a draw down on the Medium Term Financial Risk Reserve, as reported in the Revenue and Capital Outturn 2022/23 report elsewhere on this agenda.

12. The combined use of reserves to meet both the 2022/23 outturn overspend and to balance the 2023/24 budget has reduced reserves. This not only weakens the council’s financial resilience but also limits the scope for funding ‘invest to save’ and transformation work and providing time to embed new ways of working.

Council Priorities

13. The MTFS is framed by the Corporate Plan which sets out the council’s direction up to 2030 and shows how the council will play its part in fulfilling Southampton’s huge potential. The plan commits to creating a place where people want to live, work, study, visit and enjoy. The plan outlines four goals and the things both the council and others in the City are doing to achieve them. The four goals set out in the plan are:



14. These goals, together with the political priorities of the Administration as set out in paragraph 3, form the basis for decisions around the development of the MTFS.

CIPFA Resilience and Financial Management Review

15. CIPFA was commissioned to undertake a review of Southampton City Council’s financial resilience and financial management. Also assessed were the effectiveness of the council’s financial management capability, its internal processes, and its operations. A copy of the draft report is attached at Appendix 1, which reflects an earlier position as at the end of May 2023 for financial forecasts. Further work will be done to verify the current forecast position, after which the report will be updated and the revised report will be presented to Cabinet, alongside the improvement plan.

Financial Resilience

16. The CIPFA report highlights the reliance on reserves to meet gaps in the council’s budget. This has led to balanced budgets being achieved but has eroded the council’s reserves. The report goes on to say that “this erosion of reserves means that these cannot be utilised in the future years to support

	the Council's finances and in reality, places the organisation at significant risk during 2023/24 and beyond. The Council requires a plan to replenish (reserves) should be put in place."
17.	CIPFA also state that though the council has presented a balanced budget for the 2023/24 financial year, "at the conclusion of 2022/23 the Council had delivered 39% of its planned savings if this rate continues then only £7.8m of the planned £20m would be achieved in 2023/24 placing even greater pressure on delivering the budget. A review of 2022/23 also indicated an overspend run rate averaging out at £1.8m per month". The report goes on to state that "This does suggest that the budget will not be delivered as planned which in itself included savings of £20m which must be considered at risk of non-delivery" and that "If the Council does not bring spending under control and deliver savings in our opinion there is a significant risk to sustainability. This would lead to the potential for considering a s114 notice later in the 2023/24 financial year".
18.	The CIPFA review states that "the council needs to immediately put in place tight controls over savings delivery, cash limit spending and develop mitigation plans for non-delivery of these".
19.	This report describes a planned approach that will address these points highlighted in the review by introducing a 'cash limited' budget approach. It will also highlight the mitigation plans aimed at better controlling in-year pressures, whether these be down to unachieved savings or new spending pressures emerging.
	Financial Management
20.	<p>The financial management part of the review utilises CIPFA's Financial Management Model (FM Model), which can support and drive effective performance in financial management and financial governance throughout a council. It applies an internationally recognised framework and diagnostic tool, enabling councils to have an independent assessment of their financial management against world class best practices in the public sector.</p> <p>The core of the FM Model uses interviews and documentary evidence to examine the following areas:</p> <ul style="list-style-type: none"> • Enabling transformation: the finance team has input into strategic and operational plans taking into account proactive risk management, clear strategic direction, and focus-based outcomes. • Supporting performance: finance teams are actively committed to continuous improvement focused on efficient and effective delivery and council performance. • Delivering accountability: financial information is accurate, timely and focuses on controls, probity, compliance, and accountability.
21.	<p>There is a great deal of detail around the assessment. In summary the CIPFA review 'scores' the authority, based on its findings for Financial Management. The rating is a 2 Star, out of a possible 4 Star, with key findings including the following:</p> <ul style="list-style-type: none"> • The results show an overall mixed position for the council. • Enabling transformations scores less well – this is not uncommon for local authorities. • Overall the budget setting and monitoring process meets many of the best practice statements and questions. • Overall the council does have an effective framework of financial accountability and reporting in line with professional and statutory requirements. • The budget setting process is not always based on a thorough understanding of costs and demand drivers leading to issues with monitoring and managing budget pressures.
22.	The following areas for development were among those identified:

- Strengthen the budget setting process with greater ownership and engagement across the council with finance seen as the custodian of the process and an advisor to services.
- The approach to strategic budgeting and financial planning is developed to include a longer time frame (where possible), greater use of cost and demand driver intelligence and scenario planning.
- Consider the integration of finance into the assessment of future requirements and change programmes, not just at business case stage but from the outset.
- Pursue opportunities for change and transformation both within and external to the council, with partners. There needs to be the space and resource to design, develop and deliver transformation so creating that capacity by reflecting on current activity (at all levels) and determining priorities.
- Develop a finance service offer that can be communicated across the council.
- Review and refresh the role and function of finance business partners to ensure it is fit for purpose.
- Develop a culture of budget holder accountability and responsibility, a compliance framework that accompanies this and monitoring to ensure impact and value.
- Consider developing the approach and skills used to develop budgets and forecast within finance and the budget holder community.
- Continue to develop the role of budget holders to ensure engagement and ownership throughout the financial year.
- Alongside developing the business partner function review and address the finance function 'transactional' activity with an end to end assessment of what needs to change, the benefits and value.
- Consider a programme of process reviews with the aim of introducing efficiency, reducing work arrounds and maximising output value.
- Evaluate the finance system and develop an improvement plan to maximise the functionality available, also its readiness for a self-serve environment.
- Broaden the MTFP conversation across all partners to capture wider opportunities for service delivery and efficiency.
- Try and make greater use of stakeholders to help develop services and introduce efficiencies.
- Ensure stakeholders get to see and hear results of consultation in policy decisions and service developments.
- Perhaps consider ensuring clarity around who are the stakeholders for finance through mapping and then a planned approach.

CIPFA Review – Conclusion

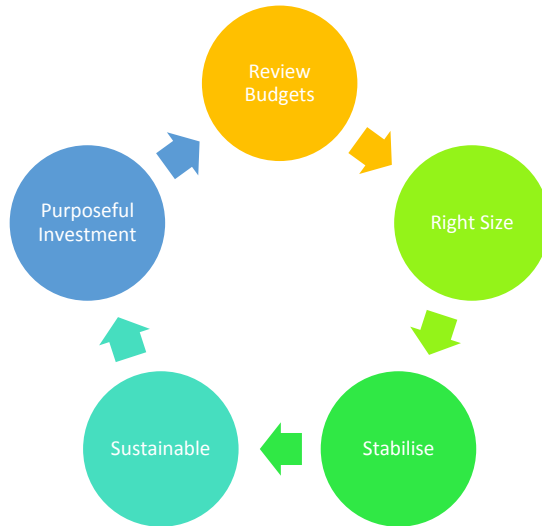
23. The CIPFA review makes clear “It is crucial that the council delivers the savings identified as planned (timing and value) and expenditure is controlled within the presented budget. Failure to do this will rapidly increase the risk of the need to issue a s114 notice either in 2023/24 or 2024/25 financial years”.

This initial report and recommendations will be the subject of discussion, following which an action plan will be agreed, suggesting ways to move the council from a two to a three star organisation and the direction of travel for continued improvement. The action plan will be tabled at Cabinet as part of the finalisation of the CIPFA report following the assistance to be provided in verifying the financial position.

Financial Strategy

24. Over the past four months the Cabinet and the Executive Management Team have formulated the following financial strategy and action plan (including brief status update), which is summarised at a high-level in Diagram 1:

25. **Diagram 1: Financial Strategy**



26. **Step 1 Review Budgets – to establish the financial position**

Actions

- A. Executive Directors will review all budgets for known pressures and risks – *Completed see paragraphs 32 to 34*
- B. Executive Directors will review all savings proposals including those unachieved from previous years and still remaining within the budget – *Completed see paragraphs 32 to 34, with saving proposals having received additional scrutiny from the Project Management Office to ensure robustness of plans behind them.*
- C. We will review all the assumptions the Medium Term Financial Strategy is built on – *Completed see paragraphs 35 to 41*
- D. We will review all prudential limits to ensure the revenue consequences of capital are affordable and reflected in the Medium Term Financial Strategy – *Completed see paragraphs 42 to 45*

27. **Step 2 Right Size – to ensure there is clarity on what are affordable expenditure levels**

Actions

- A. Cash limited budgets will be established – the principle of cash limited budgets established within affordable limits, and a move to ensuring where there is an overspend there is a deficit recovery plan to address the financial position – *Ongoing see paragraphs 49 to 54*
- B. We will establish a reserves strategy with a view to ensuring the council is rebuilding adequate reserves to cover the risks it is facing in the medium term – *Completed see paragraph 56*
- C. We will establish design principles for service reviews to ensure consistent design and focus on stabilisation and sustainability of the council – *Ongoing see paragraphs 69 to 79*

28. **Step 3 Stabilisation – to remove in year overspend and ensure the structural deficit has been addressed and the reliance on reserves removed**

- A. Executive Directors will review all areas to establish cost control measures that are cashable in 2023/24 to ensure they are delivering within the agreed cash limit - *Ongoing see paragraphs 80 to 82, tranche 1 included in Appendix 6*
- B. A rigorous Cost Control Panel will be established and will review all expenditure with a view to reducing expenditure further to assist in bringing expenditure in line with income - *Ongoing see paragraphs 83 to 84*
- C. Council-wide voluntary redundancy scheme to be opened – *Ongoing the scheme was opened on the 14 June and closed on the 4 July. The outcome of the scheme is currently being considered.*
- D. Monthly financial monitoring updates will be provided to EMT and Cabinet
- E. Star Chambers (assessment and agreement of savings to be proposed) and budget deep dives will continue over the summer with a view to bringing a budget report forward to Cabinet in the autumn, prior to any budget consultation required.
- F. Additional support and advice will be provided to the Finance portfolio holder to ensure there is robust challenge. - *Ongoing*
- G. The Cabinet and Executive Management Team will look for savings through activity reviews. These activity reviews will look at those activities that fall into 2 areas:
 - Choice – areas that the council has a choice in providing and the customer has a choice of supplier. These tend to be areas where the council can charge for its services. – *Ongoing to be completed September 2023*
 - Do Differently – can the activity be delivered differently using automation, self-service or partnerships - *Ongoing to be completed September 2023*
- H. Executive Directors will establish the benefits realisation plans for the strands of the council's transformation plan - Our Tomorrow.
 - Programme 1 Building for Brilliance – a focus on children's services
 - Programme 2 Ambitious Futures – a focus on transforming adult social care services
 - Programme 3 Enabling Excellence – a focus on enabling all services to be efficient and effective by improving systems and our support services.

These programmes will require most services to be reviewed leading to new business plans and target operating models. – *Ongoing see paragraphs 85 to 88*
- F. Explore opportunities for securing additional external funding – *Ongoing see paragraph 89*

29. **Step 4 Sustainable – to ensure the council is sustainable and able to withstand economic and financial shocks.**

- A. Key cost drivers have been identified and these will need to be tracked so the organisation can move quickly and efficiently if costs start to rise - *Ongoing see paragraphs 90 to 109*
- B. City renaissance – a focus on growing the city and increasing the income of the council – *Ongoing see paragraphs 110 to 112, board established*
- C. A voluntary improvement board, with external independent experts, will be set up to build upon the work already started with this action plan. – *Ongoing*
- D. A compulsory financial management training programme will be introduced for all staff with additional training for budget holders to ensure our employees are financially aware and exercising financial prudence.
- E. Accountability statements will be introduced for all budget holders to ensure they are agreeing to and understand the budget that is available to them to deliver services, and they are clear that this budget is cash limited. This will be completed as part of the 2024/25 budget setting process.

- F. Job descriptions and personal specifications will be reviewed to ensure strong financial acumen is reflected where the role involves the management of financial resources. This will be completed as part of the 2024/25 budget setting process.
30. **Step 5 Purposeful Investment – all investment, either revenue or capital, to have a clear purpose and strong business case**
- A. All capital schemes will be reviewed to ensure they are an investment with a purpose in line with those agreed. – *Ongoing see paragraphs 113 to 117, initial review completed*
- B. Review of the corporate plan, people plan and the supporting strategies to reflect the priorities of purposeful investment and a sustainable organisation.
- C. Identify further opportunities to invest in the city and the council including innovative ideas and ensuring business cases have been developed in anticipation of funding becoming available.
- D. Establish a Strategic Capital Board to ensure capital projects are being prioritised and the investment is based on strong business cases and delivery plans – *Ongoing see paragraphs 113 to 117).*
31. The financial monitoring reports will reflect any updates on this strategy, with an opening budget report for the next financial year being brought in the Autumn.
- Further work needs to be carried out on increasing reserves, ensuring the Housing Revenue Account is sustainable and is following the above financial strategy, as well as ensuring there are deficit recovery plans in place for the dedicated schools grant – high needs block and the landlord heating account.
- The action plan above gives a focus and clear strategy for stabilising the council’s general fund account with a view to creating a sustainable council that can deliver on its priorities. The delivery of this plan will be monitored and managed by the improvement board noted in paragraph 29.

Review of Budgets

Budget Pressures and Unachievable Savings

32. Since the MTFs was agreed in February 2023 new budget pressures have emerged for both the current and future financial years which require addressing. These are largely due to national economic influences and an increase in demand in children’s and adult’s services as discussed at the start of the report. Alongside this there are a number of savings proposals agreed in February or earlier years that are no longer considered achievable.

33. There is still some uncertainty over the level of budget pressures faced, particularly where they are demand related. Table 2 below sets out the estimated best, mid and worst-case scenarios for budget pressures and unachievable savings in the current year. All tables and narrative that follow are based on the worst case scenario.

Table 2 Budget Pressures and Unachievable Savings Scenarios 2023/24

	Best £M	Mid £M	Worst £M
Unachievable Savings	2.59	2.59	2.71
Budget Pressures	14.86	19.00	24.97
Changes to Inflation	2.10	2.10	2.10
New Proposed Commitments	0.18	0.18	0.20
Total Pressures	19.73	23.87	29.99
Difference to Worse Case	(10.26)	(6.12)	

Numbers are rounded

34. Budget pressures include the on-going impact of pressures that emerged towards the end of 2022/23 and for 2023/24 they include:

- Home to School Transport (£4.4M),
- Adult Social Care (£4.0M)
- IT Services (£1.9M),

As well as further demand led pressures within Children’s Social Care (up to £7.3M) and Adults’ (up to £2.7M) and unachievable Adult Social Care contract review savings (£0.8M). Further details of budget pressures and unachievable savings based on the estimated worse case are provided in Appendix 2.

MTFS Assumptions

35. The February 2023 MTFS included the following assumptions regarding inflation and related matters:

- Pay Inflation – 4% for 2023/24 and 2% thereafter
- Contract Inflation – 10.4% 2023/24, 2024/25 7.4%, 3.2% 2025/26 and 2.6% 2026/27
- Adults’ care provider contracts - £6.8M 2023/24, £5M for 2024/25 and £2.5M thereafter
- New borrowing – 5% interest rate

36. The local government pay award offer for 2023/24 (which has been rejected by the unions) has been costed at around 5.6%, creating a budgetary pressure of £2.0M for 2023/24 and ongoing.

37. General inflation continues to remain high, with the Consumer Price Index for May 2023 being 8.7% (unchanged from April). The contract inflation assumptions included within the MTFS are still considered prudent.

38. Table 3 below sets out the key funding assumptions that were included in the MTFS agreed in February 2023.

39. Table 3 Key Funding Assumptions MTFS February 2023

2022/23	Item	2023/24	2024/25	2025/26	2026/27
£1,644.39	Increase in Core council Tax Charge	2.99%	1.99%	1.99%	1.99%
£186.31	Increase in Adult Social Care Precept	2.00%	0.00%	0.00%	0.00%
66,146	council Tax Base (No. of Band D equivalentents)	67,057	67,474	68,430	69,108
49.9p	Increase in Small Business Rates Multiplier	0.0%	5.4%	3.2%	2.6%
£11.37M	Increase in Revenue Support Grant*	13.3%	5.4%	3.2%	2.6%
£4.63M	Increase in Top Up Grant	15.9%	5.4%	3.2%	2.6%
£0.91M	Reduction in New Homes Bonus	-76.6%	-100.0%	0.0%	0.0%

* Other specific grants have been rolled into Revenue Support Grant in 2023/24

40. The Local Government Finance Policy Statement issued in December 2022 stated that the council tax referendum principles for 2024/25 would be the same as for 2023/24, at up to a 3% increase for core council tax and a 2% increase for the adult social care precept. The maximum allowable increases for 2024/25 were not built into the MTFS agreed in February 2023, however given the continued high levels of inflation and pressures on adult social care these higher limits will be reflected in this updated MTFS. A 1% increase in core council tax adds £1.1M additional funding in 2024/25 and a 2% increase for the adult social care precept adds £2.3M, which will be used solely to meet budgetary pressures within that service. In this updated MTFS a referendum limit of 3% for

core council tax has been assumed for each year of the MTFS, however the 2% adult social care precept has only been assumed for 2024/25.

41. The September Consumer Price Index rate is the basis for the increase in Small Business Rates Multiplier (or compensatory grant equivalent) for the following year and is also expected to be used to uplift Revenue Support Grant and Top Up Grant. CPI is therefore a key factor for both inflationary pressures and funding assumptions and will be closely monitored during the year.

Table 4 Revised Key Assumptions

2022/23	Item	2023/24	2024/25	2025/26	2026/27
£1,644.39	Increase in Core council Tax Charge	2.99%	2.99%	2.99%	2.99%
£186.31	Increase in Adult Social Care Precept	2.00%	2.00%	0.00%	0.00%
66,146	council Tax Base (No. of Band D equivalents)	67,057	67,474	68,430	69,108
49.9p	Increase in Small Business Rates Multiplier	0.0%	5.4%	3.2%	2.6%
£11.37M	Increase in Revenue Support Grant*	13.3%	5.4%	3.2%	2.6%
£4.63M	Increase in Top Up Grant	15.9%	5.4%	3.2%	2.6%
£0.91M	Reduction in New Homes Bonus	-76.6%	-100.0%	0.0%	0.0%
	Pay Award	5.6%	2.0%	2.0%	2.0%
	CPI	7.4%	3.2%	2.6%	2.7%
	Borrowing Rates	5.5%	5.0%	5.0%	5.0%

Capital Programme and Prudential Limits

42. The capital programme is under review and the associated prudential limits have also been reviewed. The Prudential rules applied to the Capital programme are set out in the Capital Strategy each year and are designed to ensure the programme considers its costs when being formulated and stays within agreed boundaries to promote affordability.

43. A key indicator is the ratio of Capital Financing to the Net Revenue Budget of the council. The indicators proposed and agreed at the time the budget was approved by council is given below and covers both borrowing for the General Fund and for the HRA.

Table 5: Prudential Indicator: Ratio of financing costs to net revenue stream %

	2022/23 Actual	2022/23 Forecast	Variance	2023/24 Forecast	2024/25 Forecast	2025/26 Forecast	2026/27 Forecast
	%	%	%	%	%	%	%
General Fund	9.58	9.81	(0.23)	10.30	10.57	10.15	9.91
HRA	6.81	6.85	(0.0)	8.79	10.33	11.75	12.51
Total	8.79	10.11	(1.32)	9.92	10.51	10.55	10.57

44. Following the highly publicised over borrowing of some local authorities it is expected that CIPFA and central government will propose a strengthening to prudential limits by including upper limits on the level of borrowing. It is proposed that the council introduces a ceiling for the above indicator, prior to any change to the Prudential Code, and it should be set for the General Fund at a maximum of 11% of Net Revenue Budget. Furthermore, no new borrowing should be agreed to unless it complies with the criteria of purposeful investment (see below).

45. The current review of the capital programme will focus on applying the criteria of Purposeful Investment (see paragraph 115) and also assessing any slippage in the current programme and ensuring the phasing is on a realistic and informed basis for all items currently in the programme.

Any revision to the programme will be reported to either Cabinet or Council in accordance with the Financial Procedure Rules.

Updated MTFS Position

46. Table 6 below sets out the revised MTFS position taking into account the worse case budgetary pressures outlined and updated assumptions, before any cost control measures are taken into account. Cash limit targets for 2025/26 don't allow for any top-up of reserves, due to the increase in pressures in that year.

47. Table 6 Updated Forecast Budget Shortfall 2023/24 to 2026/27(before cost control measures)

	2023/24 £M	2024/25 £M	2025/26 £M	2026/27 £M
Forecast Budget Shortfall February 2023	0.00	21.22	22.56	24.79
Unachievable Savings	2.71	3.65	4.04	4.04
Budget Pressures	24.97	30.16	34.23	36.30
Changes to Inflation	2.10	2.26	2.35	2.47
New Proposed Commitments	0.20	0.20	0.20	0.20
Updated Forecast Budget Shortfall (before funding changes and cost control measures)	29.99	57.49	63.38	67.80
Funding Changes	0.00	(3.48)	(4.83)	(6.27)
Transfers to/(from) Reserves	0.00	1.15		3.88
Updated Forecast Budget Shortfall (before cost control measures)	29.99	55.16	58.55	65.42

Numbers are rounded

Right Sizing the Budget

48. Given the scale of the challenge now being experienced, with large budget shortfalls being forecast, to achieve a balanced and sustainable budget new approaches will need to be introduced. Tactical savings and efficiencies alone will not deliver the scale of reduction required to meet the legal obligation of a balanced budget. This report describes what else is needed, which includes cash limited budgets, service transformation and a review of key costs drivers (staffing, accommodation, assets, partnerships and systems and processes) which are areas where focus is now essential in order to deliver a balanced, sustainable budget for 2024/25 and after.

New Financial Operating Model – Cash Limited Budgets

49. To enforce greater resilience and ensure there is a culture of financial management and control, the council will now introduce 'cash limited' budgets for Directorate and Portfolios to adhere to. Each Executive Director will be expected to manage his or her services within the approved cash limited budget and to provide the Executive Director Corporate Services with such information as is required to facilitate and regularly monitor budgetary control. An Executive Director or Cabinet Member may not incur any expenditure or forego income if this will result in the approved budget being exceeded.

50. Should budget monitoring work indicate that, in-year, the cash limited budget is likely to be exceeded, the relevant Executive Director will be responsible for bringing forward, at the earliest opportunity, a plan of mitigation (deficit recovery plan) that will result in the overspend being contained within budget. Such a plan will be expected to be sufficiently detailed, with timeframes, milestones, performance indicators and any resources needed, that it is considered a robust plan by the Executive Director Corporate Services.

51.	An Executive Director or Cabinet Member must plan to stay within their cash limited budgets at all times. As the CIPFA Review report recommends, a clear message of ownership and accountability for sound financial management needs to be reinforced across the council. As part of our improvement plan a compliance framework will be developed and enforced.
52.	<p>For the purpose of clarity, a cash limited budget only relates to the “controllable” elements of the budget and exclude:</p> <ul style="list-style-type: none"> • Capital financing charges (which are accounted for centrally) • Central support service charges
53.	To support this approach, the Finance team will reinforce financial competency across the council by organising and delivering appropriate training for budget holders.
54.	<p>Appendix 3 sets out the cash limited budgets for each directorate over the period of the MTFS. The cash limits are currently on a directorate basis to ensure transparency for Executive Directors and budget holders. They can and will be worked up to provide limits on a portfolios basis, now that the cabinet portfolios have been confirmed following the recent by-election.</p> <p>To sit alongside this, the Financial Procedure Rules (FPRs) have also been amended to reflect the new Financial Strategy and reinforce sound financial governance. The FPR’s are attached (appendix 9) with proposed changes highlighted including changes to capital governance (See paragraphs 113 to 117). Key changes include:</p> <ul style="list-style-type: none"> • Being clear the FPR are mandatory rules, and if ignored deliberately could result in disciplinary action. • The written undertaking from Executive Directors and budget holders that they understand their budgets and will abide by cash limited allocations. • That Chief Officers should ensure staff are aware of the FPR. • That if overspends do occur, a formal written action plan will be proposed to mitigate the pressure, including milestones and targets and agreed with the S151 officer. • The creation of any new reserve, or change in use of reserve, needs agreement from the CFO and needs formal approval from Cabinet. • If the council is in a revenue overspend position, only carry forwards that relate to grant income will be considered. • The capital programme to operate within the limits set within the Capital Strategy, applying the agreed limits from the indicators adopted from the Prudential Code, to ensure affordability. <p>These rule changes are intended to strength the financial framework and adherence to the rules to strengthen sound financial governance.</p>
Financial Resilience	
55.	<p>The key resilience messages from the CIPFA review work are given below, which in their view if not resolved will continue to threaten sustainability are:</p> <ul style="list-style-type: none"> • Reserves should not be used for short term revenue deficiencies. Reserves are approaching a level which will not provide long term resilience and the policy for their application should be re-enforced, planned and include replenishment. • Our review has indicated that spend control both in some directorates and therefore as a corporate collective has not been effective. It is evident that there has been a culture that

overspends will be covered. As a consequence, cash limiting and a culture of collective ownership of overspends and demand pressures (and how the organisation responds) needs to be implemented effectively and immediately.

- The development and delivery of effective savings proposals and plans is crucial. A 39% (the savings achieved in 2022/23 versus those planned) result is not satisfactory. The reasons behind this vary but clearly need to improve. We would suggest that the process for development is collective, owned by budget holders and that alternative proposals are developed as mitigation and all are stress tested through various scenarios.

General and Earmarked Revenue Reserves Policy

56. Revenue reserves provide cover for risks and unforeseen events and form a key part of the council’s financial resilience and maintaining its financial sustainability. In response to the issues raised regarding their use in recent years a policy has been developed which more clearly sets out the purpose of each reserve, how it can be used, the basis for assessing adequacy of reserves and the approach being taken to replenish reserves. A copy of the policy is attached at Appendix 4.

Dedicated Schools Grant (DSG) Deficit Recovery Plan

57. The national Delivering Better Value Programme (DBV), led by Newton Europe and CIPFA, has projected through a detailed diagnostic process of needs and trends, that Southampton’s high needs deficit will increase from £11.1M at the end of 2021/2022, to £60.2M in April 2027. This is the projected position, inclusive of £2.5M being mitigated through the use of a £1M grant to support the implementation of a delivery programme designed to improve outcomes for children and young people with Special Educational Needs and Disabilities (SEND), with a focus on financial sustainability.

58. It should be noted that the forecast position for end of year 2023 was £19.1M. As a consequence of the additional funding to the High Needs Block from the DfE and SEND Services’ strategy for reducing pressures in this area over the past 5 years, as of March 2023, a reduction to the deficit was achieved, which now sits at £10.1M. The DVB Programme leads fed back that they had not observed a positive movement in any other local authority’s high needs deficits of those in the scheme.

59. The forecast spend for 2023/24 is £43.1M against a £43.8M budget. This would reduce the high needs deficit by a further £0.7M, leading to an overall deficit position of £9.4M. This sits against the predicted increased deficit position by the DBV Programme of £26.4M. This would imply a deficit at April 2027 of £43.2M.

60. The primary strategy for managing the increase in High Needs is threefold:

1. Reduce the number of children requiring an Education and Health Care Plan through targeted early intervention support, through enhanced training and support to schools and parents.
2. Reduce the number of children requiring a place at a special school, by improving the consistency of offer and inclusive practice at mainstream schools and by developing SEND units and resourced provisions within mainstream schools.
3. Maintain a reduction in the reliance of placements in high cost out of city special independent school places, by enhancing the offer and facilities of local mainstream schools, and on the development of highly specialist units and resourced provisions.

The workstreams for managing the deficit are as follows:

Scheme	Impact/outcome	Timeline for completion of work (cost benefits will take a number of years to be realised)	Funding

Inclusion charter, Ordinarily Available provision and Inclusion Audit	Improved inclusive practice in mainstream schools, improve experience and outcomes for C/YP and Parent Carers, reduction in EHCP's and special school placements.	Autumn 2023	SEND (Cost of design and print). Not a request for new money.
Development of SEND units and mainstream provisions in mainstream schools	Improved outcomes for children, reduction in independent special school places. Meet legal requirement for sufficiency of school places with particular regard to pupils with SEND.	1 unit opening September 2023, 1 unit opening January 2024.	High Needs top ups (included in High Needs Forecast position)
Autism in schools programme roll out to all schools in Southampton	Improved skills and knowledge. Better support and outcomes from C/YP. Reduction in EHC Plans and Special school places.	April 2025	£200k - DBV
SEMH Specialist Outreach Teacher	Improve skills and knowledge in supporting C/YP with SEMH needs. Improved outcomes for children. Reduction in EHCP's and special school placements.	April 2025	£160k - DBV
Neurodiversity course for parents	Improved experience for parents, improved outcomes for children, reduction in EHC Applications from parents.	April 2025	£250k - DBV
SEND Audit Manager	Improved skills and knowledge in mainstream schools. Improved experience and outcomes for C/YP and parents. Reduction in EHCP's and Special school placements.	April 2025	£160k - DBV
Special school expansion and reconfiguration.	Meeting legal obligations to provide a sufficiency of school places with specific	September 2026	SEND Capital Programme Funding - £40.2M

Work will need to continue, with the support of the national programme and learning from the approaches taken by other authorities facing their own deficits. A temporary statutory override means that the current deficit (£10.1M) is not a budget pressure in the council's main General Fund revenue budget and is therefore not factored into the overall budget shortfall. This override expires on 1 April 2026 and therefore any deficit would impact on the General Fund at that point. Hence, between now and 1 April 2026, the council will need to carefully and regularly monitor this deficit, which will be part of the updates to cabinet, and engage with other authorities and Government to control this deficit. This is likely to be a difficult challenge, which faces many councils nationally.

School Deficits

61. There are 12 out of 42 schools maintained by the council reporting a deficit balance as at the 31 March 2023 as shown in Table 3 below. This is one less than the number of schools reporting a deficit as at the previous year end but the total deficit has increased by £0.82M.
62. At the time of writing there are four schools in deficit working with the Director of Children and Learning, and the finance team to finalise their deficit recovery plans (DRP). These are:
- Hardmoor Nursery,
 - Compass Alternative Provision,
 - Townhill Junior
 - St Marks All through school,

Mansbridge is still having difficulties managing their budget but has support and advice from SCC and the Chair of their Trust.

Five schools have plans to reduce their deficits by more than £0.1M with three expecting to return to a surplus at the end of 2023/24.

63. Table 7 – Schools in Deficit

	2021/22		2022/23		No. of schools without Finalised DRPs
	Deficit £M	No. of Schools	Deficit £M	No. of Schools	
Primary/Nursery	2.70	10	3.05	9	3
Secondary/Other	0.93	3	1.40	3	2
Total	3.63	13	4.45	12	5

64. During 2022/23 three schools, Polygon, Shirley Warren and Mansbridge, were issued with a Notice of Concern regarding their financial performance and accumulated deficit. Polygon managed to reduce the level of their deficit by 31 March 2023, but results so far are not following the DRP in 2023/24 which should see a further reduction of £0.17M. At the time of writing the council is still waiting for a deficit recovery plan from this school to demonstrate how further reductions in the deficit will be achieved. Shirley Warren has produced a deficit recovery plan, to return to surplus by March 2026, which the council has accepted.

However, it should be noted that 30 maintained Schools in the City are running a surplus amounting in total to £7.7M.

65. All schools, including those with a surplus, have to manage issues such as inflation, energy costs rises and salary increases. The number of children with special needs, emotional and mental health issues, behavioural problems has increased which has put further pressures on school and council budgets.

66. When a school is forced to become an academy by the Department for Education, normally following an inadequate Ofsted inspection grade, then the deficit on conversion becomes a charge to SCC's General Fund. There are currently two schools with an Ofsted grade "Requires Improvement"; with a combined deficit totalling £0.8M.

67. The Schools Finance team are working with schools and providing advice on areas where the schools need to make changes to return to surplus.

68. Schools that are unable to demonstrate that they can manage their budgets in these difficult times may benefit from further actions such as council employed staff with expertise in Governance roles, focussing on finances, human resources and education standards. Another alternative is the removal of financial delegation.

Fees & Charges

69. The decision on whether to make a charge (and the amount to charge) is not always in the control of the council. Broadly speaking, there are two types of services that the council can charge for; discretionary services and statutory services. The level of some charges is set by the government nationally (statutory charges) whilst on other services the council can apply some discretion on what may be charged for a service.

70.	Discretionary services are those which an authority has the power to but is not obliged to provide. The Localism Act 2011 allows authorities to charge for discretionary services offered under their general power of competence. Fees and charges for discretionary services can only be levied on a cost recovery basis. These costs should include indirect costs and overheads along with any investment required to retain or improve assets or infrastructure associated with providing services.
71.	Currently, services are responsible for reviewing their services charges and ensuring that appropriate decisions are taken for all discretionary charges.
72.	The cost of living crisis has impacted on all local authorities, pushing up costs, and it has highlighted a need to ensure fees and charges levied by the council keep pace with the costs of service provision. A new approach is therefore proposed for fees and charges, with all fees and charges where the council operates with discretion falling under this framework.
73.	<p>The council's discretionary fees and charges (and concessions against these charges) will be set in accordance with the following general principles:</p> <ul style="list-style-type: none"> • Fees and charges will, in general, be increased annually in line with the Consumer Price Index (CPI). Normal expectation would be to apply the September CPI, unless there are exceptional reasons. • The council will seek to recover relevant full costs in setting its charges. <p>Many other councils operate under similar guidelines with robust policies to ensure costs are being recovered where charges apply.</p>
74.	All charges will therefore increase annually by the Consumer Price Index (CPI) unless there are exceptional reasons not to do so. A business case is required for any area considered an exception to this inflationary increase where there is no planned increase or the increase proposed is below CPI. This would be considered by Cabinet or Cabinet Member in consultation with the Executive Director Corporate Services and will include the application of subsidies or concessions which will result in a reduction in the recovery of income. Market forces may dictate swift changes to fees and charges and to ensure commercial flexibility, where an increase above CPI is applied, a business case would not be required.
75.	Reasonable notice should be given to service users and any necessary consultation, where applicable, will also be undertaken before a final decision in line with the council's consultation policy (see paragraph 131).
76.	The in-year cost control measures which form part of this paper identify a number of areas where fees and charges will be increased in year, subject to any necessary consultation. Other areas will also be reviewed for any in-year increases to ensure costs are being covered and that the framework set out above of inflationary linked rises is being implemented from a position of recovering the relevant council costs associated with service provision.
77.	Based on an initial exercise to identify mandatory and discretionary fees, this includes an estimated £25.1M for discretionary fees and £2.8M for mandatory fees (excluding Adult Social Care), though there is further work to do to confirm this split. Initial indications are that for 2023/24, all areas of discretionary income apart from Port Health are expected to at least match budgeted income, suggesting a promising basis for future increases linked to inflation.
78.	It is proposed that a full schedule of fees and charges, both statutory and discretionary, be included with the annual budget for review by Full council in February. This will ensure a transparent, consistent and centralised approach to the annual review and approval of fees and charges. An initial list of fees and charges across the council (excluding Adults Services) is attached at Appendix

5 though further work is needed to ensure this is comprehensive and covering all areas where fees and charges are made.

79. Charges related to Adults Social Care will have a separate policy, due to the more complex nature of the charges which take into account income and benefit entitlement. However, as a principle, when it comes to the annual uplift, they will be looked at from a similar viewpoint i.e. linking an expected annual increase to increases in relevant care provider costs and uprating of state benefits.

Stabilisation

Cost Control Measures

80. Executive Directors have been working to identify cost control measures that can be implemented swiftly to help stabilise the financial position in 2023/24. The first tranche of cost control measures is set out in Appendix 6 and table 8 below shows the impact on the budget shortfall assuming the worse case scenario for budget pressures.

81. Table 8 First Tranche of Cost Control Measures

	2023/24 £M	2024/25 £M	2025/26 £M	2026/27 £M
Updated Budget Shortfall based on worse case scenario (before cost control measures)	29.99	55.16	58.55	65.42
First tranche of cost control measures	(9.08)	(9.02)	(8.48)	(8.44)
Updated Budget Shortfall based on worse case scenario	20.90	46.14	50.07	56.97

Numbers and rounded

82. Work is continuing on delivery plans for cost control measures that have been identified. Further star chambers will continue throughout the summer and beyond to identify further proposals to assist in meeting the budget shortfall and producing a sustainable council supporting the aim of being a city of opportunity.

Cost Control Panel

83. The council has been operating an “essential spend” process since August 2022 with any expenditure being required to meet one of the following justifications:

- Contractual agreement
- Legal requirement
- Service failure

Although this has helped to reduce costs to an extent, reductions in expenditure have not been as effective as required.

84. A rigorous Cost Control Panel has now been put in place, with decisions being taken at Executive Management Team level on a weekly basis. All spend requests will need to be robustly justified as essential to the council delivering on its political, contractual and legal obligations.

Service Transformation – Our Tomorrow

85. Our Tomorrow is the council’s overarching transformation plan which has 3 main programmes as set out below. The Adults and Childrens elements of the transformation plan will be prioritised as per Local Authority Data Explorer (Oflog data tool) published figures for 2021/22, the Council spent 85.6% of its core spending power on social care, in comparison to our nearest neighbours who average 69.9%, only Blackpool spent more than Southampton at 90.4%. These areas will be a focus for supporting reductions to spend and improving efficiency.

	<u>Building for Brilliance (Children's Services Transformation)</u>
86.	<p>The aim of the Building for Brilliance programme is to achieve better outcomes for children and build a financially sustainable service. The six priorities balance a firm focus on practice with rigorous financial accountability:</p> <ul style="list-style-type: none"> • Ensure that children get the right support at the right time, meeting need early, reducing demand and spend on statutory services. • Develop strong, vibrant localities where families can receive the help they need, and practitioners can share their knowledge and expertise. • Support children to remain within, or return to, their birth families, seeking out and reuniting family members, reducing care costs and freeing up placements for other children. • Promote permanence and placement stability, creating strong forever families and reducing increasingly costly alternatives. • Build a permanent, stable, energised workforce, increasing consistency for children and reducing agency spend. • Embed our practice framework and practice standards across the whole service, doing the basics brilliantly and being ambitious in our practice expectations.
	<u>Ambitious Futures (Adult Social Care Transformation)</u>
87.	<p>The new Director of Adults, Housing and Health has worked intensively with colleagues since arriving in the early part of the year, to draw up the Ambitious Futures programme. This is a programme of work designed to improve outcomes for residents, better equip, train and develop staff and create a sustainable future. The programme is far reaching and divided into 8 workstreams. Key projects include:</p> <ul style="list-style-type: none"> • Creation of a new Target Operating Model to support more prevention activity and earlier outcomes. • Improved access to advice and guidance • Better utilisation of Care TEC and assistive technology • Improvements to the hospital discharge process • Workforce development strategy
	<u>Enabling Excellence (Council-wide Transformation)</u>
88.	<p>Enabling Excellence is a long-term, organisation-wide programme that aims to:</p> <ul style="list-style-type: none"> • re-design our services to support the right sized organisation • reduce unnecessary bureaucracy and delays • provide better data, forecasting and demand management to inform our decision making • design our services to be more customer-focused, efficient and effective • help us work more effectively with partners <p>Through the programme the council is building towards the agreed organisational target operating model through service redesign including the establishment of a service centre to expand the first time resolution approach and drive efficiencies. Process redesign and automation will be fundamental to supporting service re-design, enabling effective operation and service delivery within the agreed cash limited budgets. These are underpinned by the development and implementation of the council's people, data and digital strategies.</p>

	External Funding
89.	<p>The funding system for councils incentivises economic growth, with benefits such as additional business rate growth retained locally. The council's focus on the growth strategy to attract investment is highlighted in paragraphs 110-112 below.</p> <p>In support of pursuing the growth agenda the council also recognises the need to secure funding from sources other than central government, local council tax and business rates payers. We are committed to developing this, and that resources will be redirected to council priorities via the budget process within the overall caveats that: -</p> <ul style="list-style-type: none"> • External grants and income will be maximised wherever possible to mitigate the effects of budget pressures. • Partnership working and funding opportunities will be explored wherever feasible. <p>The council has a successful track-record of securing external funding within many areas. External funding should be used as a lever moving forward to stimulate transformation and to focus priorities rather than to support core activities.</p> <p>The growth strategy ensuring increased and continuous income alongside efficient and value for money services will contribute to a sustainable organisation.</p>
	Sustainable Budget
	Cost Drivers
90.	<p>The Executive Management Team has identified key cost drivers that are areas of common focus for achieving further cost reductions from a cross council perspective. These drivers will also be monitored on an ongoing basis to ensure costs are tracked, controlled and resources utilised effectively. These cost drivers are staffing, accommodation, assets, partnerships and systems & processes as outlined below.</p>
	Staffing
91.	<p>Around £137M per annum of General Fund spending is on staffing and we recognise that our colleagues are the most valuable asset we have, however through the stabilisation phase of the strategy it is inevitable there will need to be a reduction in the number of people we employ. With the number of workforce increasing significantly since 2019, this is no longer sustainable and a reduction in both temporary and permanent employees will need to take place.</p>
92.	<p>To remain sustainable it is important that we continue to monitor all aspects of staffing costs closely as we move forward.</p> <p>It is equally important that the people who remain with the organisation have the right skills and that our HR systems work for them.</p>
93.	<p>We are committed to the following:</p> <ol style="list-style-type: none"> a) We will reduce the use of agency roles wherever possible, only retaining agency staff if they are the most cost effective and efficient method of recruitment for the service. Where we have short term requirements for subject matter experts we will ensure that there is a transfer of skills to non-agency staff as part of contracts and plans. b) We will recruit internally first. For all recruitment we will look for people with the values we require and providing support and training where required. c) We will review the standard leave year to address some of the service issues that are experienced as a result of the current approach. Developments to the HR system now mean we can offer different leave years with relatively little administrative burden. This will ease pressure on people trying to take annual leave prior to the close of the annual leave year.

- d) Additional allowances and benefits – we will review all allowances and benefits to ensure they are in line with the shift in both working patterns and place of work that has occurred as a result of the pandemic.
- e) We will establish a process to embed succession planning in directorate business plans. This will ensure staff have a clear career path and the appropriate training. Keeping the training expenditure focused on these areas, and ensuring we are spending the apprenticeship levy on growing our own colleagues.
- f) We will review all roles below grade 3 to establish whether it could be converted into an apprenticeship, with a view to providing employment to one of looked after children or a young person from the city.
- g) We will review the grading structure so we can provide career graded posts in areas that require training and professional qualifications so we can attract talent.
- h) We will look to recruit internally first and for external adverts we will utilise social media and council platforms to advertise helping to reduce the costs of advertising.
- i) We will continue to focus on developing our managers to support them in building and consolidating their skills to ensure we have an effective management cohort.
- j) We will review sickness absence to ensure that we are adhering to our policies. We will help people to return to work and we will review areas that were sickness absence is high to ensure we are tackling issues and taking preventative action. Sickness absence currently costs the council circa £3M a year.
- k) We will review the work previous completed on job families to ensure consistency of grade and gain a clear understanding of the where roles are undertaking similar tasks we are paying similar grades.

Accommodation

94. Getting the right accommodation for residents, including our tenants, and in particular people who are using our adult and children’s social services, will help address the demand challenges we are facing, for example, a shortage of children’s residential placements within the City has led to the use of expensive external settings.

We are committed to the following:

- We will develop a number of children’s homes in the Southampton City area where the business case demonstrates positive and sustainable benefits.
- We will review care leaver accommodation to ensure there is adequate provision
- We will review supported accommodation for adult social care clients in line with the adult social care strategy.
- We will review the capital programme to ensure investment is directed towards providing good quality sustainable homes.
- We will encourage investment in the city to provide this accommodation.

Assets

95. The council requires a number of different categories of assets to deliver its services, and to help make it as efficient and effective as possible whilst ensuring our asset base supports our communities. These assets include:

- Office accommodation
- Depots
- Investment properties
- Sports and leisure facilities
- Vehicles
- IT equipment

96.	<p>To ensure we are managing our costs effectively and achieving value for money, assets are one of the five key drivers we keep under review. To do this:</p> <ol style="list-style-type: none"> a) We will introduce an organisational design principle of ensuring services are delivered from a minimal number of assets. b) We will review the home to school transport function to ensure we are delivering this in the most cost effective way. c) We will review the number of vehicles we have with a view to reducing them. This may have implications for ways in which we work and the redesign of services. d) We will look for the most cost effective green method of owning and maintaining assets. e) We will review all the operational property assets we occupy to achieve best value for money in relation to maintenance costs, utility costs and compliance with flexible working and corporate landlord principles, with a view to reducing the number whilst ensuring those that are retained are kept in an adequate state of repair. f) We will review the expenditure on assets in both capital and revenue terms to ensure this is in line with our purposeful investment principles. g) We will choose the most cost effective method of financing expenditure on our assets. We will look at lease versus buy options on all major purchases. h) We will keep commercial and investment properties under constant review to ensure capital and revenue values are achieving market levels and where they are not, effectively dispose of the assets. i) We will clearly identify and incorporate strategic assets in all future City wide master planning and regeneration strategies, with clearly defined timelines and updates. j) Land and property will be reviewed, monitored and controlled by the council's Property Board via the production of the council's Asset Management Plan, with all key decisions being made in line with the council's standing orders and constitution. The Property Board will report to the Strategic Capital Board and the Executive Management Board.
	<p>Partnerships</p>
97.	<p>The council works in partnership across the city, region and nationally. These partnerships include:</p> <ul style="list-style-type: none"> • Integrated Care System for Hampshire and the Isle of Wight • Central Government including (but not inclusive of) the Department of Housing, Communities and Levelling Up, Department of Education and the Department of Health and Social Care • Southampton Voluntary and Communities Organisations • The Police • Schools and Education providers
98.	<p>To ensure we are managing our costs effectively and achieving value for money, partnerships are one of the five key drivers we will continue to develop by:</p> <ol style="list-style-type: none"> a) We will review partnership arrangements to ensure they are value for money and deliver and achieve best outcomes for our residents. b) We will work with partners to review assets we occupy to achieve best value for money in relation to maintenance costs, utility costs and compliance with flexible working and corporate landlord principles. c) We will clearly identify and incorporate partnership strategic approaches in our ways of working.
99.	<p>Southampton has been invited to put in a Stage 2 application for funding from the National Institute of Health Research (NIHR) to become a Health Determinants Research Collaboration (HDRC). HDRCs are collaborations between local authorities and the academic sector that focus on improving</p>

	the wider determinants of health by boosting local authorities' capacity and capability to conduct high-quality research to tackle health inequalities. The funding is up to £5M over 5 years and, subject to final costing calculations, we intend to bid for the full amount.
100.	Our plan for the HDRC is to fund posts within a new 'Research and Development Hub'; this will include experts in research, evaluation and data science as well as officers to lead public engagement, research governance and grant writing. The HDRC will invest in developing our wider workforce so that they have the knowledge, skills and infrastructure to access and use evidence which will help SCC to become more intelligence-led in its work on the wider determinants of health. Being able to make evidence-informed decisions means that we will make better investments resulting in more cost-effective and improved services for our residents, ultimately improving health and reducing health inequalities.
101.	Public engagement and involvement is an important part of our HDRC plan. Through our partnerships with voluntary and community organisations, the HDRC will meaningfully involve residents from across the city in deciding what research is needed and how it should be done. Together with our communities, we will co-produce outputs from the research so that the learning is accessible to everyone.
102.	A further benefit of increased research capacity and culture, and improved data maturity through the HDRC is that we will be better placed to extract meaningful insights from a range of data, supporting a better level of forecasting and 'what if' scenario testing in key areas. This will allow us to proactively mitigate potential future demand issues and implement early interventions using informed decision making based on a better level of forecasting and 'what if' scenario testing.
	Systems & Processes
103.	<p>The Enabling Excellence transformation programme noted at paragraph 88 will be a key aspect of delivering more efficient systems and processes.</p> <p>In addition to the Enabling Excellence programme, the following will be undertaken:</p> <ol style="list-style-type: none"> a) We will bring forward a Digital Strategy with an ICT roadmap ensuring the council's digital processes and approaches are clear, including artificial intelligence, automation and cyber security elements. b) We will implement a financial management improvement programme to ensure all colleagues and in particular budget holders have access to easy to use financial information and processes, alongside appropriate training and guidance. c) We will ensure the HR service is supporting managers to design services that are fit for the future and that all employees and managers have access to easy to use systems and processes. This will also include a clear definition of what the organisation expects from Organisational Design, organisational development and learning and development. d) We will implement phase 1 of the Strategic Procurement Programme which will help to streamline processes and reduce costs. See paragraphs 104 to 109. e) Debt recovery systems and processes are also under review to ensure they are as efficient and effective as possible. There are a number of initiatives either underway or being explored to improve performance, both as part of BAU change and as part of corporate transformation projects, for example: <ul style="list-style-type: none"> • Working with the University of Southampton to understand how best to engage people with the debt recovery process • Automating reminder letters for certain types of debt • System improvements to Business World functionality • Implementing a 'dashboard' approach for former tenant arrears, providing more details on caseload and performance • Increasing cross-skilling of technical & training officers within the Customer Payment and Debt Team to improve resilience.

- f) In addition, the work the council does in its role as corporate appointee (where it manages finances on behalf of clients) is also under review as part of BAU change and corporate transformation as this function is also in scope of the Adult Transformation Programme (Ambitious Futures). A number of improvements have been made and are in train including reducing manual effort by increasing use of the Care Director system and reviewing and updating associated procedures to reflect this.

Strategic Procurement Programme

104. The scope of the current Strategic Procurement Programme (SPP) consists of known “Strategic” arrangements which need to be operational by the end of 2025/26. This encompasses upcoming non-Health and Social Care (H&SC) requirements/projects which are strategically significant to the council in terms of value, operational considerations, reputation or political importance. Some of these requirements are part of current contractual arrangements and others are new requirements.

105. The current projects which make up the SPP are as listed below and are being treated as a programme to enable cross-organisational resource to be shared to minimise costs, develop expertise and increase efficiency.

- St Mary's Leisure Centre (existing provider is Active Nation)
- Electric Vehicle Charging (new project)
- Commercial Waste (existing provider is TJ Waste)
- Temporary Labour (existing provider is Comensura)
- Property arrangement - SCC owned Construction Framework/Partnership (new requirement)
- Highways (existing provider is BBLP - Balfour Beatty Living Places)
- Citywatch (existing provider is BBLP)
- Guildhall (existing provider is Live Nation)
- Leisure (existing provider is Places for People)

It is anticipated that a further SPP phase will be required to deal with future strategic projects which need to be in place after 2025/26.

106. In order to ensure we are a sustainable organisation with a clear focus on the aim of being a city of opportunity:

- a) We will review the programme to ensure it is being procured within affordable levels and gives us flexibility when needed.
- b) We will set the strategic direction regarding services, contracts and arrangements.
- c) We will adopt a “delivery model assessment” (DMA) approach to improve the pre-procurement planning stage, which, where the agreed delivery model is to outsource, should result in more fit for purpose arrangements, resulting in less time and cost spent managing issues and disputes, contract changes, unacceptable service levels and re-procurements. The approach is based on central government best practice.
- d) We will ensure the programme aligns with the Southampton First policy which requires the council to objectively consider in-house delivery of services. This allows appropriate delivery models to be identified rather than simply assuming services should be procured from third party suppliers.
- e) We will ensure appropriate consideration of the Social Value and Green City Procurement Policy.

107. A DMA will inform a recommendation on how services should be delivered moving forward - i.e. whether SCC should deliver a service(s) – or part of service(s) itself, procure from the market,

	through a combination of in-house and outsourced delivery or alternative commercial vehicles such as frameworks, joint ventures (JVs) or shared service models.
108.	The Procurement and Contract Management Strategy at Appendix 7 sets out a clear council's framework to procuring (or buying) goods, services and works over the next three years and managing the subsequent contracts, taking into consideration the latest government procurement legislation and initiatives as well as the council's own aims and objectives. The Strategy is designed to promote effective and efficient procurement and contract management across the whole council and is designed to ensure that there is a consistent and comprehensive approach in respect of the council's third party expenditure.
109.	Annex 7.1 to the Procurement and Contract Management Strategy (Appendix 7) is the procurement forward programme. This details all known non-health and care procurement projects for the period 1 April 2023 to 31 March 2025 inclusive, which were planned as at 1 April 2023 and have a forecast value of more than £5,000. It should be noted that urgent and unforeseen projects may be added to the procurement forward programme, and further work will be undertaken to add health and care procurement projects for the 2024/25 budget report.
	City Renaissance (Growth Strategy)
110.	Southampton is a 'City of Opportunity' and envisions a dynamic and aspirational future as a leading cultural, maritime and economic destination. The recently established 'Renaissance Board' will align public, private sector & major institutions around a growth agenda for the city which supports disadvantaged communities, optimise future growth and realises opportunities of the built environment to ensure Southampton is an attractive place to live, work, visit and learn.
111.	The master planning programme offers a key opportunity to look more closely at our current offer and our future potential to maximise the economic growth potential and realise subsequent benefits of increased council Tax and Business Rates. It will also aspire to deliver meaningful change for local people in terms of employment opportunities and improved skills.
112.	Southampton is continuing to benefit from the work undertaken to promote its City of Culture bid. The Culture Trust is seeking to amplify the city's vibrant cultural and natural assets, attracting additional investment and enhancing the visitor experiences. We also continue to work with the private sector, neighbouring authorities, the Local Enterprise Partnership and Government on the new Solent Freeport. This had the green light to proceed from Government last year and will promote growth through a range of economic and tax benefits that will attract investment to the Solent area. As reported to council in March 2022 this has the capacity to deliver an extra 56,000 direct and indirect jobs across the Solent area.
	<u>Purposeful Investment</u>
	Capital Programme - Governance
113.	The council currently has an agreed capital programme to 2027/28. This focuses on ensuring our assets are well maintained (e.g. roads) and enhancing the facilities for residents (e.g. The Outdoor Sports Centre). However, investment in capital also represents a cost for capital financing in the revenue budget and with rising interest rates and the expectation those rates will remain high for some time, the impact of financing this investment needs to be kept under constant review.
114.	With that in mind, a change to the governance framework is proposed for the capital programme. This is twofold (i) current and future expenditure will be assessed against the criteria of 'purposeful investment'. (ii) A new Strategic Capital Board will be established, with attendance by the Leader, Deputy Leader and Cabinet Member for Finance & Change, plus relevant Cabinet Member for areas under consideration.
115.	A criteria of 'Purposeful Investment' will be applied when reviewing all existing and proposed future capital programme items. This is to ensure investment is focused on delivering the optimum value

for money for the council and its benefits are fully considered against taking account of the financial challenges the council faces. The Purposeful investment criteria is as follows:

1. Does it reduce revenue expenditure/increase income in the current year or future years
2. Does it stop a potential financial pressure in future years
3. Does it have a significant impact on the lives of residents?

In particular taking account of the following considerations:

- a) Solid Return on Investment (RoI) (e.g. generating significant external funding/investment or inward returns from the investment to the council)
- b) Is it a major element necessary for the achievement of the Corporate Plan
- c) A key commitment of the Administration

Item 3 in the above list will need to take account of affordability, given the current financial challenges and limitations.

116. The remit of the new Strategic Capital Board is attached in its terms of Reference (See Appendix 8), and the amended Financial Procedure Rules covering the capital programme are also attached (Appendix 9).

117. An initial review of the current approved capital programme, against the above criteria, has been undertaken and a number of changes are proposed, as summarised in Table 9 below. As a result of these changes and the financing associated, a £1.97M revenue saving, over 5 years, will be achieved in debt financing costs. More detailed is given in Appendix 10 of these changes to the programme.

Historically the council has had 30% slippage on capital projects, which results in budgeting for financing costs which do not materialise in year. By rephasing towards a more realistic achievable delivery plan, the council can accurately reflect the revenue costs. This will also allow for better project monitoring and reporting throughout the year. Work to assess delivery plans will continue throughout the year and be reported as appropriate.

A number of projects have been identified to be paused, pending an updated business case being presented to Strategic Capital Board to demonstrate that the project delivers Purposeful Investment for the council.

Table 9 – Changes to Capital Programme

	2023/24 £M	2024/25 £M	2025/26 £M	2026/27 £M	2027/28 £M	Total £M
Approved Budget	92.84	60.40	38.10	76.93	1.00	269.27
Reduce	(7.41)	(5.98)	(9.19)	(48.61)	0.00	(71.19)
Rephase	(7.91)	4.65	2.05	0.50	0.71	0.00
Revised Budget	77.52	59.07	30.96	28.82	1.71	198.08

Housing Revenue Account (HRA)

118. Southampton City Council (SCC) is responsible for council housing and the operation of the Housing Revenue Account (the HRA). These responsibilities are outlined in legislation (principally the Local Government and Housing Act 1989 and subsequent amendments) and any guidelines on operation of the HRA from Government. This responsibility cannot be delegated.

119. The 40 year business plan was agreed at Council in February 2023. The business plan was put together based on a significant number of assumptions and expected pressures. The 40 year business plan has been considered as part of the MTF5 update, including reviewing existing and new cost pressures within the HRA.

Cost pressures within the HRA

120. The Housing Revenue Account faces the same impacts from the national economic climate as does the General Fund, with inflation, interest costs and cost of living pressures being a key factor as well as the need for capital investment to maintain the housing stock. Details of the cost pressures within the HRA are provided in Appendix 12.

121. The HRA 40 year business plan has been updated to reflect the new and ongoing pressures outlined in Appendix 12. Indicatively this generates a potential saving requirement of £1M per annum by 2026/27, on existing spend plans, in order to maintain a working balance and ensure sufficient resource is built up to repay debt. With an increase in the capital programme also built in, the savings requirement builds to £3.5M plus per annum by 2026/27 (NB with forecast spend for the HRA being approx. £90M by then, this means around 3.9% of total budget savings being necessary).

122. Options for making this level of savings are included in Appendix 12 and will be subject to further work to build into worked up proposals. However, where pressures are identified that will have an impact in 2023/24, these will be offset by a reduction in the proposed revenue contribution to the capital programme. Currently this is budgeted at £4M and, as of June 2023, it is proposed to reduce the contribution by £2.05M.

Landlord Controlled Heating (LCH) Account

123. The Landlord Controlled Heating Account has been significantly adversely impacted by increasing energy costs during 2022/23, There was no decision made to increase LCH charges during 2022/23, with an increase of 100% applied from April 2023. The increase agreed was a compromise between cost recovery and minimising impact on tenants.

As a result, a deficit of £3.7M was forecast as at the end of 2022/23. The final position on the account was calculated within the closedown in April 2023 at £3.5M.

124. The account works as a ring fence within the HRA, and in line with HRA guidance the account cannot operate indefinitely at a planned deficit. Action is therefore required to remedy the account.

125. Energy is purchased in advance and currently, approx. 80% of the energy requirement to October 2023 has been purchased. Therefore, there is a degree of time lag before any changes to price are experienced. The energy price forecasts for electricity and gas are as follows. The next forecast is due after the end of June and no forecasts are available beyond 2024:

Table 10 Energy Price Forecasts

Fuel	% Purchased	Best Case	Medium Case	Worst Case
Electricity	79%	6.8% increase	7.8% increase	33.9% increase
Gas	80%	12.8% decrease	11.9% decrease	14.8% increase

(Source: Laser Energy market updated March 2023)

126. There are three main options for recovery:

- 1) A further significant increase in charges to tenants, likely followed by a reduction in charge after the deficit has been recovered.
- 2) Managed price increases over the next 5 years
- 3) Write off balance to HRA.

127. The advantages of the first option would be a faster recovery; however, there would be a significant adverse impact on tenants, who are already struggling with the increase from April, and a significant increase in arrears would be expected; on the basis of a 30% increase in arrears, an additional contribution to the bad debt provision of £1M would be required in the short term. This would need to be found by making additional savings elsewhere in the HRA.
128. The second option would be to manage price increases over a period of 5 years. Based on current energy cost forecasts, increases of 7% in 2024/25 and 10% per annum in 2025, 2026 and 2027 would need to be applied. A further advantage to this approach is a better ability to adjust charges to tenants in the event of any reductions in energy prices in future.
129. The final option would be to write the balance off to the HRA. This effectively passes the cost of landlord-controlled heating across to all tenants rather than those receiving LCH. Currently, there is insufficient budget for a write-off of this scale and to do so would add a further requirement to make savings over and above those already required.
130. It is recommended that the second option be adopted.

Consultation Policy

131. The Consultation Policy is a policy which aims to clearly set out the council's key commitments and principles when undertaking public consultations. The policy applies to all services within the council and partners and commissioned services undertaking a public consultation on behalf of Southampton City Council. The practice, commitments and principles of this policy underpin appropriate, meaningful consultation. The policy provides examples of statutory consultations and legitimate expectations which are non-statutory and sets out how consultations will be conducted and who will be consulted. It is attached in appendix 11 for information.

Conclusion and Next Steps

132. The council was aware it faced a very challenging financial year, and whilst there is a risk of a S114 notice, actions have been taken immediately to ensure the financial situation is stabilised with a view to delivering a sustainable council that invests purposefully in the aim of being the city of opportunity.. The intention throughout this strategy is to create a council that is focused on leading and supporting an environment of welcoming growth and inward investment. The new financial strategy and actions are clearly outlined in this report and are intended to help manage the financial situation and the risks identified.
133. Given the importance of the financial position and improvement to the future of the city and the council, an update on the progress with the Financial Strategy outlined above, and with further proposals for in-year cost control and proposed savings to balance the budget for 2024/25 onwards will be tabled at the next Council meeting in September.

RESOURCE IMPLICATIONS

Capital/Revenue

134. The revenue and capital implications are contained in the report.

Property/Other

135. The implications for staffing and for property are outlined in the report.

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

136. Budget reports are consistent with the Section 151 Officer's role to align budget with the aims of the Council and also the duty to ensure good financial administration.

Other Legal Implications:

137. The proposals within this report have been put forward having regard to the council's duties under the Equalities Act 2010 and the Human Rights Act 1998, together with other pervasive legislation. Where required, individual projects, proposals and programmes will be subject to completion of EISA's as part of the governance and decision making foundations.

RISK MANAGEMENT IMPLICATIONS

138. The financial forecast included in this report are based upon a variety of assumptions, including funding, future spending projections and savings delivery.

139. Financial projections have been based on the best known information on the likely cost and demand for services for 2023/24 and beyond. External factors add further to uncertainty with the cost of living crisis, energy costs, labour shortages, increases with interest rates and no nationally agreed for the in-year pay award for local authorities. Nor is there any certainty on funding from Government. The Local Government Finance Policy Statement published in December 2022 provided some indications on how the settlement may look for 2024/25, however this is subject to change. These all present significant levels of uncertainty and potential financial risk and instability.

140. Delivery of savings will be critical to the authority's future financial stability. These are already monitored as part of the in-year work on comparing budget to forecasts. In addition, key areas of financial risk such as Children's Services and Adults Social Care will have fortnightly 'intensive care' sessions involving service Executive Directors and the Executive Director Corporate Services to check the latest position with savings delivery and on budget pressures and mitigations.

141. There are further potential risks which may result in additional financial pressures for 2023/24, which are being assessed. We will work with CIPFA and external assessors as a validation exercise.

142. A further comment on financial risk is included in Appendix 13.

POLICY FRAMEWORK IMPLICATIONS

143. The proposals contained in the report are in accordance with the council's Policy Framework Plan.

KEY DECISION? Yes

WARDS/COMMUNITIES AFFECTED:	All
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SUPPORTING DOCUMENTATION**Appendices**

1.	CIPFA Review – draft report
2.	Budget pressures and unachievable savings
3.	Directorate Cash Limited Budgets
4.	General and Earmarked Revenue Reserves Policy
5.	Schedule of Fees and Charges
6.	Cost Control Measures – first tranche

7.	Procurement and Contract Management Strategy
8.	Strategic Capital Board – Terms of Reference
9.	Updated Financial Procedure Rules (FPRs)
10.	Capital Programme Update
11.	Consultation Policy - Draft
12.	HRA & other pressures and savings (CONFIDENTIAL)
13.	Financial Risk (CONFIDENTIAL)

Documents In Members' Rooms

1.	Cost Control Measures Summary Sheets (item by item)
2.	ESIA – Dial a Ride Service
3.	ESIA – Fees and Charges

Equality Impact Assessment

Do the implications/subject of the report require an Equality Impact Assessment (EIA) to be carried out?	Yes
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Privacy Impact Assessment

Do the implications/subject of the report require a Privacy Impact Assessment (PIA) to be carried out?	No
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Other Background Documents

Equality Impact Assessment and Other Background documents available for inspection at:

Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
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1.	The Revenue Budget 2023/24, Medium Term Financial Strategy and Capital Programme (Approved by council in February 2023)	
2.		

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Southampton City Council

CIPFA Resilience and Financial Management Review

A Report by:
The Chartered Institute of Public Finance and Accountancy

May 2023

CIPFA, the Chartered Institute of Public Finance and Accountancy, is the professional body for people in public finance. CIPFA shows the way in public finance globally, standing up for sound public financial management and good governance around the world as the leading commentator on managing and accounting for public money.

Further information about CIPFA can be obtained at www.cipfa.org

Any questions arising from this submission should be directed to:

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1 Executive Summary

1.1 Purpose and scope of the review

CIPFA has been commissioned to undertake a review of Southampton City Council's financial resilience and financial management. In addition, CIPFA was asked to provide comparative data analysis to benchmark the Council across a range of Service areas and against its nearest neighbours.

The review will contribute to the development of a Finance Target Operating Model for the Council. To support this, we have assessed the Council's financial resilience. We have also assessed the effectiveness of the Council's financial management capability, its internal processes, and its operations. We have also examined how the Council plans its future financial management. We have then set this in the context of the wider financial picture across other local authorities, using data to highlight where the Council differs from its nearest neighbours.

This report summarises the findings of the three elements of the review. It sets out the key findings of our financial resilience review in relation to the Council's current and forecast financial position. It also sets provides analysis of the Council's financial management against the model's constituent elements, including a rating against CIPFA's five-star model.

The report also contains a series of recommendations, which can be developed into an action plan to support an improvement process.

1.2 Approach adopted

Financial resilience

The financial resilience review concentrated on the potential scale of the budget and financial challenge that the Council faces over the next three years. This was considered from two perspectives. The first was the range and extent of pressures as a consequence of inflation, demand and investment. The second was to consider the impact of three key areas of assumption, which were savings and transformation, Government funding and local funding. The combined nature and outcome of these will all have an impact on the financial resilience and ability to address the financial challenge that the Council faces.

Financial management

The financial management review comprises the model's three constituent elements: a survey; a series of interviews with staff and elected members; and a document review. The findings from each of these elements are entered into the model framework, which allows them to be scored against a standard set of statements and questions representing best practice in financial management and governance.

The statements and questions represent management dimensions and financial management styles. There are over 400 questions in total. The response to each is rated as yes, no, partly, or don't know. The collective scores for each statement are then combined to produce an overall rating.

Benchmarking

Our approach to comparative analysis has used two key data sources. These are firstly CIPFA's Financial Resilience Index and secondly benchmarking data from CIPFA Stats+.

We have compared Southampton to its CIPFA nearest statistical neighbours to draw conclusions on a range of services and the Council's overall financial resilience and sustainability.

1.3 Findings

Financial resilience

The Council has, in recent years, relied on reserves to meet gaps in its budget. This has led to balanced budgets being achieved, but has eroded the Council's reserves, leaving it a reduced amount to fall back on.

Reserves were reported at the end of 2021/22 at £96.2m (which included including revenue grants carried forward, primarily relating to Covid). The reported MTFs reserve for the financial year 2023/24 now stands at £10.1m this is a significant reduction and this erosion of reserves means that these cannot be utilised in the future years to support the Council's finances and in reality, places the organisation at significant risk during 2023/24 and beyond. The Council requires a plan to replenish should be put in place.

The Council has presented a balanced budget for the 2023/24 financial year.

At the conclusion of 2022/23 the Council had delivered 39% of its planned savings if this rate continues then only £7.8m of the planned £20m would be achieved in 2023/24 placing even greater pressure on delivering the budget.

A review of 2022/23 also indicated an overspend run rate averaging out at £1.8m per month. If this trend continues in the current financial year combined with non-delivery of savings there will be a significant budget gap at year end. The Council needs to immediately put in place tight controls over savings delivery, cash limit spending and develop mitigation plans for non-delivery of these.

It is evident from Month 1 reporting, that the past trends have continued in to 2023/24 which shows that there is projected £25m adverse variance from the budget, mitigated to £14.1m adverse. (The reduction is made up of cost control and additional pressures). This does suggest that the budget will not be delivered as planned which in itself included savings of £20m which must be considered at risk of non-delivery.

The External Audit report into Value for Money published earlier this year also raises concerns about the financial sustainability of the Council and that delivery of savings is crucial along with an MTFP refresh in the summer.

If the Council does not bring spending under control and deliver savings in our opinion there is a significant risk to sustainability. This would lead to the potential for considering a s114 notice later in the 2023/24 financial year. This will also impact in longer-term sustainability when the MTFP projects a cumulative budget shortfall of circa £50m by 2027/28 with no reserves to rely on.

Financial management

The findings from the review are presented as a summary table which gives individual scores against key model headings, and as an overall score. The overall rating for Southampton is 2*. This represents a score of 2.13 and the threshold for 3* being 2.25, which would in our opinion be the next development target and a concentration on the people dimension would contribute to this.

CURRENT SNAPSHOT	Management Dimensions			
	Leadership	People	Processes	Stakeholders
Financial Management Style				
Delivering Accountability	***	*	****	***
Supporting Performance	*	*	**	***
Enabling Transformation	*	*	*	**
Overall Rating	**			

The results show an overall mixed position for the Council. The two key areas to highlight are the people dimension and the enabling transformation management style. It is not uncommon to see the transformation dimension score low for local authorities and the people aspect is a key theme for building strength and sustainability in the future.

The table above indicates both areas where the Council's performance is positive and those requiring improvement. The body of the report has a detailed analysis of individual scores and findings from the review.

The report highlights opportunities to improve and strengthen financial management and governance across the Council.

Benchmarking

Our data analysis shows that the Council's spend per head is 21% higher than its nearest neighbours' average spend. There are potential savings that the Council could make by more closely matching its neighbours' cost per head, particularly in Education Services, Adult Social Care, and Planning and Development Services.

1.4 Next steps and action plan

The report includes detailed recommendations aligned to the review findings. This initial set of observations and recommendations will be the subject of discussion leading to the agreement of a final report. Following this we would agree the action plan which is intended to stimulate debate, suggesting ways to move the Council from a two to a three star organisation and the direction of travel for continued improvement.

2 Introduction and Background

2.1 Objectives of the review

CIPFA has been commissioned to undertake a review of the financial management and governance arrangements by the Council using the Financial Management Model (FM Model).

The review has the objective of assessing the Council's capability to effectively manage its current finances, internal process, and operations, as well as how it plans future financial management.

To support the financial management review, CIPFA has also reviewed the Council's financial resilience, and benchmarked the Council against its nearest neighbours.

The review will also support the development of a new Finance Target Operating Model through the evidence base used by the FM Model and areas highlighted as part of the improvement journey.

2.2 The current financial position

The Council faces significant financial challenges over the short, medium, and long term. Along with many other authorities, recent economic turbulence and inflationary pressures have made this position even more challenging.

While the Council has delivered some £170m of cumulative savings in the 10 years up to March 2022, it still faces the need to deliver substantial additional savings to achieve a balanced budget and evidence suggests that delivery is low, 39% in 2022/23. This challenge is made even harder by the exceptional cost pressures that it is facing around Childrens Social Care, which have already resulted in a budget deficit in the last year.

The increased pressures are also evidenced by the increasing spend in SEND services (Special Educational Needs and Disability) where there is an increasing DSG (high needs block) deficit. Whilst this is the subject of a statutory override for the next three years its importance and risk are recognised through the Council's participation in the 'Delivering Better Value' programme initiated by the DfE. This is intended to help mitigate costs but not resolve the deficit.

Over recent years, the Council has relied more and more on using reserves to help balance its budget. These reserves are now diminishing and at a level £10m for the MTFs reserve where the Council will not be able to rely on them to offset future financial shortfalls.

This means that the identification and delivery of viable Council savings plans, cost control and cash limiting spend is essential and will be key to addressing the financial challenge that the Council faces.

2.3 Future challenges

The Council has presented a balanced budget for 2023/24. As indicated above this is predicated on the delivery of savings and the Council and its directorates remaining with the budget allocated.

When history is examined around the delivery of savings, 2022/23 is shows delivery of only around 39% of the required amount. If this continues and is combined with a lack financial control (keeping directorates within a cash limit) at the same rate as 2022/23 the Council will face a serious financial deficit and one that could not be covered by reserves.

The medium-term outlook will remain a challenge with a projected cumulative budget gap of £50m by 2027/28. It is crucial therefore that the financial strategy continues to evolve and that savings are delivered (and not carried forward) is in the current year's budget development. The Council needs to review it's 2023/24 budget alongside a refresh of the MTFP.

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3 Financial resilience

3.1 2022/23 Financial Year

The 2022/23 financial year provides both an indication of the challenge in financial terms and in cultural terms. The timing of this review is important in considering the challenges facing the organisation that will require attention throughout the year.

At the time of the review the Council was facing an overall overspend of £11m which was made up of Departmental overspends of £20m, underspends of £2m, in year savings of £5m and general expenditure underspend £2m. The overspend (gross) run rate averages at £1.8m per month over the year with the key directorates being Children's £14m and Wellbeing £4m.

The volatility of forecasts and the inability to deliver savings have contributed to the overspend position.

The key resilience messages from the financial year which if not resolved will continue to threaten sustainability are:

- **Reserves should not be used for short term revenue deficiencies.** Reserves are approaching a level which will not provide long term resilience and the policy for their application should be re-enforced, planned and include replenishment.
- **Our review has indicated that spend control both in some directorates and therefore as a corporate collective has not been effective.** It is evident that there has been a culture that overspends will be covered. As a consequence, cash limiting and a culture of collective ownership of overspends and demand pressures (and how the organisation responds) needs to be implemented effectively and immediately.
- The development and delivery of effective savings proposals and plans is crucial. A 39% result is not satisfactory. The reasons behind this vary but clearly need to improve. We would suggest that the process for development is collective, owned by budget holders and that alternative proposals are developed as mitigation and all are stress tested through various scenarios.

3.2 2023/24 Financial Year

The Council has presented a balanced budget for 2023/24. Delivery of this is dependent on a number of critical factors including:

- Re-basing some services that respond to demand pressures identified in the previous year. The base has increased by £28m. This will need to be a hard cash limit budget.
- A savings target of £20m has been included, as previously indicated if delivery is at the 2022/23 rate this could end up at £7.8m (39%). Savings delivery needs to be monitored and managed continuously throughout the year and where there is a risk, alternatives put in place. From a leadership perspective the top team have a crucial role in ensuring delivery.
- The 2023/24 budget includes the use of £20m of reserves. This will leave the MTFs reserve at £10m, which is low and a risk to sustainability.
- It is evident from Early indications, based on Month 1 reporting, that there is projected £23m adverse variance from the budget, mitigated to £14.1m adverse.

(The reduction is made up of cost control and additional pressures). This does suggest that the budget will not be delivered as planned which in itself included savings of £20m which and these must be considered at risk of non delivery. Delivery of spending in line with budget is critical, the enforcement of a cash limit culture is essential with directorates having to ensure they respond any in year increases (or decrease) in demand or cost.

- The increased pressures are also evidenced by the increasing spend in SEND services (Special Educational Needs and Disability) where there is an increasing DSG (high needs block) deficit. Whilst this is the subject of a statutory override for the next three years it's importance and risk are recognised through the Council's participation in the 'Delivering Better Value' programme initiated by the DfE. This is intended to help mitigate costs but not resolve the deficit.
- A review of debt levels in Adult Social Care shows an increased level of debt over the previous financial year. With a total debt of £6.3m at the end of 2022/23 compared to £5.0m at the end of 2021/22. The debt up to two years shows the bigger increase whereas debts over 2 years has remained relatively constant. The level of debt is always a significant factor in financial sustainability and measure to reduce debt and alternative processes to secure debt and recover should continue to be considered.
- Interviews and discussion did not highlight any risks around the sustainability of the HRA. The level of HRA debt is regularly reported along with a programme to improve though it has been suggested that a reduced headcount on recovery has not helped improve recovery rates. Income and recovery will need continued careful monitoring. A freeze on rent income is seen as an issue and especially when compared to the housing rents outside local government.
- On Council Tax collection 2022/23 financial year showed a recovery of 93.61%, which indicates an improvement on previous years. The broader sector however tends to have collection rates nearer 95% which would indicate an opportunity to improve. We are aware of plans to increase the headcount in the council tax team which may well increase the rate.
- When the Council's financial performance is considered against the CIPFA indicators of financial stress we would draw the following conclusions:
 1. Running down of reserves
It is clear that reserves have eroded over recent years to a level which will not support increased overspends or non-delivery of savings.
 2. Failure to plan and deliver savings
Savings delivery in 2022/23 was at 39% of the required level placing increased pressure on balancing the budget.
 3. Shortening financial planning
This has improved over the last few months with an emerging 5-year MTFS which is a positive indicator of focus and recognition of the need to consider the longer-term financial planning horizon.
 4. Tendency to overspend
This is evident in both the 2022/23 financial year where the run rate averaging at £1.8m per month could be considered out of control and in the 2023/24 financial year where a forecast overspend has been presented at the end of month one, along with additional growth.
 5. Lack of detail in business decisions – risk management
The review highlighted that the production of business cases was mixed. It was also evident from conversations and interviews that the degree and depth of plans for savings could be improved. This also responds to the failure to deliver savings identified.

Given the five indicators of financial stress outlined above we would draw the conclusion that the Council is at risk if improvements are not put in place quickly.

- Close scrutiny of capital programme needed – often the opportunity for revenue savings (as a consequence of programme slippage) is not compared to the loss of efficiencies planned, impact on planned savings and delivery of the corporate plan.

3.3 MTFP

The development of the MTFP is seen as a priority both in revisiting the assumptions and the duration. Alongside this is the link and impact of the annual budget and how performance influences the MTFP as a dynamic and responsive plan.

We are aware that the Council plans to revisit the 2023/24 budget and MTFP after the May elections when delivery of the budget, pressures and policy can be considered to maintain a realistic budget and a grip on financial performance.

The current MTFP provides a clear challenge for the organisation the indicative budget shortfall for the next three years are:

- £35m 2024/25
- £40m 2025/26
- £44m 2026/27
- £49m 2027/28

** Source MTFS May update*

The assumptions and supporting data should be scrutinised and refined regularly.

3.4 Reserves

The level and use of reserves has been referred to above. The context and history is important as it indicates a culture of erosion which is no longer sustainable.

Reserves have reduced from £96m (31/3/22) to £20m (31/3/24). In addition, the Medium-Term Financial Risk Reserve will be £10m (31/3/24) we would as a consequence consider the level of reserves is insufficient for future years. There should now be a concerted effort to replenish reserves in a planned programme.

3.5 Conclusion

Our conclusion based on the review and the latest financial reports is that the Council is facing an increasing risk of considering the issue of a s114 notice. This is based on both the track record of cost control and delivery of savings and the month 1 forecast which is projecting an overspend on the current budget and additional pressures.

It is crucial that the Council delivers the savings identified as planned (timing and value) and expenditure is controlled within the presented budget. Failure to do this will rapidly increase the risk of the need to issue a s114 notice either in 2023/24 or 2024/25 financial years.

The financial position and delivery of plans will need close management and any risks to delivery mitigated immediately. This will be key in achieving a sustainable future for the Council.

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4 The Financial Management Model

4.1 The model purpose

CIPFA's Financial Management Model (FM Model) can be used to support and drive effective performance in financial management and financial governance throughout a Council. It uses an internationally recognised framework and diagnostic tool, enabling Councils to have an independent assessment of their financial management against world class best practices in the public sector in order to optimise systems, processes, resources, compliance, and reporting.

The FM Model output will identify or substantiate weaknesses (as well as confirm strengths) and then support the development and delivery of a target-driven improvement plan allowing progress to be closely tracked and measured.

The FM Model measures the strengths and weaknesses across the whole of a Council, examining processes, people, leadership, and stakeholders. The model is not just about the finance function. It is about the corporate ownership and accountability for finance.

The model benchmarks the Council's financial management against best practice using a series of statements and principles. It focuses on financial management capability across the whole Council and helps pinpoint priorities for improvement. It can help raise effectiveness and confidence in stewardship, performance, and the ability to implement change.

The framework is fully aligned with today's public sector. It reflects the latest developments and opportunities in business partnering, commercialism, procurement, and governance, and stresses the critical role and prominence of the CFO and the finance team within a Council.

4.2 The model approach

The FM model is based on a series of statements focused on Leadership, Process, People and Stakeholders. Each of these is measured against the pillars of good financial management as follows:

Enabling transformation: the finance team has input into strategic and operational plans taking into account proactive risk management, clear strategic direction, and focus-based outcomes.

Supporting performance: finance teams are actively committed to continuous improvement focused on efficient and effective delivery and Council performance.

Delivering accountability: financial information is accurate, timely and focuses on controls, probity, compliance, and accountability.

Measurement is based on a series of best practice statements. A score is determined for each statement. Each statement has a number of supporting questions and the response to these is used to assist in the overall scoring process. The process is supported by an Online Diagnostic tool which captures the evidence and is then used to undertake the assessment based on the acquired evidence.

Attached at Appendix 3 is a table that indicates the assessment criteria and characteristics of each of the star ratings.

Evidence is collected through three independent methods:

A review of documents. The purpose of considering these is to gain a view on the formal processes, arrangements, reports, and reporting processes in place. They also provide detail on the financial position and on governance in practice. The document review also helps triangulate other evidence, allowing comparison of process and procedure with what happens in practice. The full list of documents reviewed can be found at Appendix 2 of this report.

A series of interviews with staff and stakeholders. The 38 interviews in total included a range of staff across the Council, and elected members. The purpose of each interview was to gain an impression and understanding of the individual's thoughts on the financial management and financial governance arrangements in operation.

An online survey. The survey invited a total of 202 recipients to respond to a series of questions within the model that are based around best practice. The response rate indicated that 10 out of 12 survey groups exceeded 60% or above and was a representative survey.

Following completion of these steps, the model can be used to score statements and arrive at an overall rating.

The three methods of evidence captured were then used to score the Council against the model and in a triangulated fashion that helps eliminate bias.

4.3 The model output

On completion, the FM Model produces a scoring matrix. This captures the assessment and presents findings back against a series of management dimensions and financial management styles. Scores are based on the three sources of evidence outlined above.

The report findings and conclusions are presented against the management dimensions. The report is a snapshot in time. It is recognised that with any Council there is a process of constant change.

The report includes a headline improvement plan. This responds to key areas identified as requiring attention. The improvement plan, areas, actions, and owners will be agreed as part of finalising the report to ensure there is ownership and acceptance of the need to act.

The scoring matrix also presents a star rating within the range 1* to 5*. This is seen as an indicator of where the Council is against the best practice model. In our experience most Councils we review fall into the range 2* to 3*. Using the review and action plan will help support the Councils development and progression to the next level.

5 The FM Model review findings

5.1 Introduction

The overall rating for the Council against the FM Model is two stars. The matrix below summarises the scoring.

CURRENT SNAPSHOT	Management Dimensions			
	Leadership	People	Processes	Stakeholders
Financial Management Style				
Delivering Accountability	***	*	****	***
Supporting Performance	*	*	**	***
Enabling Transformation	*	*	*	**
Overall Rating	**			

Each statement contained within the model is scored. These scores are the aggregated in to the matrix areas above using a structured approach that reflects the management styles. Summary ratings are shown above with an overall final score and star rating.

Leadership			2022	2022	Matrix Score	Matrix Stars
Delivering Accountability	L1	Financial capability is regarded as integral to supporting the delivery of the organisation's objectives. The CFO is an active member of the board, is at the heart of corporate strategy/business decision making and leads a highly visible, influential and supportive finance team.		2.50	2.42	***
	L2	The organisation has an effective framework of financial accountability that is clearly understood and applied throughout, from the board through executive and non-executive directors to front line service managers.		3.00		
	L3	Within an annual budget setting process the organisation's leadership sets income requirements including tax and allocates resources to different activities in order to achieve its objectives. The organisation monitors the organisation's financial and activity performance in delivering planned outcomes.		1.75		
Supporting Performance	L4	The organisation has a developed financial strategy to underpin medium and longer term financial health. The organisation integrates its business and financial planning so that it aligns resources to meet current and future outcome focussed business objectives and priorities.		1.00	1.25	*
	L5	The organisation develops and uses financial/leadership expertise in its strategic decision-making and its performance management based on an appraisal of the financial environment and cost drivers.		1.50		
Enabling Transformation	L6	The organisation's leadership integrates financial management into its strategies to meet future business needs. Its financial management approach supports the change agenda and a culture of customer focus, innovation, improvement and development.		1.50	1.50	*

		2022	2022	Matrix Score	Matrix Score
People					
Delivering Accountability	P1	The organisation identifies its financial competency needs and puts arrangements in place to meet them.	1.00	1.75	*
	P2	The organisation has access to sufficient financial skills to meet its business needs.	2.50		
Supporting Performance	P3	The organisation manages its finance function to ensure efficiency and effectiveness.	1.50	1.50	*
	P4	Finance staff provide business partner support by interpreting and explaining performance as well as advising and supporting on key business decisions.	2.00		
	P5	Managers understand they are responsible for delivering services cost effectively and are held accountable for doing so. Financial literacy is diffused throughout the organisation so that decision takers understand and manage the financial implications of their decisions.	1.00		
Enabling Transformation	P6	The organisation develops and sustains its financial management capacity to help shape and support its transformational programme.	1.00	1.00	*

		2022	2022	Matrix Score	Matrix Score
Processes					
Delivering Accountability	PR1	Budgets are accrual-based and robustly calculated	2.00	2.81	****
	PR2	The organisation operates financial information systems that enable the consistent production of comprehensive, accrual based, accurate and up to date data that fully meets users' needs.	2.75		
	PR3	The organisation operates and maintains accurate, timely and efficient transactional financial services (eg creditor payments, income collection, payroll, and pensions' administration).	2.00		
	PR4	The organisation's treasury management is risk based. It manages its investments and cash flows, its banking, money market and capital market transactions, balancing risk and financial performance.	3.50		
	PR5	The organisation actively manages budgets, with effective budget monitoring arrangements that ensure 'no surprises' and trigger responsive action.	2.50		
	PR6	The organisation maintains processes to ensure that information about key assets and liabilities in its balance sheet is a sound and current platform for management action.	2.50		
	PR7	Management understands and addresses its risk management and internal control governance responsibilities.	3.00		
	PR8	Management is supported by effective assurance arrangements, including internal audit, and audit and risk committee(s).	3.50		
	PR9	The organisation's financial accounting and reporting are accrual based and comply with international standards and meet relevant professional and regulatory standards.	3.50		
Supporting Performance	PR10	The organisation's medium-term financial planning process underpins fiscal discipline, is focussed upon the achievement of strategic priorities and delivers a dynamic and effective business plan.	2.50	2.00	**
	PR11	Forecasting processes and reporting are well developed and supported by accountable operational management. Forecasting is insightful and leads to optimal decision making.	2.00		
	PR12	The organisation systematically pursues opportunities to reduce costs and improve value for money in its operations.	1.50		
	PR13	The organisation systematically pursues opportunities for improved value for money and cost savings through its procurement, commissioning and contract management.	2.00		
Enabling Transformation	PR14	The organisation continually re-engineers its financial processes to ensure delivery of agreed outcomes is optimised.	1.50	1.75	*
	PR15	The organisation's financial management processes support organisational change.	2.00		

Stakeholders		2022	2022			
Delivering Accountability	S1	The organisation provides external stakeholders with evidence of the integrity of its financial conduct and performance, and demonstrates fiscal discipline including compliance with statutory/legal/regulatory obligations.		2.50	2.50	***
Supporting Performance	S2	The organisation demonstrates that it achieves value for money in the use of its resources.		2.50	2.50	***
Enabling Transformation	S3	The organisation is responsive to its operating environment, seeking and responding to customer and stakeholder service and spending priorities that impact on its financial management.		2.00	2.00	**
		Total Score		64.00		
		Average Score		2.13		
		Overall Star Rating		**		

The sections below will explain in further detail the findings, under the management dimension themes, along with conclusions and outline recommendations for improvement.

The source for the commentary below is the FM Model set of statements and questions. The aim is to present key findings, both in terms of strength and for development. It is not the intention to give a line by line view but to collate in to thematic areas which will provide insight in to the current arrangements and consequently the direction of travel.

5.2 Leadership

Delivering Accountability

- It is clear that the CFO and the finance function are seen as central to the Council and its leadership.
- The CFO has independence, reporting directly to the CE and has access to appropriate committees and panels.
- Finance is prominent at a leadership level setting the tone for the landscape within which the Council operates.
- There is a lack of consistency in the way finance as a function challenge and support decision makers.
- The information provided to decision makers could be more meaningful in presentation and timing to support further adding increased insight.
- Overall the Council does have an effective framework of financial accountability and reporting in line with professional and statutory requirements.
- The budget setting process is not always based on a thorough understanding of costs and demand drivers leading to issues with monitoring and managing budget pressures.
- The development of the financial strategy is improving with a longer-term outlook.
- There is a need to periodically review financial policies and effectively communicate these. It would also be worthwhile considering how a compliance process can be introduced to improve grip and control.
- It is key that the Council monitors financial and activity performance and aligns these to delivery of planned outcomes.

Supporting performance

- The financial strategy continues to be developed. At the time of the review this area scored lower than would be desired and at this stage does not deliver a sustainable outlook without risks around savings and expenditure controls.
- It is critical that the strategy is embedded within the organisation and owned by all budget holders, irrespective of where they are in the structure. There is a collective responsibility.

- The plan needs to draw in realistic estimates with a sound evidence base that are aligned to corporate objective. There should ideally be a clear line of sight from plan, through spend (or income) to delivery of priorities.
- This would also include a clear view and operation of demand management strategies.
- It is important to integrate business and financial planning so that it aligns resources to meet current and future outcome focused business objectives and priorities.
- There is an inconsistency in the way the organisation uses finance as an advisor in considering new initiatives and how influential they are.
- Business cases and project appraisals do use affordability tests for new investment that assess thoroughly the anticipated benefits and costs which is a real strength.

Enabling transformation

- This area tests how the Council's leadership integrates financial management into strategies to meet future business needs and how the financial management approach supports the change agenda and a culture of customer focus, innovation, improvement and development.
- Traditionally this area does not score well for local authorities. The Council should try to ensure that it create the space, capacity and capability to innovate and transform, the challenge is maintaining business as usual.
- The Council does consider delivery models and opportunities to change and transform along with the service and financial benefits. This isn't however as widespread and cross cutting as it could be.
- Greater use of invest to save schemes was seen as an opportunity to support transformation.
- The use of external partners happens in only a limited number of areas is and area and an opportunity to develop which isn't always present at the moment. This would mean greater involvement with the 3rd sector, housing providers and health for example who as partners could be more engaged and contribute to transformation of services.

Areas for development

- Strengthen the budget setting process with greater ownership and engagement across the Council with finance seen as the custodian of the process and an advisor to services.
- The approach to strategic budgeting and financial planning is developed to include a longer time frame (where possible), greater use of cost and demand driver intelligence and scenario planning.
- Consider the integration of finance in to the assessment of future requirements and change programmes, not just at business case stage but from the outset.
- Pursue opportunities for change and transformation both within and external to the Council, with partners. There needs to be the space and resource to design, develop and deliver transformation so creating that capacity by reflecting on current activity (at all level) and determining priorities.

5.3 People

Delivering Accountability

- Finance is recognised as having professional, qualified, skilled and experienced staff.
- The age and service length profile of staff in finance is seen as a potential future risk. It is possible that in the next couple of years a number of staff with significant service will be eligible to retire. As part of the developing finance operating model referred to elsewhere in this report it is important to develop a succession plan and skills transfer.

- It would be valuable for the organisation to regularly review skills and competencies (similar to a training needs assessment) and develop a formal CPD and training programme. It is important that this programme includes budget holders as well as finance staff. This would be designed around current and future business needs.
- Following this develop a competency framework, which can apply to both finance and non-finance staff. This can link in to job descriptions and performance management.
- Whilst some posts that have responsibility for budget have this recognised in job descriptions it is not consistent.
- The review indicated that the Council seeks additional external advice when needed which will strengthen the overall function.
- A theme which will occur on a number of occasions is how finance supports services and the Council. The review indicated a mixed response when asked about finance staff promote and whether they clearly explain financial policies and procedures to managers throughout the organisation. The aim is for consistency and as a translator and presenter of financial information working with services to deliver and add value in this area.

Supporting performance

- The relationship and operational arrangements between finance and services is fundamental to effective financial management and financial governance. The review has highlighted that this works well in some areas and not so well in others.
- The role of the finance business partner is crucial to how effective this relationship is. The majority of business partners have been trained (the CIPFA diploma) it is clear from interviews that their lacks a consistent approach and there needs to be a clear vision of what is the role is and how it should be delivered. This approach from a finance and a service side needs re-invigorating and embedding so it's not just in individuals it's in the culture.
- Finance are seen as supportive in the main to budget holders but again this varies and business partners do add value but not consistently.
- A key role for finance through business partners is the challenge it needs to provide. This should be independent and impartial, which exists in some areas but not overall.
- Finance does add value when contributing to decision papers and reports and the analysis it provides is appreciated.
- There is no formal SLA or agreement in place that recognises 'who does what' in relation to services and finance. 'What is the finance offer', 'what can it do' were questions raised during conversations. There would be value in rehearsing and re-stating what finance and business partners will and won't do to set expectations and consequently the ability to assess performance against standards.
- There is a view that budget holders and managers do not appear to be held accountable. This is not a consistent view and will vary across the organisation. However, as it was raised it must a perceived issue. This could be as a consequence of budget areas overspending, being funded and no apparent consequences This sends the wrong messages. The message of ownership and accountability is one to be re-enforced and monitored from the leadership team and across the organisation
- A practical opportunity to support performance further would be the increased use of benchmarking, comparative statistics, and predictive analytics to support budget development and forecasting.

Enabling transformation

- The challenge for the Council is whether it develops and maintains its financial management capacity to help shape and support its transformational programme.
- The review has found that finance has adapted it skills set in response to changed demands, but this will always be a challenge in looking forward to what will be needed.

- The question around assessing the influence and impact of finance on change is less certain, it has worked in some areas. The direction needs to be that finance are fundamental and engaged from the outset, a key aspect of the business partner role.
- This early engagement starts with the policy discussion and finance as advisor being able to contribute. This may require a cultural shift in some areas.

Areas for development

- Develop a finance service offer that can be communicated across the Council.
- Work with services to design a form of SLA or agreement that has clarity and agreement on what will be provided and how this is monitored.
- Review and refresh the role and function of finance business partners to ensure it is fit for purpose.
- Develop a culture of budget holder accountability and responsibility, a compliance framework that accompanies this and monitoring to ensure impact and value.

5.4 Process

Delivering Accountability

- Overall the budget setting and monitoring process meets many of the best practice statements and questions. As with all assessments of this nature it is the extent and impact to which good practice is applied.
- In delivering accountability the Council do budget on accruals basis and take account of in year changes when considering forecasts and necessary changes.
- When considering changes it is important to look at budgeting techniques which could be developed to include a wider range such as base budget reviews, outcomes and greater emphasis on cost and demand drivers.
- There is a sense in some parts of the Council that finance own and develop the budget with limited involvement of budget holders. This is not widespread but there needs to be a collaborative approach and clarity around ownership.
- The finance system is probably viewed as acceptable but with the need for work arounds. This is often the case but its use and value, extent of work arounds should be reviewed and responded to.
- Budget reporting is seen as timely but the nature of the information and the need for manual intervention or manipulation is evident. There is a reliance on locally prepared spreadsheet.
- Given the intended direction to self – serve the role, function and accessibility of the finance system is crucial to provide the necessary tools to budget holders and managers. This could be used as an excuse not to change so will need addressing.
- When considering the operation and maintenance of accurate, timely and efficient transactional financial services (e.g. creditor payments, income collection, payroll, and pensions' administration) the Council scored well in the majority of areas.
- The areas highlighted included the need to undertake longer term cash flow forecasting, greater consideration of debt levels and opportunities to reduce, limit and recover earlier, and the review of processes to help change and improvement.
- Linked to the last point is the opportunity to consider the role of finance in transactional type of work. Can this be automated, reduced or removed, all of which will provide time for a different type of finance function.
- In assessing and scoring whether the Council's treasury management is risk based. Whether it manages its investments and cash flows, its banking, money market and capital market transactions, balancing risk and financial performance all had a positive response and are in line with best practice.
- A key element of the process review was to consider whether the Council maintains processes to ensure that information about key assets and liabilities in its balance sheet is a sound and current platform for management action.

- Balance sheet management is crucial for a local authority especially when considering the longer-term sustainability. In the main the Council operates satisfactorily.
- One key areas was how and when the balance sheet movements are reported to the management team and any action taken to respond to an adverse impact. Balance sheet reporting could be improved through the development of a brief dashboard of key indicators along with an explanation. It has however to be meaningful and prompt action or decision.
- The risk register and process to maintain would benefit from a direct link to corporate objectives and not just service related delivery, so a higher level linkage and thread.
- All the remaining areas around risk, risk management and reporting received a positive response. In addition a positive score was recorded for questions around the effective assurance arrangements, including internal audit, and audit and risk committee(s) in place.

Supporting performance

- As indicated elsewhere within this report there are strengths and areas for improvement around the MTFP. This is a key document that is dynamic and covers a four-year period. The plan is reviewed by the leadership team and key politicians and indeed is reported to Council.
- The involvement of key stakeholders within and external to the Council in both developing the plan and reporting on it may be of value.
- When considering the forecasting processes and reporting it is important that these are well developed and supported by accountable operational management. Forecasting should be insightful and lead to good decision making.
- Monitoring and forecasting is undertaken regularly with appropriate narrative included and fully integrated with the performance monitoring reporting.
- There is a sense that there are further opportunities to use appropriate quantitative / qualitative techniques and sensitivity analysis to support modelling of forecasts. Consideration should be given to assessing whether these skills are available or should be included as part of the new finance operating model.
- A key point as mentioned earlier in relation pursuing opportunities to reduce costs and improve value for money is the broader thinking around joint initiatives within and outside the Council, this has been raised on a number of occasions and should be a priority, from a service delivery as well as a financial perspective.

Enabling transformation

- It is important the finance and the organisation continually re-engineers its financial processes to ensure delivery of agreed outcomes is optimised and has an impact.
- Traditionally process re-engineering happens when it is driven by a new system procurement for example, finance should however consider a programme of reviews with the objective of streamlining and automating.
- The move to self-serve is on the agenda and should be continued it will have many positive benefits.

Areas for development

- Consider developing the approach and skills used to develop budgets and forecast within finance and the budget holder community.
- Continue to develop the role of budget holders to ensure engagement and ownership throughout the financial year.
- Alongside developing the business partner function review and address the finance function 'transactional' activity with an end to end assessment of what needs to change, the benefits and value.
- Consider a programme of process reviews with the aim of introducing efficiency, reducing work arounds and maximising output value.

- Evaluate the finance system and develop a improvement plan to maximise the functionality available, also its readiness for a self-serve environment.
- Broaden the MTFP conversation across all partners to capture wider opportunities for service delivery and efficiency.

5.5 Stakeholders

Delivering Accountability

- Overall the review has indicated that the Council does provide external stakeholders with evidence of the integrity of its financial conduct and performance, so score well.
- This included production of accounts without adverse opinion and the delivery of the budget, with the caveats raised earlier around funding the budget.
- The score however reflects the complexity of presented accounts and a lack in some areas of a robust financial discipline reflected in the overspends recorded.

Supporting performance

- In considering value for money in the use of its resources, the Council from a stakeholder perspective scored just over the mid-point.
- As a consequence, this is therefore about improving reporting, use of benchmarking as an illustration of impact and highlighting value for money initiatives to stakeholders.

Enabling transformation

- The model tests whether the organisation is responsive to its operating environment, and as such seeks and responds to customer and stakeholder service and spending priorities that impact on its financial management.
- This had a mixed scoring range indicating that as far as stakeholders are concerned there are some positive results.
- One challenge will be demonstrating to stakeholders and the public that it has responded to their priorities, from the scoring it would indicate that this is an area where more could be achieved.
- On the internal side surveys are conducted and reported internally which will help policy development.
- There is an opportunity for the Council to invite stakeholders, partner bodies and staff to shape and share the organisation's vision, strategic aims and policies and this should be embedded.

Areas for development

- Try and make greater use of stakeholders to help develop services and introduce efficiencies.
- Ensure stakeholders get to see and hear results of consultation in policy decisions and service developments.
- Perhaps consider ensuring clarity around who are the stakeholders for finance through mapping and then a planned approach.

6 Benchmarking

6.1 Introduction

This section of the report highlights our finding following an examination of the Council and where it sits within CIPFA Financial Resilience Index (published in December 2022 – based on 2021/22 RO data) and from the CIPFAstats+ nearest neighbour benchmarking information.

The aim is to provide insight in to areas that could be explored in terms of cost comparison to understand potential areas for change in both service delivery and cost structures.

6.2 Financial resilience index

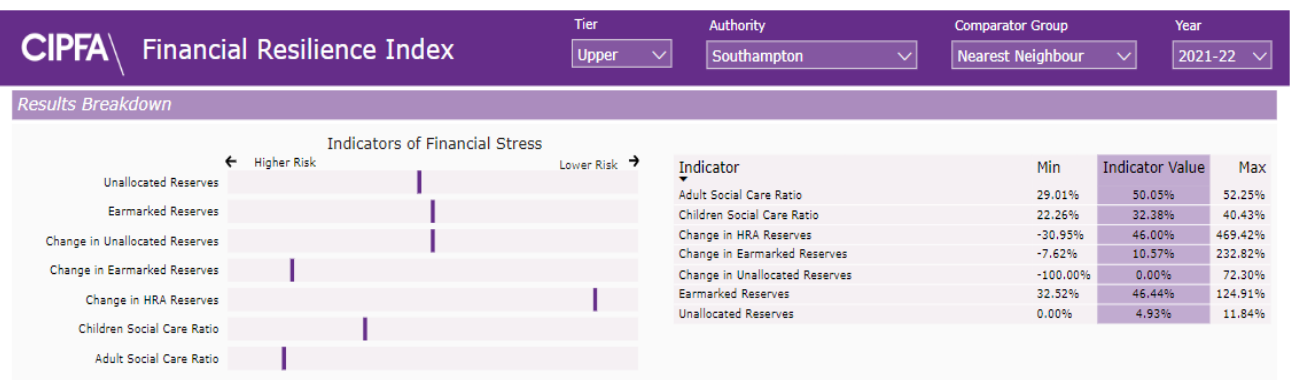
The tables below are extracted from CIPFA’s Financial Resilience Index.

They show Southampton’s performance against nearest neighbours as at 2021/22. In Figures RI.1 and RI. 2, while reserve levels were not seen as higher risk, the change or deterioration in reserves is a matter of concern. The spend evident from the Social Care Ratios shows high risk in Adults, moderate in Children’s (though with a recent upward shift in spend, also explored in the benchmarking analysis in section 6.3).

RI.1

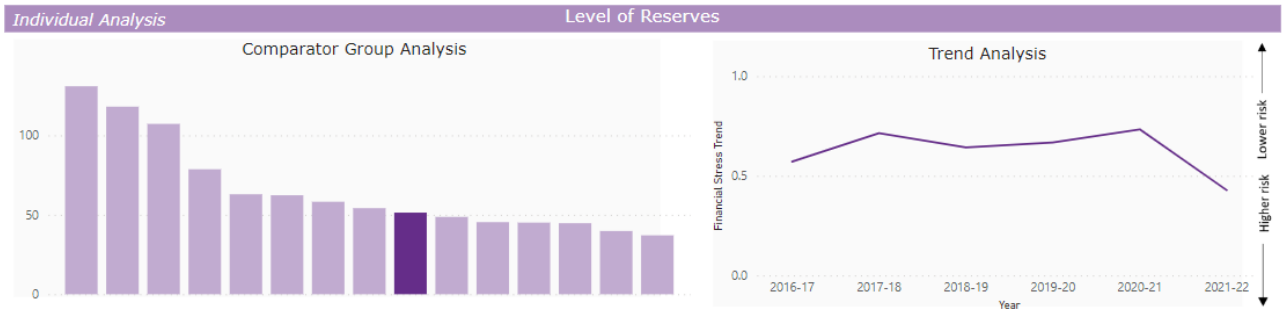


RI.2



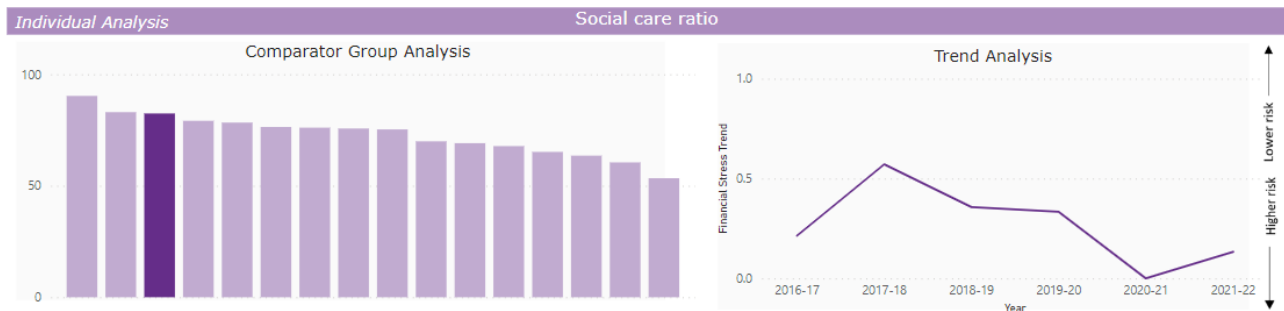
RI. 3 shows the level of reserves to the Council's net revenue expenditure against the comparator group. The actual position appears unalarming. But the worsening position in 2021/22 is more concerning.

RI.3



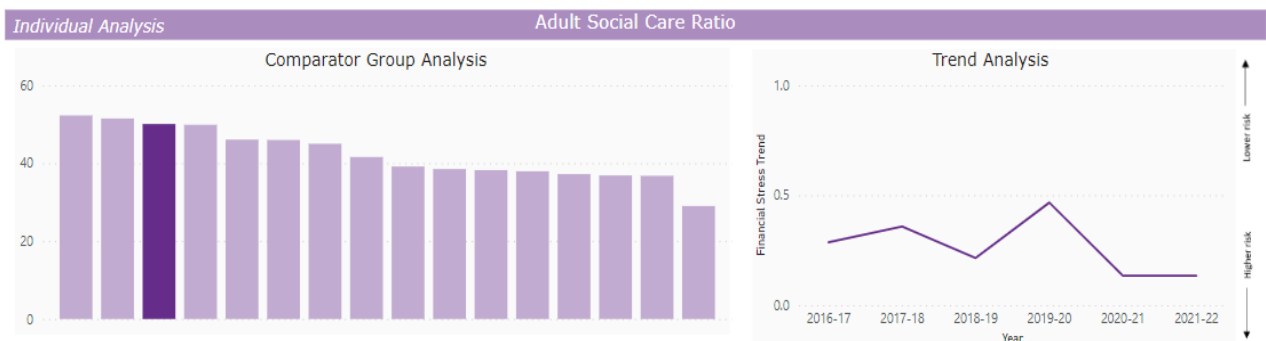
RI. 4 shows the combined ratio of spending on adults and children's social care to the Council's net revenue expenditure. It is towards the top end of the comparator group. Having fallen towards the end of the last decade it has risen again in 2021/22. RI. 5 shows the ratio for Adults and RI. 6 for Children's. Adults is towards the top end of the compactor group, but the ratio has fallen in 2021/22. The Children's spend to net revenue position is less markedly high than is the case in Adults, but the ratio is rising.

RI.4

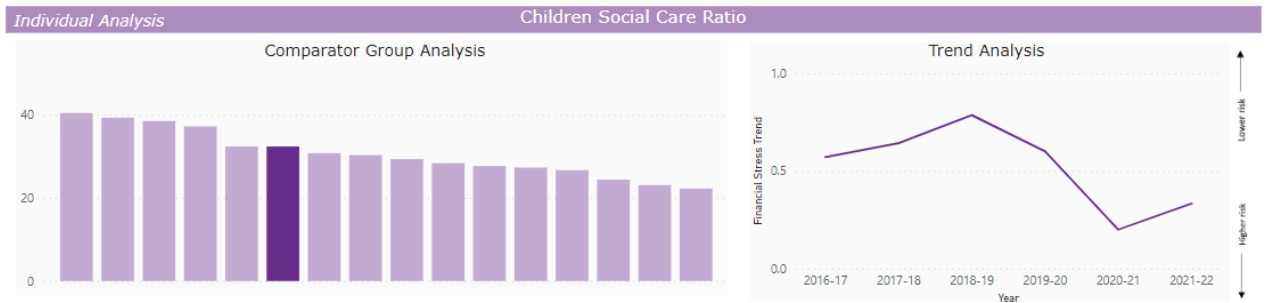


The following table indicates the ratio of spending on adult's social care to the Council's net revenue expenditure.

RI.5

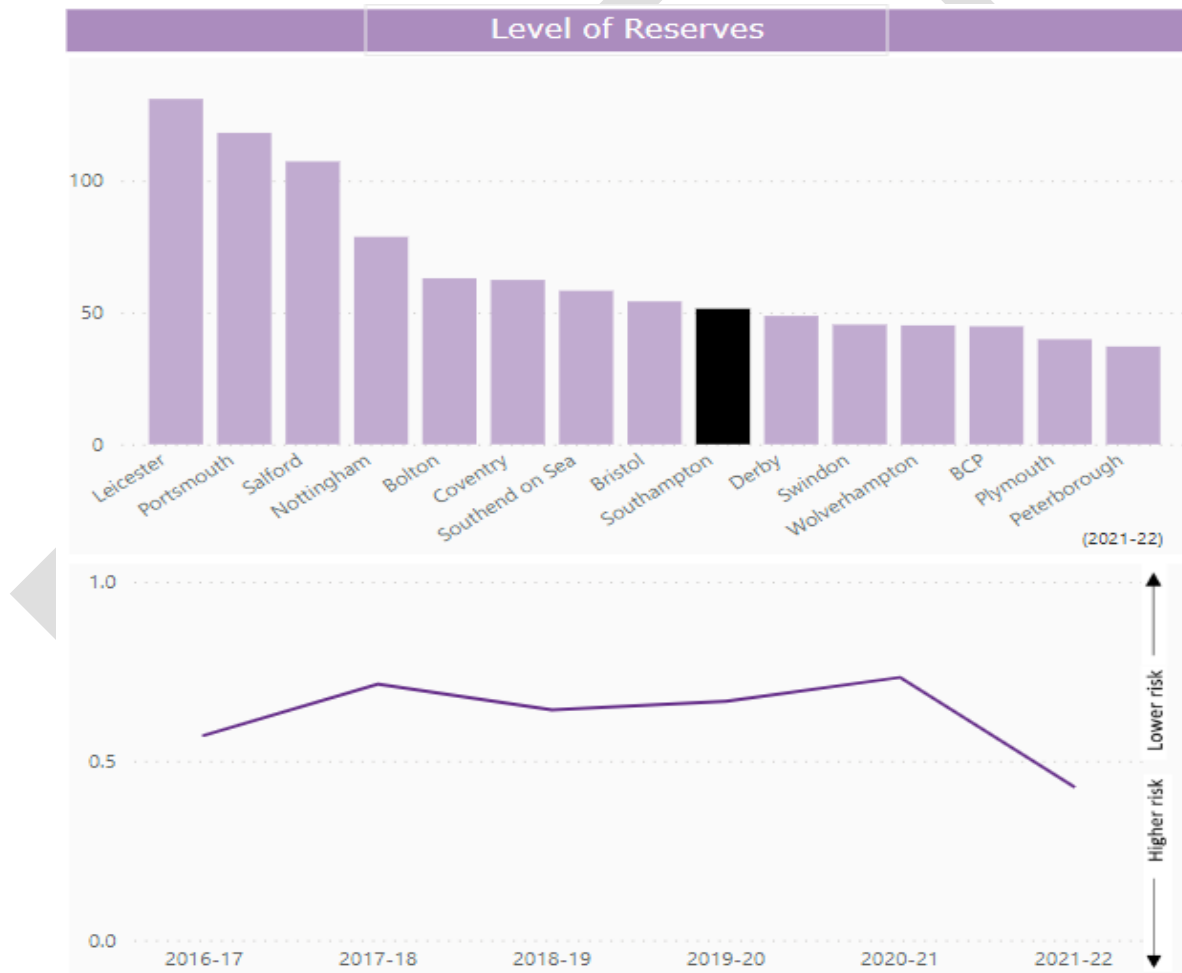


RI.6



RI. 7 gives further illustration of the reserves ratio. It confirms the average position but also the decline from 2020/21 to 2021/22.

RI.7



6.3 Benchmarking nearest neighbour comparison

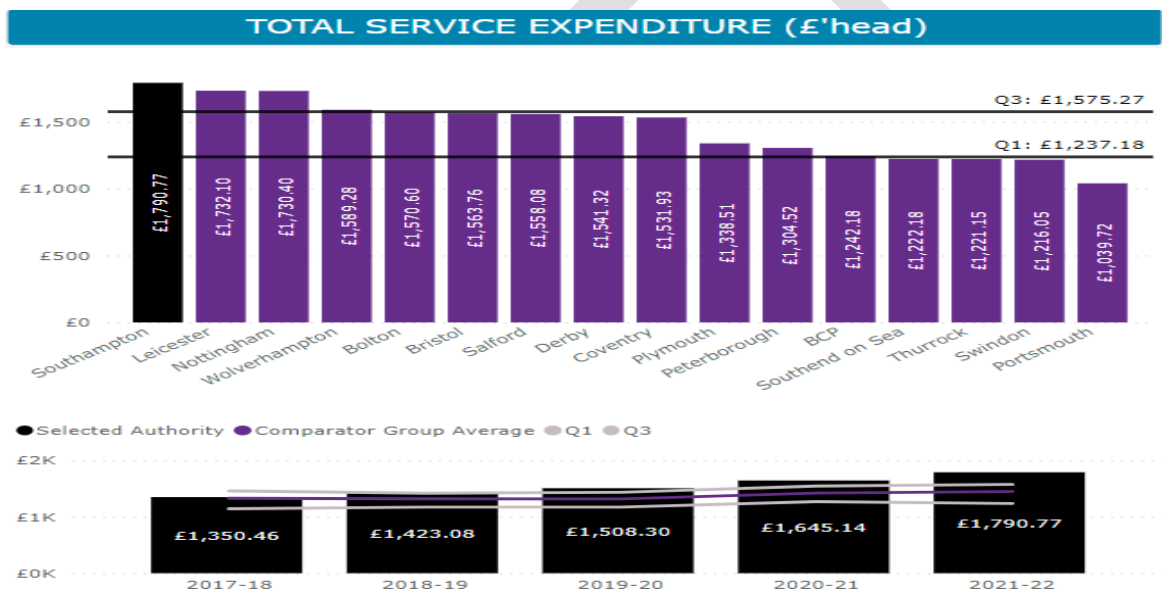
The following graphs provide spend analysis per head of population with comparisons made again with a basket of nearest neighbours. Southampton’s total service spend

seems high, driven by the positions in Adults, Education, Children’s, and Planning & Development Services (though the last may be a statistical anomaly).

Again, this analysis shows that there are opportunities to be considered as part of service reviews. We recommend that these individual service areas are examined in more detail to gain a clear understanding of cost and demand drivers, the level and standard of service provided, and whether the spend levels are accordingly appropriate. Engagement with authorities in the comparator sample on their services and the associated spend drivers, could prove instructive.

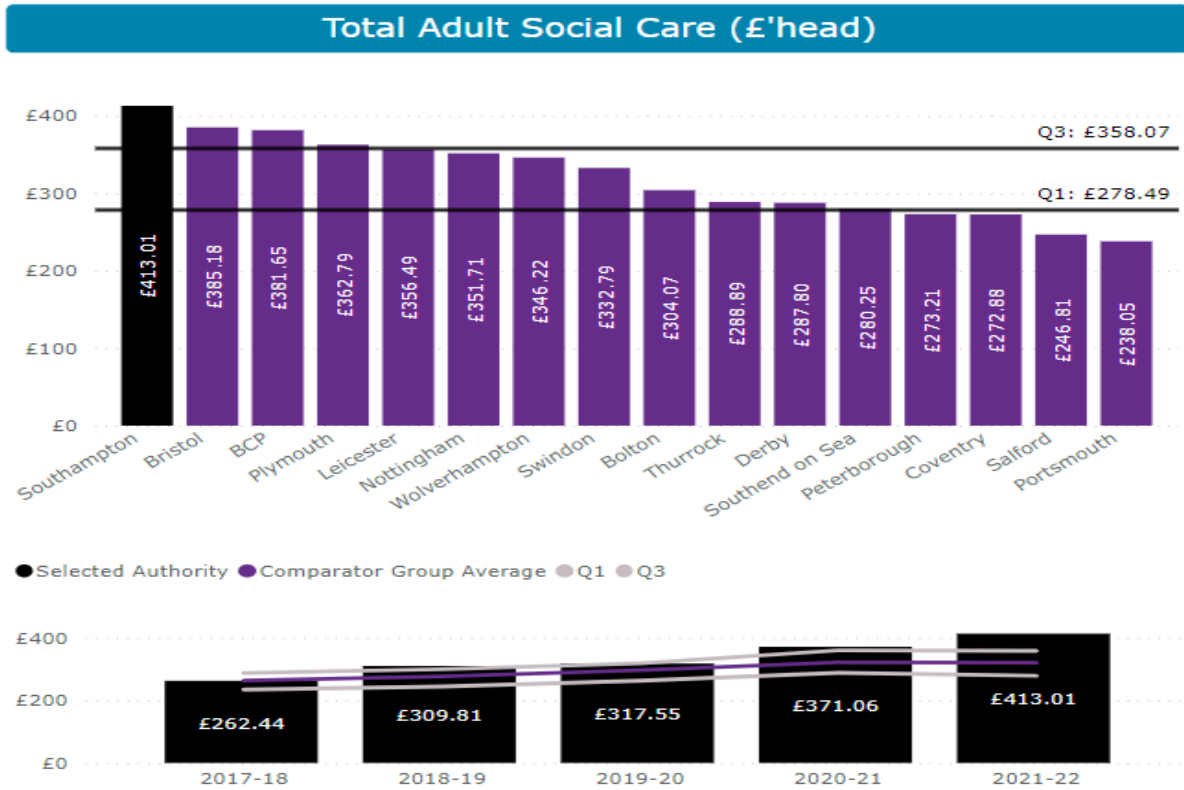
Figure BM.1 shows total service expenditure per head against comparators. Southampton has the highest spend. Moreover, the position is becoming more marked. Whereas in 2017/18 and 2018/19 spend was around the comparator average, it has risen well above it in the COVID period. It will be worth examining both the drivers for this and why comparator authorities, also faced with the COVID impact, were more able to contain spend.

BM.1



BM. 2, total adult social care expenditure, shows that spend here is again markedly above other comparators. The pattern across time is similar to that of total spend, showing the position in 2017/18 as slightly below average, with a marked spend increase in the COVID period. In examining the causes of this spend position, the Council should be alert to recent drivers and consider what other councils have done to contain them.

BM.2



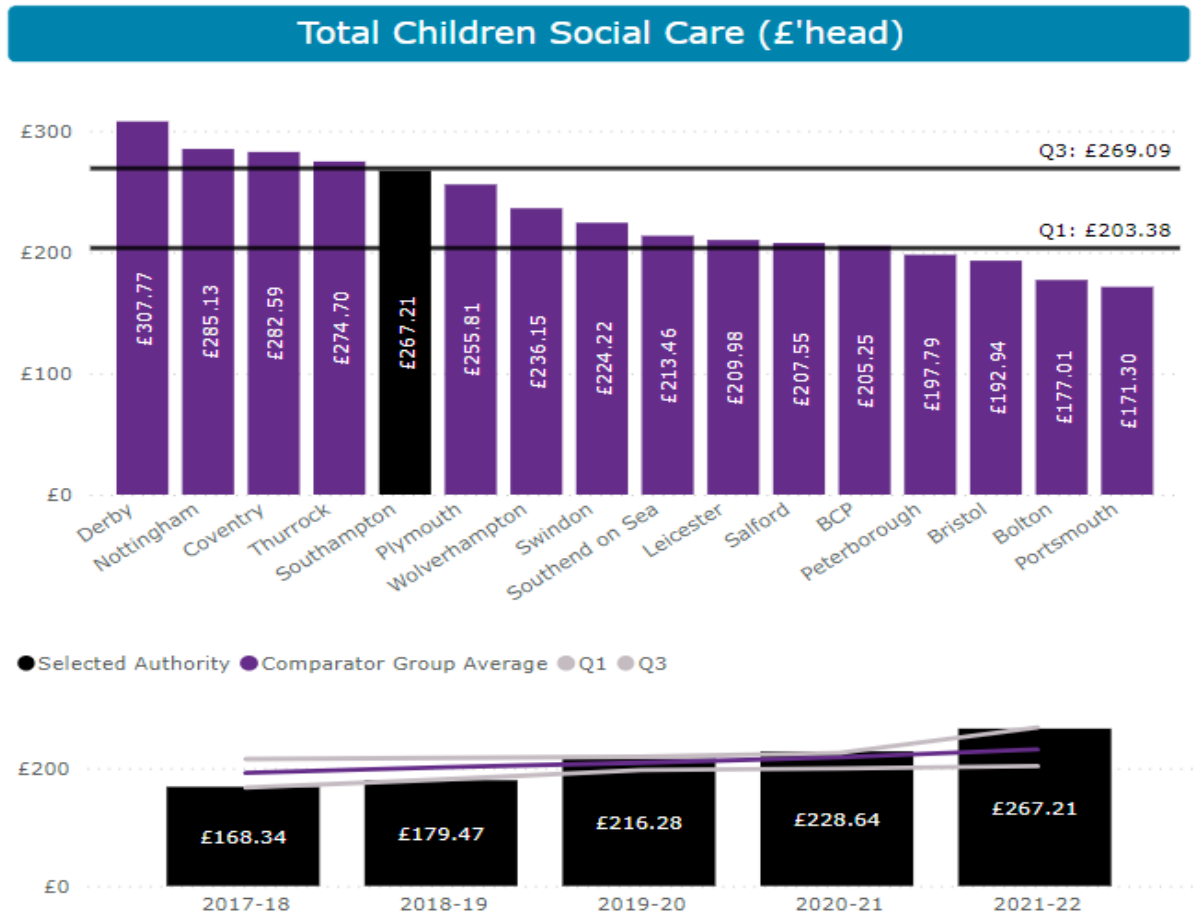
Total education service expenditure (BM.3) is one of the highest in the comparator group. It has been above average throughout the period under analysis, a position that is becoming progressively more marked. This suggests that the service-drivers may be deep-seated and structural.

BM.3

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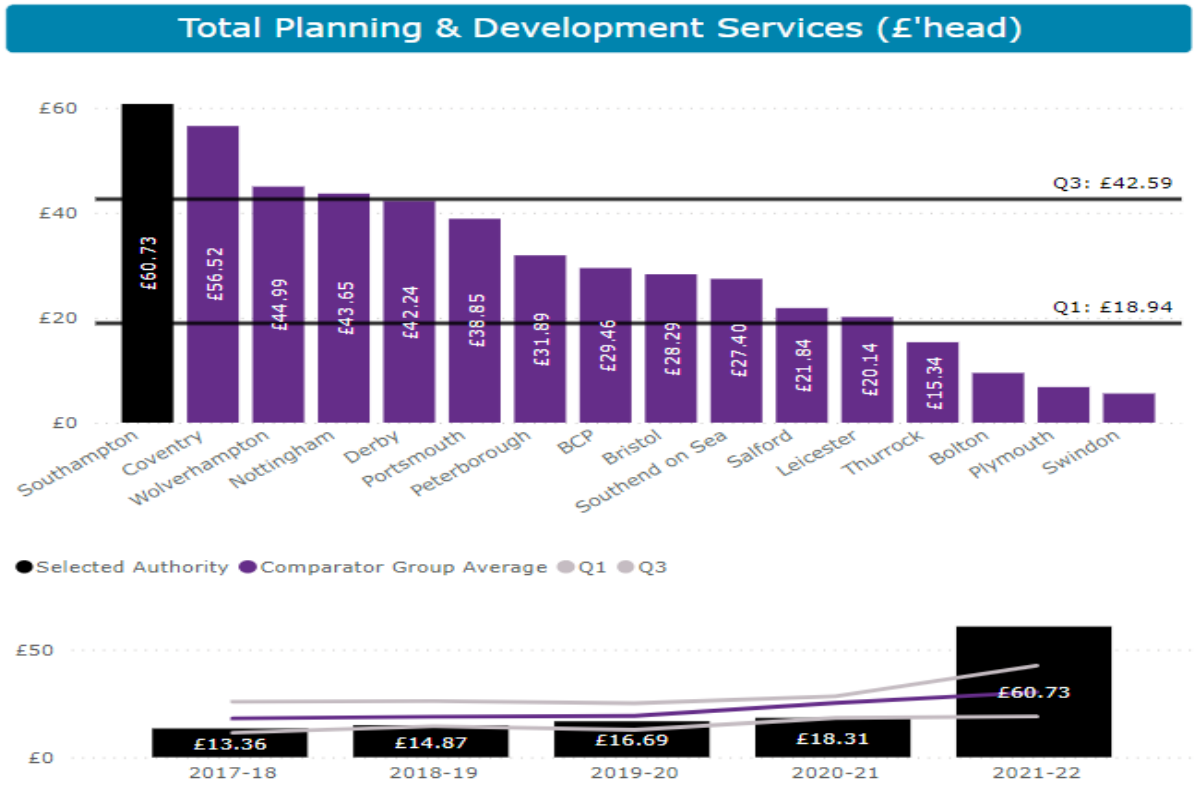
BM. 4 shows total children’s social care expenditure. The findings here are consistent with those in RI. 6 in section 6.2. The service is well above average but not at the top of the comparator group. However, the trend is concerning. Whereas spend was at or below average during most of the comparator period, in the last year, 2021/22, it has risen sharply. Plainly, the Council should examine what underlies this recent development and understand how emerging pressures can be managed going forward.

BM.4



BM. 5 shows Southampton's position at the top of the comparator group for spend on planning and development. The position is a recent occurrence, with spend well below average prior to 2021/22. Indeed, the findings should be treated with caution. If COVID-related funding, including business support, is recorded under this heading, as it may not always be by authorities in the comparator group, then the rise may be less statistically significant than it appears.

BM.5



6.4 Conclusions on benchmarking and nearest neighbour comparison

The table below presents a summary of the nearest neighbour comparison – based on a Southampton population of 247,300. This is taken from the ONS mid-year population estimates for 2021, the most recent publication, and rounded to the nearest hundred.

Service	Southampton Spend per head	Nearest Neighbours Avg Spend per head	Potential Savings	
			Per head	£ total (per head x 247,300)
Education Services (based on £181m gross spend)	£732.23	£529.73	£202.50	£50,078,250
Adult Social Care	£413.01	£325.97	£87.04	£21,524,992
Children Social Care	£267.21	£236.02	£31.19	£7,713,287
Planning and Development Services	£60.73	£31.15	£29.58	£7,315,134
Public Health	£96.82	£87.83	£8.99	£2,223,227
Cultural and Related Services	£52.26	£44.12	£8.14	£2,013,022

Housing Services (GFRA)	£39.71	£36.30	£3.41	£843,293
Environmental and Regulatory Services	£79.79	£87.99	-£8.20	-£2,027,860
Highways and Transport Services	£28.92	£41.52	-£12.60	-£3,115,980
Central Services	£20.08	£47.90	-£27.82	-£6,879,886
TOTAL SERVICE EXPENDITURE	£1,790.76	£1,468.53	£322.23	£79,687,479

Based on a simple calculation, which should be treated with great care, if Southampton spent the average for its nearest neighbour group on these service areas it could equate to a saving £80m per annum.

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7 Action plan and next steps *[To be completed after first draft and when conclusions / findings have been agreed]*

7.1 Introduction

As part of our review, we have identified a number of potential areas where action could be taken to improve financial resilience and financial management and governance in general.

This section of the report collates these recommendations and can be used to form the basis of a discussion with the Council on the next steps. In developing a plan there may be other areas highlighted as part of the model that could, or should, be included and some others that are specific to ongoing activity already underway.

This is the Council's plan and is intended to support ongoing improvement.

7.2 Outline plan

This section will set out the key recommendations to improve the Council's financial arrangements:

Recommendation description	Proposed owner	Timescale

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Appendix 1 – List of interviewees

Councillor Satvir Kaur	Leader
Councillor Steve Leggett	Cabinet Member Finance and Change
Councillor David Shields	Chair Governance Committee
Councillor Lorna Fielker	Deputy Leader
Councillor David Fuller	Chair OSMC
Mike Harris	Chief Executive
Mel Creighton	Section 151 Officer
Rob Henderson	Executive Director Childrens and Learning (DCS)
Steve Harrison	Head of Finance / Deputy Section 151 Officer
Maddy Modha	Capital / Treasury Manager
Mark Riley	Finance Business Partner Childrens
Kevin Harlow	Finance Business Partner HRA
Paul Ring	Finance Business Partner Adults
Lizzie Goodwin	Chief Internal Auditor
Stephanie Skivington	MTFS and Revenue Manager
Richard Ivory	Director Legal and Governance / Monitoring Officer
Vanessa Shahani	Head of Income and Expenditure
Andrew Armour	Revenue and Benefits Manager
Steph Murray	Deputy Director Social Care, Childrens Services
Tammy Marks	Head of SEND
Dave Tyrie	Head of City Services
Tina Dyer-Slade	Head of Corporate Estates
Rosie Zambra	Head of Consumer Protection and Environmental
Kevin Suter	External Auditor (EY)
Derek Wiles	Head of Education
Debbie Chase	Director of Public Health
Matthew Allison	Project Manager Finance

Paul Paskins	Head of Supplier Management
Ian Collins	Director of Environment
Pete Bousted	Head of Transport and Planning
Vernon Nosal	Operations Director Adult Social Care
Jamie Brenchley	Director of Housing
Claire Edgar	Executive Director Wellbeing and Housing
Adam Wilkinson	Interim Executive Director of Place
Munira Holloway	Director of Strategy and Performance
Gaetana Wiseman	Head of Support Services
Chris Bishop	Head of HR and OD
Tony Clark	Director of Commissioning – Integrated Health Care

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Appendix 2 – Document review list

Category/Document	
Background documents	
1.	Annual Report
2.	Annual Financial Statements
3.	Finance/business systems
Structures	
4.	Board/Committee structures
5.	Organogram – outline for the whole organisation
6.	Organogram – for the finance function
Governance	
7.	Corporate Governance Framework
8.	Annual Governance Statement
9.	Management level governance statements
10.	Policy on fraud and corruption
11.	Policy on whistle-blowing
Plans and strategies	
12.	Corporate Plan
13.	Medium-term Financial Plan
14.	Capital Strategy
15.	Asset Management Strategy
16.	Information Strategy
17.	Procurement Strategy including any savings targets
18.	Business Case Protocols
Financial management framework	
19.	Financial Standards and Regulations
20.	Internal Control Procedures
21.	Scheme of Delegation including authorisation levels for transactions
22.	Service Level Agreements for financial management related services
23.	Asset Register
In year management	
24.	Board/Committee/SMT level reporting
25.	Management level reporting
26.	Key Performance Indicators (KPIs) and related reporting

27.	Finance Performance Indicators
28.	Financial key performance indicators – Benchmarking
29.	Quarterly Data Set returns
30.	Procurement Performance Report
External Audit and Inspection	
31.	External Audit interim/final accounts audit letter
32.	External Audit Management Letter/Report
33.	External Audit Value for Money
34.	External Reports or Assessments
Audit and Risk Management	
35.	Audit and Risk Committee
36.	Internal Audit Plans
37.	Internal Audit Report
38.	Risk Management Policy and Reporting Regime
39.	Risk Registers
Human Resources	
40.	Financial Competency framework
41.	Financial Management Training strategy
42.	Staff Survey
43.	Sample Job Descriptions - Budget Holders
Working with other organisations	
44.	Financial Memorandum
45.	Financial Memorandum - funding arrangements - outside organisations
46.	Framework for establishing relationships with other bodies
Stakeholders	
47.	Customer/stakeholder surveys
48.	Complaints policy/procedure

Appendix 3 – Star rating key criteria and characteristics

Rating	Assessment
*****	The organisation has in place leading edge financial management capability that allows it to anticipate both challenges and key opportunities, driving transformational change in order to optimise its performance and deliver optimal outcomes. Financial strategy is robust and covers medium to longer term and the organisation is fully agile in adapting to unforeseen events without impacting key outcomes. Investment programme management including commercial capabilities are fully integrated with operational requirements and highly effective with significant returns being achieved on improved service delivery. Financial management capability meets global best practice standards.
****	The organisation has in place strong financial management capability which enables it to deliver effective outcomes in challenging times, provides stability through to the medium term, is agile in adapting to unforeseen events, continually identifies opportunities to improve its performance and contributes to organisational transformational change. Most investment programmes are delivered to time and cost. The organisation has strong insight into cost drivers and commercial capabilities are highly evident with strategic and operational planning.
***	The organisation has sound financial management capability and has arrangements in place that are adequate in supporting the organisation under stable conditions and enables it to incrementally develop but is not sufficient for challenging times or driving transformational change. There is a medium term financial strategy and competent investment programme management that ensures that most programmes are implemented although invariably not all projects will come within budget and timescales. Commercial capabilities exist but are only partially developed.
**	The organisation has basic financial management capability. Financial management arrangements are in place that allows the organisation to meet the minimum of practice standards and provides functional capability in the short term, a minimum level of support in the delivery organisational outcomes but does not support organisational transformational change. Financial management style is predominantly stewardship in nature rather than supporting effective decision support. Investment Programme management is rudimentary and there is a disconnect between operational and financial strategies.
*	The organisation has some financial management arrangement in place, but they are inadequate and provide only minimal financial management capability with reactive short term solutions. Basic accountability obligations are minimally covered, and financial management does not meaningfully support effective organisational outcomes of transformational change. Basic stewardship responsibilities are a challenge and financial management capability is not fully embedded within basic decision support.


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Budget Pressures, Unachievable Savings and Proposed New Commitments

Directorate	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000
Children & Learning	13,423	15,812	17,588	19,172
Corporate Services	4,067	4,317	4,317	4,067
Place	4,078	4,622	3,865	3,915
Strategy & Performance and CEO	118	118	2,740	2,740
Wellbeing & Housing	8,055	8,998	9,808	10,498
Centrally Held Budgets	247	2,404	2,505	2,622
Total	29,987	36,270	40,822	43,014

Portfolio	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000
Adult, Health & Housing	7,876	9,249	9,439	10,129
Children & Learning	13,410	15,799	17,575	19,159
Communities & Leisure	412	412	412	412
Economic Development	1,612	1,650	1,363	1,363
Environment & Transport	1,078	1,613	1,663	1,713
Finance & Change	4,635	4,665	7,287	7,037
Leader	466	262	242	242
Safer City	252	217	337	337
Non-Portfolio	247	2,404	2,505	2,622
Total	29,987	36,270	40,822	43,014

CHILDREN & LEARNING

Description	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000
Care Director System Super User Additional Posts	21	198	198	198
Nursery building rectification issues	10	40	40	40
2023/24 Pay Offer - shortfall against budget provision - Children & Learning	518	518	518	518
Home to School Transport Costs	4,370	5,798	7,185	8,770
Education Services staffing	222	222	222	222
Education Psychologists staffing	113	113	113	113
Education - reduced capacity for traded services	75	75	75	75
Jigsaw - High Cost Placement SCC (50/50 with Health)	300	300	300	300
Unachievable Saving 23S170 Education - Review of Asset management budgets within Education portfolio	60	60	60	60
Unachievable Saving 22S1 Children's Social Care residential unit savings projections deferred	0	299	509	509
Unachievable Saving 22S5 Fostering - savings projections deferred	0	534	713	713
Year of the Child Workstream	140	0	0	0
Staffing cost pressure – Youth Work Lead and Inclusion & Diversity officer	111	111	111	111
Unachievable Saving 22S52 - Home to school transport	60	120	120	120
Non-achievement of prior year Asset Management & Capital Strategy savings	84	84	84	84
looked After Children Placement spend pressure	4,775	4,775	4,775	4,775
Staffing pressures in Young People Service to manage demand	280	280	280	280
Agency staff to manage demand in the Quality Assurance Business Unit	200	200	200	200
Agency, Allowances and Overtime pressure on staffing in Safeguarding	1,690	1,690	1,690	1,690
Special Guardianship Order (SGO) placement spend pressure	395	395	395	395
Total	13,423	15,812	17,588	19,172

CORPORATE SERVICES

Description	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000
2023/24 Pay Offer - shortfall against budget provision - Corporate Services	451	451	451	451
Unachievable Target - Commercialisation delivery plan and strategy	270	270	270	270
Unachievable Saving 23S205 Efficiency from Civic Centre energy controls	60	60	60	60
Unachievable Saving 23S58 - Improve and automate business support processes as part of transformation programme	169	169	169	169
Unachievable Saving 21S90 Enhancement of Salary Sacrifice Scheme	42	42	42	42
Unachievable Saving 21S55 Greater use of purchase cards	115	115	115	115
Unachievable Saving 21S108 Finance - Finance and Commercialisation Directorate – cost reduction	107	107	107	107
Unachievable Saving 21S108 Accounts Payable - Finance and Commercialisation Directorate – cost reduction	37	37	37	37
Unachievable Saving 21S108 Customer Payments and Debt - Finance and Commercialisation Directorate – cost reduction	118	118	118	118
Unachievable Saving 21S Staff Travel and office consumables	32	32	32	32
Unachievable Saving IT Major Projects - Anticipated Revenue Savings	200	200	200	200
Unachievable Saving from reduction in cost of collecting council tax and business rates and review of bad debt provisions	160	160	160	160
Unachievable Savings Customer Experience - Accounts Payable savings	101	101	101	101
Unachievable Savings Customer Experience - Accounts Receivable savings	22	22	22	22
Unachievable Saving 23S83 Spending less on external building security provisions with external providers	20	20	20	20
Unachievable part of Saving 23S184 - Redesign of Finance service, including removal of vacant posts	60	60	60	60
Unachievable Directorate agency saving	39	39	39	39
Unachievable income target for Cost Recovery and Charging policy	60	60	60	60
Unachievable Income target for Treasury Management	94	94	94	94
IT - Staffing budget pressure	562	562	562	562
IT - Income shortfall budget pressure	896	896	896	896
IT - Education support shortfall	452	452	452	452
Strategic Procurement Projects - cost of implementing		250	250	0
Total	4,067	4,317	4,317	4,067

PLACE

Description	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000
2023/24 Pay Offer - shortfall against budget provision - Place	616	616	616	616
Visitor Economy	310	200	150	150
Home to school transport resource review	70	140	140	140
Place staffing/agency costs	280	280	280	280
Planning - reduced income from fewer major developments due to financial climate	283	283	283	283
British Libraries Business and IP Centre	0	71	101	101
Sunday site opening charge for street cleansing waste	50	50	50	50
Port Health – reduced volumes of trade	100	100	100	100
Unachievable saving from solar bins	100			
Trees team unachievable income target	100	100	100	100
Economic Development unfunded post	75	75	75	75
Planning Policy unachievable income	80	80	80	80
Coroner's Service	100	100	100	100
Saving 23S119 Transfer Cobbett Road Library to third party operator	15	0	0	0
Port Health & Private Sector Housing commitments	60			
Waste Transformation Project - remaining commitments with work on hold until the legislative requirements from the new Environment Act are known	220			
Mayflower Park redevelopment - feasibility work	200			
Update of Local Plan	254	227		
Private Sector Housing condition survey		500		
Food safety inspections	45			
British Library Business and IP Centre	40	0	0	0
Arts & Heritage - Urgent conservation & income generation	96	0	0	0
Commercial - Retail consultancy	14	0	0	0
Network Eagle Labs	60	60		
Formation of the Economic Development & Regeneration team, including operational budget and ongoing Freeport contributions	100	350	350	350
Reactive repairs – expenditure cannot be contained within reduced Repairs & Maintenance budget	200	200	200	200
Pest Control - unachievable income target	100	100	100	100
Moving Traffic Violations - Setup & running costs	75	75	75	75
Partnership Delivery Models unachievable saving 22S32		165	165	165
Procurement strategy post in Corporate Estates & Assets team	60	75	75	75
Fleet income target	375	375	375	375
Concessionary Fares increase in patronage	0	400	450	500
Total	4,078	4,622	3,865	3,915

STRATEGY & PERFORMANCE AND CHIEF EXECUTIVE'S OFFICE

Description	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000
2023/24 Pay Offer - shortfall against budget provision - Strategy & Performance	66	66	66	66
Transformation Programme operational costs			2,622	2,622
Senior Communications Officer post	52	52	52	52
Total	118	118	2,740	2,740

WELLBEING & HOUSING

Description	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000
Care Director System Super User Additional Posts	21	234	234	234
2023/24 Pay Offer - shortfall vs budget provision - Wellbeing & Housing	360	360	360	360
Adult Social Care - demography	2,690	3,380	4,070	4,760
Adult Social Care - increased costs of care exceeding budget	4,000	4,000	4,000	4,000
Housing Benefits Subsidy & homeless costs - increase in deficit due to unsubsidised costs of homelessness provision	200	200	200	200
Kanes Hill site investment		40	160	160
Unachievable Saving 22S40 Adult Social Care - Contract Reviews	784	784	784	784
Total	8,055	8,998	9,808	10,498

CENTRALLY HELD BUDGETS

Description	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000
Increased Minimum Revenue Provision (MRP) for Infrastructure Assets	100	100	100	100
Inflationary pressure on capital projects	92	244	342	456
Increase in charge for pre-local government reorganisation debt - held by Hampshire County Council	50	50	50	50
Environment Agency and Southern Fisheries Levies - budget shortfall	5	10	13	16
Contingency for loss of property income		2,000	2,000	2,000
Total	247	2,404	2,505	2,622

DIRECTORATE CASH LIMITED BUDGETS

2023/24	Children & Learning	Corporate Services	Place	Strategy & Performance and CEO	Wellbeing & Housing	Central - Inflation	Central - Capital Financing	Central - Other	Central - Use of Reserves	Central - Funding	TOTAL
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Working Budget - Base	63,627	38,939	28,246	3,719	91,891	(0)	10,065	5,676	(20,643)	(221,521)	0
Previously Agreed Adjustments to Base											0
TOTAL BASE	63,627	38,939	28,246	3,719	91,891	(0)	10,065	5,676	(20,643)	(221,521)	0
Pay Award & Inflation Allocation	0	0	0	0	0	0					0
Pressures & Commitments	13,423	4,067	4,078	118	8,055	0	242	5	0	0	29,987
Funding Changes											0
Use of Reserves											0
Sub-Total	77,050	43,006	32,324	3,837	99,946	(0)	10,307	5,681	(20,643)	(221,521)	29,987
Savings required to meet pressures	(13,423)	(4,067)	(4,078)	(118)	(8,055)						(29,740)
Contribution to capital financing pressures	(54)	(39)	(55)	(3)	(90)						(242)
Contribution to other central pressures	(1)	(1)	(1)	(0)	(2)						(5)
Contribution to funding shortfall											0
Replenishing reserves											0
Cash Limited Budget	63,572	38,899	28,189	3,716	91,799	(0)	10,307	5,681	(20,643)	(221,521)	0

2024/25	Children & Learning	Corporate Services	Place	Strategy & Performance and CEO	Wellbeing & Housing	Central - Inflation	Central - Capital Financing	Central - Other	Central - Use of Reserves	Central - Funding	TOTAL
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Working Budget - Base	63,627	38,939	28,246	3,719	91,891	(0)	10,065	5,676	(20,643)	(221,521)	0
Previously Agreed Adjustments to Base	(2,810)	(1,062)	1,607	(170)	(2,851)	10,530	2,640	452	20,643	(7,755)	21,222
TOTAL BASE	60,817	37,877	29,852	3,549	89,040	10,530	12,705	6,129	0	(229,277)	21,222
Pay Award & Inflation Allocation	642	2,019	1,962	84	5,823	(10,530)					0
Pressures & Commitments	15,812	4,317	4,622	118	8,998	0	394	2,010	0	0	36,270
Funding Changes										(3,479)	(3,479)
Use of Reserves									1,151		1,151
Sub-Total	77,271	44,213	36,436	3,751	103,861	(0)	13,099	8,139	1,151	(232,755)	55,165
Savings required to meet pressures	(15,812)	(4,317)	(4,622)	(118)	(8,998)						(33,866)
Contribution to capital financing pressures	(88)	(64)	(90)	(5)	(147)						(394)
Contribution to other central pressures	(450)	(325)	(460)	(24)	(751)						(2,010)
Contribution to funding shortfall	(3,579)	(6,620)	(3,094)	(550)	(5,999)						(19,842)
Replenishing reserves									948		948
Cash Limited Budget	57,342	32,887	28,171	3,054	87,966	(0)	13,099	8,139	2,099	(232,755)	0

2025/26	Children & Learning	Corporate Services	Place	Strategy & Performance and CEO	Wellbeing & Housing	Central - Inflation	Central - Capital Financing	Central - Other	Central - Use of Reserves	Central - Funding	TOTAL
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Working Budget - Base	63,627	38,939	28,246	3,719	91,891	(0)	10,065	5,676	(20,643)	(221,521)	0
Previously Agreed Adjustments to Base	(3,214)	(1,251)	458	(170)	(2,351)	17,021	4,152	(548)	22,643	(14,179)	22,560
TOTAL BASE	60,414	37,688	28,704	3,549	89,540	17,021	14,216	5,129	2,000	(235,700)	22,561
Pay Award & Inflation Allocation	1,311	3,277	3,302	171	8,960	(17,021)					0
Pressures & Commitments	17,588	4,317	3,865	2,740	9,808	0	492	2,013	0	0	40,822
Funding Changes										(4,835)	(4,835)
Use of Reserves											0
Sub-Total	79,312	45,282	35,871	6,460	108,308	0	14,708	7,142	2,000	(240,535)	58,548
Savings required to meet pressures	(17,588)	(4,317)	(3,865)	(2,740)	(9,808)						(38,317)
Contribution to capital financing pressures	(110)	(80)	(113)	(6)	(184)						(492)
Contribution to other central pressures	(451)	(325)	(460)	(25)	(752)						(2,013)
Contribution to funding shortfall	(1,781)	(6,604)	(3,628)	2,073	(5,118)			(2,668)			(17,726)
Replenishing reserves											0
Cash Limited Budget	59,383	33,956	27,806	5,763	92,445	0	14,708	4,474	2,000	(240,535)	0

2026/27	Children & Learning	Corporate Services	Place	Strategy & Performance and CEO	Wellbeing & Housing	Central - Inflation	Central - Capital Financing	Central - Other	Central - Use of Reserves	Central - Funding	TOTAL
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Working Budget - Base	63,627	38,939	28,246	3,719	91,891	(0)	10,065	5,676	(20,643)	(221,521)	0
Previously Agreed Adjustments to Base	(3,214)	(1,335)	570	(123)	(2,351)	23,342	5,073	452	22,643	(20,272)	24,786
TOTAL BASE	60,414	37,604	28,816	3,597	89,540	23,342	15,138	6,129	2,000	(241,794)	24,786
Pay Award & Inflation Allocation	1,994	4,439	4,570	259	12,080	(23,342)					0
Pressures & Commitments	19,172	4,067	3,915	2,740	10,498	0	606	2,016	0	0	43,014
Funding Changes										(6,266)	(6,266)
Use of Reserves									3,883		3,883
Sub-Total	81,580	46,110	37,301	6,596	112,118	0	15,744	8,145	5,883	(248,060)	65,417
Savings required to meet pressures	(19,172)	(4,067)	(3,915)	(2,740)	(10,498)						(40,392)
Contribution to capital financing pressures	(136)	(98)	(139)	(7)	(226)						(606)
Contribution to other central pressures	(451)	(326)	(461)	(25)	(753)						(2,016)
Contribution to funding shortfall	(6,464)	(6,835)	(3,601)	1,751	(13,492)						(28,640)
Replenishing reserves									6,238		6,238
Cash Limited Budget	55,357	34,784	29,185	5,575	87,148	0	15,744	8,145	12,121	(248,060)	0

General and Earmarked Revenue Reserves Policy

Introduction

1. The Council holds revenue reserves to provide cover for risks and unforeseen events, to meet known or predicted requirements and to manage timing differences in funding. Reserves form a key part of the council's financial resilience and maintaining its financial sustainability.
2. The Council operates three funds – the General Fund, the Housing Revenue Account (HRA) and the Collection Fund. The HRA relates to the provision and maintenance of council housing and operates on a self-financing basis. The Collection Fund relates to the council acting as a billing authority for Southampton in the collection and distribution of council tax and business rates. All other activities of the council sit within the General Fund. This reserves policy is for the General Fund.

Legislative Framework

3. The council is required to set a balanced budget each year under Section 31A of the Local Government Finance Act 1992, which includes having regard to the level of reserves needed for meeting estimated future expenditure when calculating the council tax requirement.
4. Section 151 of the Local Government Act 1972 requires each local authority to make arrangements for the proper administration of their financial affairs and that the chief finance officer (also referred to as the section 151 officer) has responsibility for the administration of those affairs.
5. Under section 25 of the Local Government Act 2003, the S151 officer has a duty to report on the robustness of estimates and adequacy of reserves when the authority is considering its council tax requirement.
6. Section 114 of the Local Government Finance Act 1988 requires the S151 officer to report to all the authority's councillors if there is or is likely to be unlawful expenditure or an unbalanced budget. This would include situations where reserves have become seriously depleted and it is forecast that the authority will not have the resources to meet its expenditure in a particular financial year.
7. Section 26 of the Local Government Act 2003 gives the Secretary of State a general power to set a minimum level of reserves for local authorities. However, the government has undertaken to apply this only to individual authorities in the circumstances where an authority does not act prudently, disregards the advice of its chief finance officer and is heading for serious financial difficulty.

Types of Reserve

8. The council holds two types of revenue reserve:
 - i. General Fund Balance – this operates as a working balance to manage the impact of uneven cash flows and avoid unnecessary temporary borrowing, and to provide a contingency against emerging events or emergencies. CIPFA recommend a minimum balance of 5% of net revenue expenditure.

- ii. Earmarked Reserves – These are sub reserves/earmarked portions of the General Fund Balance and are used as a means of building up funds for use in a later financial year for known or predicted requirements. Table 1 sets out different types of earmarked reserves the Council may hold.

Table 1 – Types of Earmarked Reserves

Type of Earmarked Reserve	Rationale
Sums set aside for major schemes, such as capital developments or asset purchases, or to fund major reorganisations	Where expenditure is planned in future financial years, it is prudent to set aside resources in advance.
Insurance Reserves	Where self-insurance mechanisms are used, in the absence of any statutory basis, sums held to meet potential and contingent liabilities are reported as earmarked reserves where these liabilities do not meet the definition of a provision.
Reserves of trading and business units	Surpluses arising from in-house trading may be retained or may have to be retained by statute to cover potential losses in future years, or to finance capital expenditure. Eg Building Control
Reserves retained for service directorate use	Authorities may have internal protocols that permit year-end under-spending to be carried forward.
Reserves established to manage corporate priorities	It may be necessary to set up earmarked reserves to manage specific across directorate priorities including transformation, responses to cross directorate policy issues, authority infrastructure etc.
Reserves for unspent revenue grants	Where revenue grants have no conditions or where the conditions are met, and expenditure has yet to take place.
Schools' Balances	These are unspent balances of budgets delegated to individual schools.
General contingencies to manage risk	Although various reserves may be established to manage individual risks, chief finance officers may want to establish contingencies to manage corporate risks including areas of high demand or need, the treatment of inflation and interest rates, property management, the treatment

	of planned efficiency savings/productivity gains, likelihood of incidents such as flooding etc.
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Source: CIPFA Bulletin 13

9. Earmarked reserves are reported separately but remain legally part of the General Fund. As the statutory reserve is the General Fund Balance, it is possible within this balance for earmarked reserves to have debit balances. The council will only permit debit balances for earmarked reserves relating to statutorily ring-fenced sums, e.g. Schools' Balances.

Assessing the Adequacy of Reserves

10. To assess the adequacy of the General Fund Balance the S151 officer will carry out a risk assessment taking into account the strategic, operational and financial risks facing the council and the impacts they would have on the council's spending if they were to materialise. This risk assessment will be in the context of the council's overall approach to risk management and have regard to the council's risk register and medium term plans. The appropriate level of reserves to be 'adequate' is therefore not absolute, either as a £ amount or percentage of the budget but will vary depending upon the degree of financial risks faced.
11. In assessing the level of General Fund Balance in formulating the Medium Term Financial Strategy (MTFS) and annual budget, the S151 officer will consider the key financial assumptions underpinning the budget. Table 2 sets out the significant budget assumptions that are relevant when considering the adequacy of reserves.

Table 2 Budget assumptions and management assessment of impact on financial position

Budget assumptions	Financial Position and management assessment of impact
The treatment of inflation and interest rates	The overall financial position of the authority (level of borrowing, debt outstanding, council tax collection rates etc). Rises in the prices of some commodities, eg fuel and energy, highlight the relevance of using a number of inflation rates in the budget and financial strategy, and considering whether general reserves are adequate to deal with unexpected increases. Volatility in the financial markets also points to the need to consider investment and borrowing risks and their impact on income.
Estimates of the level and timing of capital receipts	The authority's track record in budget and financial management including the robustness of the medium-term plans. Authorities will also need to take into account changes in the property market, and adjust estimates and assumptions for reserves accordingly.

The treatment of demand led pressures	The authority's capacity to manage in-year budget pressures, and its strategy for managing both demand and service delivery in the longer term.
The treatment of planned efficiency savings/productivity gains	The strength of the financial information and reporting arrangements. The authority should also be able to activate contingency plans should the reporting arrangements identify that planned savings or gains will either not be achieved or be delayed.
The financial risks inherent in any significant new funding partnerships, major outsourcing arrangements or major capital developments	The authority's virement and end of year procedures in relation to budget under/overspends at authority and department/directorate level. Risk management measures in relation to partnerships, including consideration of risk allocation. Contract provisions designed to safeguard the authority's position in the event of problems arising from outsourcing arrangements. Reserves may also need to be established to manage commercial risks where authorities have invested in commercial properties
The availability of reserves, government grants and other funds to deal with major contingencies and the adequacy of provisions	The adequacy of the authority's insurance arrangements to cover major unforeseen risks. When considering insurance cover, the structure of the cover as well as the overall level of risk should be taken into account. Risk assessments should be used when balancing the levels of insurance premiums and reserves.
The general financial climate to which the authority is subject	External factors, such as future funding levels expected to be included in Spending Reviews and expected referenda principles and limits, will influence an authority's ability to replenish reserves once they have been used. Any plans for using reserves will need to consider the need and ability of the authority to replenish the reserves, and the risks to which the authority will be exposed whilst replenishing the reserves.

Source: CIPFA Bulletin 13

12. A review of the levels of earmarked reserves will be undertaken in formulating the MTFS and annual budget. This will help inform the level of General Fund Balance required.
13. The S151 officer will advise on the adequacy of reserves over the lifetime of the MTFS, taking into account the expected need for reserves in the longer term. As reserves are one-off in nature, revenue reserves will not normally be deployed to finance recurrent expenditure. Where such action is to be taken this will be made

explicit, and an explanation given as to how such expenditure will be funded in the medium to long term.

SCC Earmarked Reserves

14. Table 3 sets out the existing earmarked reserves held by the council, together with their purpose and how they can be used. All earmarked reserves will be reviewed at least annually to ensure that they are still appropriate, relevant and adequate for the intended purpose.
15. The S151 officer can allocate sums of any value to or from reserves, following the relevant consultation, in accordance with Financial Procedure Rules.
16. Any new earmarked reserves or change in purpose of earmarked reserves require Cabinet approval, upon recommendation from the S151 officer.

Table 3 SCC Earmarked Reserves

Reserve	Purpose/Use
Medium Term Financial Risk Reserve	Sums set aside on a non-recurrent basis to mitigate risks of changes to the local government funding system, volatility of local taxation, demand pressures and the potential for savings to be delayed. In addition, sums may be set aside in the reserve to pump prime transformation or invest to save measures, to meet the financial costs of redundancies as a result of organisation design changes and for other one-off corporate requirements. Examples of the latter may include to meet school deficits upon transfer to academy status and fluctuations in value of pooled investment funds (once the statutory requirement for these to be held in an unusable reserve ends in March 2025). This reserve is the first call on the council's resources to deal with any unforeseen in-year expenditure if the centrally held contingency budget insufficient. Any outturn surpluses will be credited to this reserve.
Revenue Contributions to Capital Reserve	Sums set aside from the revenue budget to finance capital expenditure. To be used in line with planned financing of the capital programme or as a replacement for capital receipts if disposal proceeds are delayed or reduced.

Revenue Grants Reserve	For the carry forward of revenue grants that have no conditions or where the conditions are met, and expenditure has yet to take place, in accordance with recommended accounting practice.
Directorate Carry Forwards Reserve	Carry forward of budget underspends as approved by Full Council in accordance with Financial Procedure Rules. Where the overall outturn for the General Fund is a net deficit no budget carry forwards will be permitted. Budget carry forwards for individual directorates will only be permitted where the directorate has an underspend at outturn. This is in line with the cash limited operating model.
PFI Sinking Fund	The reserve holds surplus PFI grant for use in meeting future contract liabilities and additional costs that might arise from reviewing or restructuring the council's PFI arrangements.
Insurance Reserve	This reserve holds monies to meet the potential cost of liability claims against the council, including motor and third party injury, however, there is no commitment on the council to pay the claim.
On Street Parking Account	It is a legal requirement to set aside surplus income from on street parking to be used in future years in accordance with the Road Traffic Regulation Act 1984.
DSG Reserve	The reserve holds in-year underspends on the Dedicated Schools Grant (DSG) to be used in future years. Cumulative and in-year overspends on DSG are held in an unusable reserve (DSG Adjustment Account) in accordance with regulations (the statutory override ends in 2025/26)
Schools' Balances	The scheme of Local Management of Schools (Education Reform Act 1988) requires the carry forward of individual schools' surpluses and deficits.
Other Reserves: For asset purchases: - Solar PV Sinking Fund Reserve - Cremator Replacement Reserve	To build up funds for the replacement of solar panels. To build up funds for the replacement of the cremator at the crematorium.

<p>Ring-fenced sums:</p> <ul style="list-style-type: none"> - Bus Lane Enforcement Reserve - Building Competition Account - Port Health Reserve - Public Health Reserve 	<p>The reserve holds any surplus from drivers illegally using bus lanes. In accordance with legislation the reserve can be used to repay the General Fund for any deficits incurred in the preceding 4 years, to meet costs in providing or operating public passenger transport, or used to fund highways improvement projects.</p> <p>Legislation requires that building control competition activity should break even over a rolling period through recovery of costs. The reserve is used to manage any annual surpluses or deficits and for reinvesting in the building control service.</p> <p>Legislation requires that fees for certain services within port health must be set on the basis of cost recovery and that any over-recovery is used to reduce future fees or invested in the service. Fees are reviewed annually to demonstrate ongoing cost recovery and the current surplus held within the reserve, built up during 2018/19, is being used to improve the resilience of the service.</p> <p>To carry forward any unused ring-fenced Public Health Grant. This is held separately from other grant carry forwards for external reporting purposes.</p>
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Approach

17. The intention is to move towards a position where reserves are not used for balancing the budget but are for non-recurrent purposeful investment or spend and to ensure that there is financial provision set aside to meet known future one-off commitments or liabilities. They are also held as a means of ensuring financial resilience against unknown events and risks.

18. Given the fact the existing reserves were highlighted as inadequate in the budget report tabled at Council for 2023/24, financial planning will also focus on rebuilding reserves, over time, to a level considered adequate by the S151 officer.

Disposal of Assets

19. The council will consider disposal of assets where appropriate as a means to supplement resources, in particular to pay for 'one off' costs such as transformation.
20. An assessment will be made on any proposed disposal to determine if it represents value for money to dispose of, compare with the option of retention, using to redeem or avoid borrowing, support service transformation, or any other potential option.

Other one-off gains

21. The council will start to build reserves by setting aside one off gains which can then be utilised in a planned manner to provide the funds for purposeful investment, that reduces the financial burden to the council in the future.
22. The drawdown of reserves should always be in a planned manner whilst ensuring that reserves are not being used to support ongoing expenditure. The general fund balance is at the lowest CIPFA recommend, should not be used to support ongoing expenditure, if it is utilised at any point a plan should be brought forward to Cabinet to replenish the fund at the earliest opportunity.

Index of Fees & Charges with Links to Individual Lists

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ALLOTMENTS

Service	Charge for 2023/24
To hire	
Size unit called a rod (25.3sq m)	£6.53
Charge from November 2023	£7.50

BEREAVEMENT SERVICES

Service	Charge for 2023/24
Crematorium fees	
Crematorium service	
Adults (1 hour service - available on request)	£1,040.00
Adults (45 minute service)	£987.00
Adults (early/late 30 minute service)	£634.00
Direct cremations	£375.00
Children (under 18 years of age)	No Charge
Double time fee	£370.00
Use of chapel only	£370.00
Sundries	
Other crematorium items and services	
Ashes - temporary deposit after first month (per month)	£35.00
Strewing ashes (where the cremation took place in another crematorium)	£100.00
Attendance at placing/scattering of ashes in Gardens of Rest	£45.00
Certificate of cremation	No charge
Cancellation fee if no suitable reason given	£90.00
Selecting an area in the garden of rest for non-attended scattering	£45.00
Genealogy search fee	Price on application
Charging of coffin displayed on monitor in East Chapel following service	£5.00
Ornamental urns and keepsakes	Cost on application
Media services	
Type of media item or service	
Live and on demand webcast (up to 28 days) Usual fee £80 during COVID	£60.00
Keepsake copy of the Webcast in a presentation case (available in DVD/Blu-Ray/USB or audio CD)	£60.00
Additional copies	£28.00
Visual tribute services	
Type of media item or service	
Halo Photo (a complimentary photo shown throughout the service)	No charge
An additional photo (displayed at your time of choosing)	£20.00
Visual tribute - slideshow of up to 25 photos	£65.00
Professional tribute - synched to music of up to 25 photos	£80.00

BEREAVEMENT SERVICES

Service	Charge for 2023/24
Family supplied tribute	£25.00
For each additional 25 photos (shown on a visual/professional tribute)	£25.00
Keepsake copy of the Visual Tribute in a presentation case (available on DVD/Blu-Ray or USB)	£60.00
Downloadable copy of the Visual Tribute (available to download from our supplier's website)	£12.00
Additional support and personalisation	
This covers any revisions, or major departures from a standard product including: Changes to the tribute on the last working day before the service. Adding video or multiple music tracks to a Professional Tribute. Timing photos to a specific part of the music in a Professional Tribute. Adding music, converting or editing files for a Family-made tribute	£25.00
Funerals and bereavement	
Right of burial or plot type	
Exclusive Right of Burial for 30 years (Adult Standard Grave Space)	£1,020.00
Exclusive Right of Burial for 30 years (Adult Premium Grave Space)	£1,420.00
Exclusive Right of Burial for 30 years (adult grave space – with a Burial Chamber for uncoffined burials)	£1,800.00
Exclusive Right of Burial for 30 years (baby/child grave space)	No charge
Exclusive Right of Burial for 30 years (baby/child grave space – with a Burial Chamber for uncoffined burials)	No charge
Cremated Remains Plot for 30 years	£750.00
Exclusive Right of Burial for 30 years (baby/infant grave space – up to 5 years)	£1,087.00
Interment fees - New graves only	
Type of interment	
Interment to 4'6" (1372 mm) for one (Adult)	£782.00
Interment to 6'0" (1830 mm) for two (Adult)	£980.00
Interment to 7'6" (2300 mm) for three (Adult)	£1,125.00
Interment to 8'6" (2600 mm) for four (Adult)	£1,220.00
Interment to 4'6" (1372 mm) for one (Baby/Child)	No Charge

BEREAVEMENT SERVICES

Service	Charge for 2023/24
Interment of cremated remains	£297.00
Interment fees - Re-open graves	
Type of interment	
Interment to single depth (4'6")	£860.00
Interment to double depth (6'0")	£1,070.00
Interment to triple/quadruple depth graves	Price on application
Cemetery memorials	
Type of memorial	
Right to erect a memorial on a grave (price per memorial)	£187.00
Right to place vase or similar memorial (entirely free standing and not an integral part of other memorial)	£61.00
Right to erect and place a memorial on a child's grave (up to 18th birthday)	No charge
Each additional name (of deceased) commemorated	£61.00
Right to place a temporary marker on a grave for a 12 month period	£61.00
Miscellaneous	
Description of service	
Attended scattering on a grave	£45.00
For cremated remains where the cremation did not take place at Southampton Crematorium an additional fee applies	£100.00
Use of chapel for a one hour service prior to interment	£100.00
Exhumation	on application
Postponement after receiving notice of burial (if excavation has commenced) - adult	£340.00
Postponement after receiving notice of burial (if excavation has commenced) - child	No fee
For staff attending for grave selection	£65.00
For the transfer of the Exclusive Right of Burial to a new registered owner	£100.00
Administration fee for cancellation of an Exclusive Right of Burial	£50.00
Genealogy search fee	on application
Southampton Crematorium and South Stoneham Garden of	
Type of memorial	
The Daisy Garden Sleeper plaques (children only)	
Cost – includes VAT and 5 year lease	£135.58

BEREAVEMENT SERVICES

Service	Charge for 2023/24
Cost – includes VAT and 10 year lease	£212.58
Cost – includes VAT and 20 year lease	£366.58
The Daisy Garden Memorial Tree Leaf (children only)	
Cost – includes VAT and 5 year lease	£118.99
Cost – includes VAT and 10 year lease	£195.99
Cost – includes VAT and 20 year lease	£349.99
The Daisy Garden Memorial Tree Apple (children only)	
Cost – includes VAT and 5 year lease	£127.40
Cost – includes VAT and 10 year lease	£204.48
Cost – includes VAT and 20 year lease	£358.40
Hollybrook Baby Garden Ellie Columbaria (children only)	
Cost – includes VAT and 5 year lease	£258.00
Cost – includes VAT and 10 year lease	£363.00
Cost – includes VAT and 20 year lease	£573.00
Hollybrook Baby Garden Dora and Harvey Mouse Bench Plaques	
Cost – includes VAT and 5 year lease	£101.92
Cost – includes VAT and 10 year lease	£178.92
Cost – includes VAT and 20 year lease	£332.92
Candle Plaque	
Cost – includes VAT and 5 year lease	£486.96
Cost – includes VAT and 10 year lease	£618.96
Cost – includes VAT and 20 year lease	£882.96
Sanctum Vault 12 (available at the crematorium only)	
Cost – includes VAT and 5 year lease	From £694.80
Cost – includes VAT and 10 year lease	From £991.80
Cost – includes VAT and 20 year lease	From £1,585.80
Sanctum Vault 2000	
Cost – includes VAT and 5 year lease	From £1,133.42
Cost – includes VAT and 10 year lease	From £1,430.42
Cost – includes VAT and 20 year lease	From £2,024.42
Granite Kerb Memorial Plaque	

BEREAVEMENT SERVICES

Service	Charge for 2023/24
Cost – includes VAT and 5 year lease	From £390.57
Cost – includes VAT and 10 year lease	From £522.57
Cost – includes VAT and 20 year lease	From £786.57
Memorial Mushroom Plaque	
Cost – includes VAT and 5 year lease	£399.75
Cost – includes VAT and 10 year lease	£531.75
Cost – includes VAT and 20 year lease	£795.75
Deer Glade Plaque	
Cost – includes VAT and 5 year lease	£367.62
Cost – includes VAT and 10 year lease	£499.62
Cost – includes VAT and 20 year lease	£763.62
Squirrels Corner Plaque (New for 2019)	
Cost – includes VAT and 5 year lease	£407.40
Cost – includes VAT and 10 year lease	£539.40
Cost – includes VAT and 20 year lease	£803.40
Bench Plaque (Garden of Rest)	
Cost – includes VAT and 5 year lease	£175.52
Cost – includes VAT and 10 year lease	£307.52
Cost – includes VAT and 20 year lease	£571.52
Hall of Remembrance Plaque (Large) Book of Remembrance room	
Cost – includes VAT and 5 year lease	£228.76
Cost – includes VAT and 10 year lease	£388.76
Cost – includes VAT and 20 year lease	£708.76
Hall of Remembrance Plaque (Small) Book of Remembrance room	
Cost – includes VAT and 5 year lease	£189.29
Cost – includes VAT and 10 year lease	£321.29
Cost – includes VAT and 20 year lease	£585.29
Posy Vase Memorial (South Stoneham Cemetery Garden of Rest only)	
Cost – includes VAT and 5 year lease	£98.86
Cost – includes VAT and 10 year lease	£176.86
Cost – includes VAT and 20 year lease	£330.86
Memorial Tree Plaque (Book of Remembrance Room)	
Cost – includes VAT and 5 year lease	£173.99
Cost – includes VAT and 10 year lease	£305.99
Cost – includes VAT and 20 year lease	£569.99
Valley Pond Plaques	

BEREAVEMENT SERVICES

Service	Charge for 2023/24
Cost – includes VAT and 5 year lease	£419.40
Cost – includes VAT and 10 year lease	£551.40
Cost – includes VAT and 20 year lease	£815.40
Granite Wall Plaques (single up to 3 lines)	
Cost – includes VAT and 5 year lease	£414.40
Cost – includes VAT and 10 year lease	£553.40
Cost – includes VAT and 20 year lease	£831.40
Granite Wall Plaques (double up to 6 lines)	
Cost – includes VAT and 5 year lease	£723.92
Cost – includes VAT and 10 year lease	£890.92
Cost – includes VAT and 20 year lease	£1,224.92
Granite Wall Plaques (treble up to 10 lines)	
Cost – includes VAT and 5 year lease	£1,029.85
Cost – includes VAT and 10 year lease	£1,225.85
Cost – includes VAT and 20 year lease	£1,617.85
Floris Wall Plaque	
Cost – includes VAT and 5 year lease	From £521.70
Cost – includes VAT and 10 year lease	From £653.70
Cost – includes VAT and 20 year lease	From £917.70
Keepsakes and Jewellery	Cost on application
Southampton Crematorium and South Stoneham Book of Memorial	
Book of Remembrance	
Two Line Entry	£96.00
Five Line Entry	£157.00
Eight Line Entry	£217.00
With Illustration (not available with two line entries)	Additional £90.00
Memorial Cards	
Two Line Entry	£42.00
Five Line Entry	£62.00
Eight Line Entry	£82.00
With Illustration (not available with two line entries)	NA
Miniature Books	
Two Line Entry	£139.00
Five Line Entry	£159.00

BEREAVEMENT SERVICES

Service	Charge for 2023/24
Eight Line Entry	£179.00
With Illustration (not available with two line entries)	Additional £90.00
Additional entries to existing miniature books	
Two Line Entry	£44.00
Five Line Entry	£49.00
Eight Line Entry	£62.00
With Illustration (not available with two line entries)	Additional £90.00
Southampton Crematorium renewal fees	
Memorial	
Cost of Renewal for a period of 5 years	
Granite Wall Plaques (single up to 3 lines)	£139.00
Granite Wall Plaques (double up to 6 lines)	£167.00
Granite Wall Plaques (treble up to 10 lines)	£196.00

BLUE BADGE SCHEME

Service	Charge for 2023/24
Administration fee	£10.00

BUILDING CONTROL

Service	Charge for 2023/24
Full Plans Applications and Associated Charges	
Full Plans Plan Charge (payment with application)	
1 dwelling	£201.00
2 dwellings	£324.00
3 dwellings	£380.00
4 dwellings	£437.00
5 dwellings	£493.00
Full Plans Inspection Charge (invoiced after commencement)	
1 dwelling	£603.00
2 dwellings	£973.00
3 dwellings	£1,142.00
4 dwellings	£1,311.00
5 dwellings	£1,481.00
Building Notice Application	
Building Notice Charge (payment with application)	
1 dwelling	£804.00
2 dwellings	£1,297.00
3 dwellings	£1,522.00
4 dwellings	£1,748.00
5 dwellings	£1,974.00
Domestic Extensions to a single building	
SINGLE STOREY EXTENSIONS	
Full Plans Plan Charge (payment with application)	
Single Storey Extension floor area not exceeding 10m ²	£127.00
Single Storey Extension floor area exceeding 10m ² but not exceeding 40m ²	£188.00
Full Plans Inspection Charge (invoiced after commencement)	
Single Storey Extension floor area not exceeding 10m ²	£274.00
Single Storey Extension floor area exceeding 10m ² but not exceeding 40m ²	£425.00
Building Notice Charge (payment with application)	
Single Storey Extension floor area not exceeding 10m ²	£401.00

BUILDING CONTROL

Service	Charge for 2023/24
Single Storey Extension floor area exceeding 10m ² but not exceeding 40m ²	£613.00
TWO STOREY EXTENSIONS	
Full Plans Plan Charge (payment with application)	
Two Storey Extension floor area not exceeding 10m ²	£188.00
Full Plans Inspection Charge (invoiced after commencement)	
Two Storey Extension floor area not exceeding 10m ²	£448.00
Building Notice Charge (payment with application)	
Two Storey Extension floor area not exceeding 10m ²	£636.00
LOFT CONVERSIONS	
Full Plans Plan Charge (payment with application)	
Loft Conversion that does not include the construction of a dormer	£127.00
Loft Conversion that includes the construction of a dormer	£188.00
Full Plans Inspection Charge (invoiced after commencement)	
Loft Conversion that does not include the construction of a dormer	£328.00
Loft Conversion that includes the construction of a dormer	£383.00
Building Notice Charge (payment with application)	
Loft Conversion that does not include the construction of a dormer	£455.00
Loft Conversion that includes the construction of a dormer	£571.00
GARAGES AND CARPORTS	
Full Plans Plan Charge (payment with application)	
Erection or extension of a non exempt attached or detached domestic garage or carport up to 100m ²	£95.00
Full Plans Inspection Charge (invoiced after commencement)	

BUILDING CONTROL

Service	Charge for 2023/24
Erection or extension of a non exempt attached or detached domestic garage or carport up to 100m ²	£274.00
Building Notice Charge (payment with application)	
Erection or extension of a non exempt attached or detached domestic garage or carport up to 100m ²	£369.00
OTHER	
Full Plans Plan Charge (payment with application)	
Conversion of a garage to a habitable room(s)	£98.00
Full Plans Inspection Charge (invoiced after commencement)	
Conversion of a garage to a habitable room(s)	£297.00
Building Notice Charge (payment with application)	
Conversion of a garage to a habitable room(s)	£395.00

COMMERCIAL SERVICES

Service	Charge for 2023/24
Commercial tree work services	£600.00
MOTs for residents and businesses	
Class 4	£54.85
Class 5	£59.55
Class 7	£58.60

COMMUNITY INFRASTRUCTURE LEVY (CIL)

Service	Charge for 2023/24
The Community Infrastructure Levy (CIL) Charging Schedule for Southampton came into effect on 1 September 2013. The CIL is a standard, non-negotiable charge applicable to developments where there is a net increase of 100 square metre of floor space or the creation of one or more dwellings.	
From 1 January 2023 the indexed CIL rate is as follows:	£68.15 per sq. m for retail use
	£110.94 per sq. m for residential use
*This figure is index linked for inflation and updated annually using the RICS CIL Index, which is based on the BCIS All-In-Tender Price Index and is published on the RICS website.	

DEVELOPMENT MANAGEMENT

Service		Charge for 2023/24
Pre-application advice service fees		
Application type		
Large scale major applications requiring Project Approach	50 or more house units or 5,000 sq. m commercial or 2+ ha.	Strategic Majors: 10% of full planning application fee.
		1. £1,000 with submission
		2. £300 ahead of each meeting or staged payment by agreement
		3. Remainder ahead of validation of application (if applicable)
Major applications	10-49 house units or 1,000-4,999 sq. m commercial or 1+ha.	20% of full planning fee capped at £3,000
Minor applications	1-9 house units or less than 1,000 sq. m commercial or less than 1 ha.	20% of full planning fee
		A further 50% of the original fee levied on revised submission.
Householder (a)		£50.00
Householder (b)		£100.00
Permitted Development Request		£50.00

DEVELOPMENT MANAGEMENT

Service		Charge for 2023/24
Change of use		20% of full planning fee (£92.40 assuming £462)
Adverts		£50.00
Taxi License/Home Working Request		£15.00
Planning Conditions Check	Householder	£34.00
	Non-householder	£116.00
Pre-Validation Check	per application	£50.00

EDUCATIONAL PSYCHOLOGISTS

Service	Charge for 2023/24
Training Packages	Starting from £900 per day
Additional Educational Psychology services	£605 per day / £303 per half day or £630 per day / £315 per half day for academies. Or £125 per hour for some services.

ENVIRONMENTAL HEALTH

Service	Charge for 2023/24
ENVIRONMENTAL HEALTH HOUSING CHARGES	
Feature	
Improvement & Hazard Awareness Notices	
1-4 hazards	£275.00
5 or more hazards	£462.00
Prohibition / Emergency Prohibition Orders	
1-4 hazards	£330.00
5 or more hazards	£462.00
Other Fees	
Emergency remedial action	£198.00
Demolition Order	£319.00
Review of suspended Notice / Order	£99.00
Home Survey Reports for Immigration Sponsorships	
Feature	
Initial application for one person	£232.00
Repeat application within 12 months	£163.00
Additional persons on any application	£81.00

GOLF COURSE

Fee Type	Fees for 2023/24
Annual Season Tickets	
7-day adult	£750.00
7-day adult - 9-hole course	£256.00
7-day intermediate (17-23 years)	£190.00
7-day junior (under-17s)	£80.00
5-day adult	£480.00
Monthly Season Tickets	
7-day adult	£90.00
7-day adult - 9-hole course	£30.00
5-day adult	£75.00
Pay & Play Green Fees	
Weekend	
18-hole adult	£25.00
18-hole twilight (5 hours before dusk)	£20.00
18-hole concession (60-plus years or 17-23yrs old)	£22.00
18-hole junior (under-17s)	£7.00
9-hole adult	£12.50
9-hole concession (60-plus years or 17-23yrs old)	£11.00
9-hole junior (under-17s)	£4.00
Weekday	
18-hole adult	£20.00
18-hole twilight (5 hours before dusk)	£15.00
18-hole concession (60-plus years or 17-23yrs old)	£15.00
18-hole junior (under-17s)	£6.00
9-hole adult	£11.50
9-hole concession (60-plus years or 17-23yrs old)	£8.00
9-hole junior (under-17s)	£3.00
Optional extras	
Locker rental	£25.00
Buggy hire (for 18 holes)	£25.00
18-hole pull trolley	£3.50
9-hole pull trolley	£2.00

HISTORIC ENVIRONMENT RECORDS

Service	Charge for 2023/24
Basic HER Search: Includes PDF text records and GIS mapping data for a range of record types, guidance as to HER backlog, and advice on other available maps and sources for research. (If PDF maps are required, these need to be specifically requested, and whether or not record labels are required.)	
Standard search (within 15 working days of receipt of HER Enquiry Form)	£55 minimum charge (one hour @ £55 per hour), thereafter by the half hour
Priority "fast track" search (within five working days of receipt of HER Enquiry Form)	£110 minimum charge (one hour @ £110 per hour), thereafter by the half hour
Single Asset HER Search / HER Consultation Report (Related to potential	
Standard search (within 15 working days of receipt of HER Enquiry Form)	£65 set fee
Priority "fast track" search (within five working days of receipt of HER Enquiry Form)	£130 set fee
Additional HER Services: (NB: These services will only be available if other work pressures allow.)	
Office Visit (Note that an additional charge for staff time may be made for late cancellation with less than 24 hours' notice, or failure to cancel a pre-arranged office visit.)	£55 per hour
HER Enhancement - This service is offered in addition to the basic HER search. It includes the completion of basic event records and GIS trench data for all event records in search area, where this information is available in reports. Monument records will not be completed. (A list of backlog events is provided with the basic HER search. However, the enhancement service may mean that contractors do not need to check reports that have not been incorporated into the HER.)	£65 set fee
Enhanced HER search for local groups (eg for Neighbourhood Planning and Conservation Area Appraisals) (HER data, selected historic maps, images, etc in HER Archive, and advice on other sources, and on archaeological potential.)	£200 (or negotiable depending on size of area)
Utility companies and statutory agencies - Consultancy Service. Basic HER search and advice on archaeological implications of work proposals. (For very large projects we may advise you to employ an archaeological consultant to do a desk-based assessment and request a full HER search.) (An archaeological contractor will need to be employed to carry out any fieldwork that we recommend.) (Separate charges apply relating to the production of Briefs, and the approval of written schemes of investigations and reports. See Planning Archaeology User Guidelines and Charges sheet for details.)	£65 set fee for small-scale / contained projects. £130 set fee for longer routes.
Photocopying and printing	15 pence per sheet
CDs, DVs and postage	At cost

HMO LICENCES

Service	Charge for 2023/24
Landlord independent HMO surveyor compliant rate for timely and compliant applications	
Stage 1	£88.00
Stage 2	£231.00
Stage 3	£319.00
Southampton City Council HMO all-inclusive rate for timely and compliant applications	
Stage 1	£88.00
Stage 2	£628.00
Stage 3	£716.00
Southampton City Council HMO all-inclusive rate for applications received after the three month deadline	
Stage 1	£88.00
Stage 2	£1,123.00
Stage 3	£1,211.00
Application to vary a HMO Licence, not involving visit	£55.00
Application to vary a HMO Licence, involving an officer visit	£110.00
Visit time including travel For an appointment missed during the house inspection process	£77.00
Additional visits to check licence conditions	£110.00
For follow up letters when an invalid application has been received - per letter	£28.00
Time producing reports and letters pre-application advisory visit & verbal report on site	£66.00

ITCHEN BRIDGE

Service	Charge for 2023/24
Class 1 vehicles - motorcycles and three-wheeled vehicles	No charge
Class 2 vehicles - cars, small vans and small 4x4s, including electric vehicles	
Peak	£1.00
Off peak	£0.80
Residents Concessionary toll:	
Peak	£0.40
Off peak	£0.30
Disability	No charge
Class 3 vehicles - large vans (e.g. transit) and large 4x4s, including electric vehicles	
Standard	£1.40
Business Concessionary toll	£0.60
SCC registered taxi	£0.60
Class 4 - HGVs	
Standard	£25.00
Business Concessionary toll	£2.00

LEGAL SERVICES

Service	Unit	Charge for 2023/24
EXTERNAL LEGAL FEES AND CHARGES, INCLUDING LITIGATION COST RECOVERY		
Director – Legal & Business Operations	Hourly rate	£201.00
Head of Legal Partnerships	Hourly rate	£130.00
Senior Solicitor	Hourly rate	£113.00
Solicitor	Hourly rate	£100.00
Lawyer (G10 posts)	Hourly rate	£85.00
Senior Legal Assistant / Paralegals	Hourly rate	£75.00
Legal Assistant / Interns	Hourly rate	£60.00
Support Officer / Apprentices	Hourly rate	£45.00
CONTRACTS		
Deeds of Variation, assignment and/or Novation in response to a contractor request/need	Hourly rate	£90.00
Sealing and Administration Fee		£100.00
Assignment or novation of historic works/ contracts to Academy after conversion		£90.00
All other matters for third party	Hourly rate	£85.00
Sealing and Administration Fee		£100.00
CONVEYANCING TRANSACTIONS		
COMMERCIAL AND SHOP LETTINGS		
Assignments		
City Centre areas 1-4		£1,200.00
Industrial premises		£800.00
Small shops		£350.00
New Lettings		
City Centre areas 1-4		£1,600.00
Industrial premises		£1,100.00
Small shops		£400.00
Variations		
City Centre areas 1-4		£1,000.00
Industrial premises		£900.00
Small shops		£400.00
Lease Notice		
City Centre areas 1-4		£60.00
Industrial premises		£60.00
Small shops		£60.00
Grant of sub- lease		£650.00
OTHER CONVEYANCING TRANSACTIONS		
Sale of land and/or property		1.5% of sale price subject to a minimum charge of £400. Transactions over £1 million to be agreed separately.
Purchase of land and/or property		1.5% of sale price subject to a minimum charge of £400. Transactions over £1 million to be agreed separately.
Development agreements		£3,200.00
Freehold reversions		£450.00
Release of covenants		£1,200.00
Lease extensions		£1,000.00
Deed of variation		£450.00
Licences		£650.00
Easements		£650.00
Surrenders		£650.00
Grant of sub - lease		£650.00
Epitome of title/certificate of title		£250.00
RTB matters		
Sale of House		£375.00
Sale of Flat		£375.00
Deed of variation		£375.00
Letters of Postponement		£175.00
Lease Notice		£60.00
Equity loan		£0.00
Letters of Compliance		£75.00
LITIGATION		
Cost is per hour based on the experience and seniority of case holder as detailed below		
Grade A	Hourly rate	£217.00
Grade B	Hourly rate	£192.00

LEGAL SERVICES

Service	Unit	Charge for 2023/24
Grade C	Hourly rate	£161.00
Grade D	Hourly rate	£118.00
PLANNING MATTERS		
s.106 Agreements Solicitors	Hourly rate	£220.00
s.106 Agreements All other fee earners	Hourly rate	£190.00
Unilateral undertakings under s.106 in respect of (i) Solent Mitigation Fund; (ii) flood risk measures		£300 flat rate provided the unilateral undertaking has been completed and executed properly without requiring further amendments or submissions and that all necessary documentation (such as land registry and company house documents) has been provided, failing which a charge of £220 (solicitor), £190 (other) per hour shall be made
Deeds of Variation/Modification	Hourly rate	£220 (solicitor), £190 (other)
s.278 Agreements	Hourly rate	£220 (solicitor), £190 (other)
s.38 Agreements	Hourly rate	£220 (solicitor), £190 (other)
Stopping up/diversion orders (non-contentious only)	Hourly rate	As per hourly rates table
CPO work	Hourly rate	£220 (solicitor), £190 (senior and legal assistants)
RIGHTS OF WAY APPLICATIONS		
s.31 Deposits		£275 + £25 per additional parcel, + £25 per additional site notice, +£25 per A3 map conversion
Commons Registration – corrective applications		£1,200.00
Commons Act Deregistration (Part 1)		£1,500.00
Commons Act Deregistration (Part 2 if Public Inquiry)		£1500 + disbursements including counsel's fees
INFORMATION REQUESTS		
CCTV Requests from third parties		£60.00
FOI Requests (where compliance exceeds £450)	Hourly rate	£25.00
Costs of communicating information (where cost exceeds £5.00) – charged in line with disbursements		
Pension Signings / Certifying or Signing documents for staff members		£15.00
Certification of true copies of documents / passports / witnessing signatures for staff etc (up to max 5 'linked' documents)		£15.00
Southampton Schools (Maintained & Academy)		
Annual Retainer Cost:		
Gold:	Annual	£930.00
Silver:	Annual	£695.00
Bronze:	Annual	£510.00
Hourly Rates for any additional services purchased will be charged at:		
Head of Legal Partnership	Hourly rate	£140.00
Senior Solicitor	Hourly rate	£109.00
Solicitor	Hourly rate	£98.00
Trainee Solicitor	Hourly rate	£66.00
Legal Executive	Hourly rate	£60.00
Other	Hourly rate	£45.00

LIBRARIES

Service	Charge for 2023/24
To hire	
Books	Free
Music CD	£1.00
DVDs	£1.00
DVDs (concessionary card holders)	Free
DVD box sets	£2.00
Adult books on CD and mp3	£1.50
Adult books on CD and mp3 (over 60s)	£1.00
Information DVDs	£1.00
Late charges	
Items returned after due date	£6.00
Items returned after due date (over 60s)	£3.00
DVD box sets	£15.00
Lost or missing items	
Books	Replacement cost
Adult membership card	£1.00
Story sacks	£70.00
Reservation fees and book finding service	
Reservation for items in other Southampton City Libraries	Free
Adult items not in stock in Southampton (Inter Library Loans)	£4.00 basic search, additional £6.00 for books obtained from premium rate libraries
Inter Library Loans renewal (if available)	£1.00 for a 4 week renewal
Photocopying, printing and scanning	
A4 Black and white photocopies and print out	£0.15
A4 Colour photocopies and print outs	£0.50
A3 black and white photocopies and print outs	£0.25
A3 colour photocopies and print outs	£1.00
Scanning service	£1.00
Laminating service	£1 (A4) and £1.50 (A3)
Fax copies (inside UK only)	£1 first page, 50p per additional page
Other charges	
Disc repair (per disc)	£2.50
USB Flash Drive	£6.00
Pen or Pencil	£0.20
Highlighter	£1.00
Biodegradable A4 wallet	£0.50
A4 envelope	£0.50
A4 pad	£2.00

LICENSING

Service	Charge for 2023/24
PREMISES LICENCES AND CLUB PREMISES CERTIFICATES	
Grant or variation - Band A = rateable value < £4,300	£100.00
Grant or variation - Band B = rateable value > £4,300 < £33,000	£190.00
Grant or variation - Band C = rateable value > £33,001 < £87,000	£315.00
Grant or variation - Band D = rateable value > £87,001 < £125,000	£450.00
Grant or variation - Band E = rateable value > £125,000	£635.00
Annual Fee - Band A = rateable value < £4,300	£70.00
Annual Fee - Band B = rateable value > £4,300 < £33,000	£180.00
Annual Fee - Band C = rateable value > £33,001 < £87,000	£295.00
Annual Fee - Band D = rateable value > £87,001 < £125,000	£320.00
Annual Fee - Band E = rateable value > £125,000	£350.00
Replacement – Section 25 (Loss, theft etc)	£10.50
Application for provisional statement - section 29	£315.00
Premises licence change of name or address - section 33	£10.50
Premises licence variation of designated premises supervisor - section 37	£23.00
Premises licence transfer - section 42	£23.00
Premises licence interim authority - section 47	£23.00
Premises licence or club premises certificate minor variation - sections 41A or 86A	£89.00
Premises licence community premises DPS dispensation - section 25A and 41D	£23.00
Club premises certificate or summary theft or loss - section 79	£10.50
Club premises certificate change of name or rules - section 82	£10.50
Club premises certificate change of address - section 83(1) or (2)	£10.50
Temporary event notice - section 100	£21.00
Temporary event notice loss or theft - section 110	£10.50
PERSONAL LICENCES	
Personal licence grant	£37.00
Personal licence theft or loss	£10.50
Personal licence name or address change	£10.50
TAXI AND PRIVATE HIRE LICENCES	
Hackney Carriage	
Grant and renewal (excluding inspection fee and licence plate)	£140.00
Private Hire Vehicle	
Grant and renewal (excluding inspection fee and licence plate)	£80.00
Grant of licence 6 months or less due to plate allocation policy	£60.00
Hackney Carriage Driver	
Grant or renewal	£170.00
Private Hire Driver:	
Grant or renewal	£170.00
Private Hire Operator:	
Grant or renewal	£1,000.00
1 year	£300.00
2 years	£430.00
3 years	£550.00
4 years	£825.00
Other licence fees:	

LICENSING

Service	Charge for 2023/24
Drivers' Topography Tests (per test)	£15.00
Licence plates for hackney carriages and private hire vehicles:	
New/Replacement	£11.00
Plate holder	£12.00
Criminal Record checks for drivers' licences	£40.00
DVLA driving history checks:	
Provides annual updates for three years)	£10.00
Notification of transfer of vehicle licence	£35.00
Replacement Certificates of Compliance	£5.00
Change of vehicle (other than on renewal)	£35.00
Temporary changes of vehicle	£70.00
ABP Docks permit (fee set by Associated British Ports for access to the docks estate by hackney carriages)	£128.00
Replacement documents:	
Duplicate drivers' badges	£10.00
Duplicate drivers' licences	£10.00
Duplicate vehicle licences	£10.00
SEX ESTABLISHMENT LICENCES	
Sex Shops:	
Application for Grant	£750.00
Application for Renewal	£500.00
Application for Transfer	£375.00
Application for Variation	£375.00
Sex Cinemas:	
Application for Grant	£750.00
Application for Renewal	£500.00
Application for Transfer	£375.00
Application for Variation	£375.00
Sex Entertainment Venues:	
Application for Grant	£750.00
Application for Renewal	£500.00
Application for Transfer	£375.00
Application for Variation	£375.00
STREET TRADING CONSENTS	
Grant or renewal – per annum (except Guildhall Sq)	£200.00
Guildhall Square (seven days maximum per consent – subject to meeting criteria)	£30.00
BOAT AND BOATMAN'S LICENCES	
Boat - grant and renewal	£300.00
Boatman - grant and renewal	£150.00
SCRAP METAL DEALER'S LICENCE	
Site licence - grant and renewal	£400.00
Site licence variation	£150.00
Collector's licence - grant and renewal	£400.00

LICENSING

Service	Charge for 2023/24
Collector's licence variation	£150.00
Replacement licence	£25.00

LICENSING

Service	Charge for 2023/24
GAMBLING	
Large Casino:	
Application fee	£10,000.00
Annual fee (within 30 days of issue and then on the anniversary)	£5,000.00
Fee for application to vary licence	£5,000.00
Fee for application to transfer a licence	£2,150.00
Fee for application for reinstatement of a licence	£2,150.00
Fee for application for provisional statement	£10,000.00
Converted casino premises licence:	
Annual fee (within 30 days of issue and then on the anniversary)	£2,000.00
Fee for application to vary licence	£1,500.00
Fee for application to transfer a licence	£1,000.00
Fee for application for reinstatement of a licence	£1,000.00
Bingo premises licence	
Application fee	£2,750.00
Annual fee (within 30 days of issue and then on the anniversary)	£750.00
Fee for application to vary licence	£1,300.00
Fee for application to transfer a licence	£900.00
Fee for application for reinstatement of a licence	£900.00
Fee for application for provisional statement	£2,750.00
Adult gaming centre premises licence:	
Application fee	£1,500.00
Annual fee (within 30 days of issue and then on the anniversary)	£750.00
Fee for application to vary licence	£750.00
Fee for application to transfer a licence	£900.00
Fee for application for reinstatement of a licence	£900.00
Fee for application for provisional statement	£1,500.00
Betting premises (track) licence	
Application fee	£1,800.00
Annual fee (within 30 days of issue and then on the anniversary)	£750.00
Fee for application to vary licence	£900.00
Fee for application to transfer a licence	£750.00
Fee for application for reinstatement of a licence	£750.00
Fee for application for provisional statement	£1,800.00
Family entertainment centre premises licence	
Application fee	£1,500.00
Annual fee (within 30 days of issue and then on the anniversary)	£500.00
Fee for application to vary licence	£750.00
Fee for application to transfer a licence	£750.00
Fee for application for reinstatement of a licence	£740.00
Fee for application for provisional statement	£1,500.00
Betting Premises (other) licences	
Application fee	£2,000.00
Annual fee	£540.00
Fee for application to vary licence	£1,100.00

LICENSING

Service	Charge for 2023/24
Fee for application to transfer a licence	£900.00
Fee for application for reinstatement of a licence	£900.00
Fee for application for provisional statement	£2,000.00
Other discretionary gambling fees	
Change of circumstance fee	£45.00
Copy of a licence	£22.50
Temporary Use Notice	£400.00
Endorsed copy of TUN	£45.00
Occasional Use Notice (no power to charge a fee)	no fee
Permit and Registration fees (prescribed):	
Family Entertainment Centre - 10 years from date of issue	
Application fee - Existing Operator	£100.00
Application fee - New Operator	£300.00
Renewal fee	£300.00
Change of name	£25.00
Copy of permit	£15.00
Prize Gaming Permit - 10 years from date of issue	
Application fee - Existing Operator	£100.00
Application fee - New Operator	£300.00
Renewal fee	£300.00
Change of name	£25.00
Copy of permit	£15.00
Alcohol Licensed Premises Gaming Machine Permit – in perpetuity	
Application fee - Existing Operator	£100.00
Application fee - New Operator	£150.00
Annual fee (within 30 days of issue and then on the anniversary)	£50.00
Variation	£100.00
Transfer	£25.00
Change of name	£25.00
Copy of permit	£15.00
Alcohol Licensed Premises Notifications – in perpetuity but a change in the Licensing Act 2003 premises licence will require a new notification	
Application fee	£50.00
Club Gaming and Club Machine Permits - existing holders of registrations or Club Premises Certificates - 10 years from date of issue	
Application fee	£100.00
Renewal fee	£100.00
Annual fee (within 30 days of issue and then on the anniversary)	£50.00
Variation	£100.00
Copy of permit	£15.00
Club Gaming and Club Machine Permits - all other cases - 10 years from date of issue	
Application fee	£200.00
Renewal fee	£200.00
Annual fee (within 30 days of issue and then on the anniversary)	£50.00

LICENSING

Service	Charge for 2023/24
Variation	£100.00
Copy of permit	£15.00
Small Society Lottery Registration – in perpetuity	
Application fee	£40.00
Annual fee	£20.00

LOCAL LAND CHARGES

Service	Charge for 2023/24
Full/Standard Search (LLC1+CON29R)	£92.00
Additional Parcel to a Full Search	£11.40
LLC1 Only	£20.00
Additional Parcel to an LLC1	£3.00
CON29R only (£60.00 plus VAT)	£72.00
Additional Parcel to a CON29R (£7.00 plus VAT)	£8.40
CON29O only - fee per question (£11.00 plus VAT)	£13.20
Copies - e.g., Enforcement Notices, Agreements, TPO's etc.	. £3.00

TUDOR HOUSE AND SEACITY MUSEUMS

	<u>SeaCity 2023/24 Prices</u>	<u>Tudor House 2023/24 Prices</u>	<u>Joint Venue Entry 2023/24 Prices</u>	<u>Joint Annual Pass 2023/24 Prices</u>
Entry Fees				
Adult Entry	£10.00	£6.50	£15.00	£41.00
Child Entry - 5 and over	£7.50	£5.50	£12.00	£32.00
Family Entry (2 adults + up to 3 children)	£31.00	£21.00	£46.00	£130.00
Senior entry (65+) + Student	£8.50	£6.00	£13.00	£36.00
Under 5s	Free	Free	Free	Free
Discount for Group (10 or more prebooked)	-£1.00	-£0.50	-£1.00	
Exhibition ticket only				
Adult Entry	£4.00			
Child Entry - 5 and over	£3.00			
Family Entry (2 adults + up to 3 children)	£12.00			
Senior entry (65+) + Student	£3.50			
Discount for Group (10 or more prebooked)	-£0.50			

MUSIC SERVICES

Service	Charge for 2023/24
Prepare2Play (including Ocarina)	£1,520.00
In2Music	£1,520.00
Additional year	£1,800.00
SoundBites	£1,520.00
Instrumental and Vocal Tuition (Individual / Small Group)	£1,800.00
Large Group Teaching	£1,520.00
Curriculum Teaching	
Per hour	£1,950.00
Per day	£9,750.00
Extra-Curricular and Music Technology Per Hour (30+ Sessions)	
Ensemble Leadership	£1,800.00
After-School and Percussion	From £1,000.00
Music Technology	From £500.00
Per term for direct charge to parent lessons	£115.00 - £175.00
Instrument loan to parents.	£40.00

OFF STREET PARKING

**Compton Walk - Long Stay, Bedford Place
Multi-storey, Kings Park Road, Southbrook
Road South & North, Gloucester Square,
Grosvenor Square Multi-storey**

Monday - Saturday 08:00 - 18:00

Sunday, Bank/Public Holiday 12:00 - 18:00

	2023/24 Charge
Up to 1 hour	£1.00
Up to 2 hours	£2.50
Up to 3 hours	£3.50
Up to 4 hours	£4.50
Up to 5 hours	£5.30
Up to 6 hours	£6.80
Up to 7 hours	£7.30
Over 7 hours	£8.00

West Park Road Multi-storey

Monday - Friday 08:00 to Midnight

	2023/24 Charge
Up to 2 hours	£2.50
Up to 3 hours	£3.50
Up to 4 hours	£4.50
Up to 5 hours	£5.00
Over 5 hours	£6.00

**Saturday 08:00 to Midnight, Sunday, Bank /
Public Holidays 12:00 - 18:00**

Up to 2 hours	£1.50
Up to 3 hours	£2.50
Over 3 hours	£4.00

OFF STREET PARKING

Marlands Multi-storey

Monday - Saturday 08:00 - 18:00, Sunday,
Bank / Public holidays 12:00 - 18:00

	2023/24 Charge
Up to 1 hour	£1.00
Up to 2 hours	£2.00
Up to 3 hours	£2.80
Up to 4 hours	£3.50
Up to 5 hours	£4.00
Up to 6 hours	£4.20
Up to 7 hours	£4.50
Over 7 hours	£5.00

Civic Centre Forecourt

Monday - Saturday 08:00 - 18:00, Sunday,
Bank / Public holidays 12:00 - 18:00

	2023/24 Charge
Up to half hour	£0.60
Up to 1 hour	£1.60
Up to 2 hours	£3.00

OFF STREET PARKING

Colonnade	2023/24 Charge
Up to 1 hour	£0.70
Up to 2 hours	£1.50
Up to 3 hours	£2.00
Up to 4 hours	£3.00
Over 4 hours	£5.00

Cemetery Road	2023/24 Charge
Monday to Friday 08:00 - 15:00 (free at weekends and bank/public holidays)	
Under 4 hours	Free
Over 4 hours	£6.00

Bevois Valley	2023/24 Charge
Up to 1 hour	£0.70
Up to 2 hours	£1.50
Up to 3 hours	£2.00
Up to 4 hours	£3.00
Over 4 hours	£5.00

Mayflower Park	2023/24 Charge
Sunrise to sunset	
2 hour	£2.00

OFF STREET PARKING

Harbour Parade	
Monday - Saturday 08:00 - 18:00	
Sunday, Bank/Public Holiday 12:00 - 18:00	
	2023/24
	Charge
Up to 1 hour	£1.10
Up to 2 hours	£2.00
Up to 3 hours	£3.40
Up to 4 hours	£4.30
Up to 5 hours	£5.10
Up to 6 hours	£6.40
Up to 7 hours	£7.00
Up to 10 hours	£7.50

The Quays North	
Monday - Saturday 08:00 - 18:00	
Sunday, Bank/Public Holiday 12:00 - 18:00	
Evening charge of £2 applies Monday to	
Saturday 18:00-midnight	
	2023/24
	Charge
Up to 1 hour	£1.00
Up to 2 hours	£2.50
Up to 3 hours	£3.50
Up to 4 hours	£4.50

OFF STREET PARKING

The Quays South

Monday - Saturday 08:00 - 18:00

Sunday, Bank/Public Holiday 12:00 - 18:00

Evening charge of £2 applies Monday to Saturday 18:00-midnight

	2023/24 Charge
Up to 1 hour	£1.00
Up to 2 hours	£2.50
Up to 3 hours	£3.50
Up to 4 hours	£4.50
Up to 5 hours	£5.30
Up to 6 hours	£6.80
UP to 7 hours	£7.30
Over 7 hours	£8.00

Eastgate Multi-storey

	2023/24 Charge
Up to 1 hour	£1.00
Up to 2 hours	£2.50
Up to 3 hours	£3.50
UP to 4 hours	£4.50
Over 4 hours	£5.00

James Street

Monday - Saturday 08:00 - 18:00

Sunday, Bank/Public Holiday 12:00 - 18:00

	2023/24 Charge
Up to 1 hour	£1.00
Up to 2 hours	£1.40
Up to 3 hours	£2.60
Up to 4 hours	£4.20
Over 4 hours	£5.50

ON STREET PARKING

Ordnance Road & Southampton St	
Weekdays	
	2023/24 Charge
Up to 2 hours	£2.00
Up to 4 hours	£4.00
Over 4 hours	£6.00
Weekend	
Up to 2 hours	£2.00
Up to 4 hours	£3.00
Over 4 hours	£5.00

Commercial Road	
Monday - Saturday 08:00 - 18:00, Sunday, Bank / Public holidays 12:00 - 18:00	
	2023/24 Charge
Up to half hour	£0.60
Up to 1 hour	£1.60
Up to 2 hours	£3.00

Wyndham Place	
Monday - Saturday 08:00 - 18:00, Sunday, Bank / Public holidays 12:00 - 18:00	
	2023/24 Charge
Up to half hour	£0.60
Up to 1 hour	£1.60
Up to 2 hours	£3.00

ON STREET PARKING

Oakbank Road

Monday to Saturday 08:00 to 18:00

	2023/24 Charge
Up to 2 hours	free
Up to 3 hours	£0.50
Up to 4 hours	£1.00
Up to 5 hours	£2.00
Over 5 hours	£5.60

Portsmouth Road

	2023/24 Charge
Up to 2 hours	Free
Up to 3 hours	£0.50
Up to 4 hours	£1.00
Up to 5 hours	£2.00
Over 5 hours	£5.60

ON STREET PARKING

Northam Road and Six Dials

Monday - Saturday 08:00 - 18:00, Sunday, Bank /
Public holidays 12:00 - 18:00

	2023/24 Charge
Up to 1 hour	£1.00
Up to 2 hours	£2.00
Up to 3 hours	£2.50
Up to 4 hours	£3.00
Up to 5 hours	£3.20
UP to 6 hours	£3.50
Up to 7 hours	£3.70
Over 7 hours	£4.20

Bond Street

	2023/24 Charge
Monday - Friday 08:00 - 18:00	
Up to 2 hours	£1.50
Up to 4 hours	£2.50
Over 4 hours	£3.50
Weekends	
Up to 2 hours	£2.00
Up to 4 hours	£5.00
Over 4 hours	£6.00

Albion Place

Monday - Saturday 08:00 - 18:00
Sunday, Bank/Public Holiday 12:00 - 18:00

	2023/24 Charge
Up to half hour	£0.60
Up to 1 hour	£1.60
Up to 2 hours	£3.00

ON STREET PARKING

Trinity Road

Monday - Saturday 08:00 - 18:00

Sunday, Bank/Public Holiday 12:00 - 18:00

	2023/24 Charge
Up to 1 hour	£1.00
Up to 2 hours	£2.00
Up to 3 hours	£2.50
Up to 4 hours	£3.00
Up to 5 hours	£3.20
Up to 6 hours	£3.50
Up to 7 hours	£3.70
Over 7 hours	£4.20

PARKING PERMITS

Service	Charge for 2023/24
Charges for resident and temporary residents' parking permits	
Zone number	First permit (12 months)
Zone 1-12	£30.00
Zone 13-14	Free
Zone 15-16	£30.00
Zone 17	£100.00
Zone 18	£60.00
Zone 20-22	£100.00
Zone 23	£60.00
Zone 26-27	£30.00
Zone number	Second permit (12 Months)
Zone 1-12	£30.00
Zone 13-14	Free
Zone 15-16	£30.00
Zone 17	Not eligible
Zone 18	Not eligible
Zone 20-22	Not eligible
Zone 23	Not eligible
Zone 26-27	£30.00
Zone number	Temporary permit
Zone 1-12	£15.00
Zone 13-14	Free
Zone 15-16	£15.00
Zone 17	£15.00
Zone 18	£15.00
Zone 20-22	£12.50
Zone 23	£15.00
Zone 26-27	£15.00
Season Tickets	
Off Street Anytime Season Ticket for city centre residents	
<u>Petrol / Diesel</u>	
6 months	£340.00
12 months	£650.00
<u>Electric</u>	
6 months	£34.00
12 months	£65.00
On Street Weekend Season Ticket for city centre residents	
<u>Petrol / Diesel</u>	
12 months	£300.00
<u>Electric</u>	
12 months	£30.00
Anytime On Street Season Ticket for city centre residents	
<u>Petrol / Diesel</u>	
6 months	£475.00
12 months	£900.00
<u>Electric</u>	
6 months	£47.50
12 months	£90.00
Anytime Season Ticket for everyone	
<u>Petrol / Diesel</u>	
3 months	£300.00
6 months	£575.00
12 months	£1,100.00
<u>Electric</u>	
3 months	£30.00
6 months	£57.50
12 months	£110.00

PEST CONTROL

Service	Charge for 2023/24
Rats, mice and squirrels	
Treatment	
Standard three visits	
Residential charge	£233.24
Residential on benefits in receipt of Council Tax or Housing Benefits	£209.92
Commercial charge including privately rented and HMOs	£243.85
Further additional visits booked within 21 days of the last visit	
Residential charge	£77.75
Residential on benefits in receipt of Council Tax or Housing Benefits	£69.98
Commercial charge including privately rented and HMOs	£81.28
Pest survey and report	
Treatment	
Commercial charge including privately rented and HMOs	£86.25
Bedbugs	
Treatment	
Residential charge	£541.53
Residents on benefits in receipts of Council Tax or Housing Benefit	£487.38
Commercial charge including privately rented and HMOs	£566.15
10% discounted rate for landlords of licensed HMO's	£526.77
3-4 bedroom dwelling	
Residential charge	£559.85
Residents on benefits in receipts of Council Tax or Housing Benefit	£503.87
Commercial charge including privately rented and HMOs	£585.30
10% discounted rate for landlords of licensed HMO's	£526.77
5-6 bedroom dwelling	
Residential charge	£577.06
Residents on benefits in receipts of Council Tax or Housing Benefit	£519.35

PEST CONTROL

Service	Charge for 2023/24
Commercial charge including privately rented and HMOs	£603.29
10% discounted rate for landlords of licensed HMO's	£542.96
Wasps	
Treatment	
Treatment:	
Residential charge	£127.49
Residential charge in receipt of Council Tax or Housing Benefits	£114.74
Commercial charge	£133.29
Removal of inactive nest (at service discretion):	
Residential charge	£82.50
Residential charge in receipt of Council Tax or Housing Benefits	£74.25
Commercial charge	£86.25
Fleas and carpet beetles	
Treatment	
1-3 bedroom:	
Residential charge	£84.37
Residential on benefits in receipt of Council Tax or Housing Benefits	£75.93
Commercial charge including privately rented and HMOs (includes premises to equivalent size of an average 3 bedroom house)	£88.21 (includes premises to equivalent size of an average two bedroom house)
10% discounted rate for landlords of licensed HMOs	£79.39
3-4 bedroom:	£89.82
Residential on benefits in receipt of Council Tax or Housing Benefits	£80.84

PEST CONTROL

Service	Charge for 2023/24
Commercial charge including privately rented and HMOs (includes premises to equivalent size of an average 3 bedroom house)	£93.90 (includes premises to equivalent size of an average four bedroom house)
10% discounted rate for landlords of licensed HMOs	£84.51
4-6 bedroom:	POA
Residential charge	POA
Residential on benefits in receipt of Council Tax or Housing Benefits	POA
Commercial charge including privately rented and HMOs (includes premises to equivalent size of an average 6 bedroom house)	POA
10% discounted rate for landlords of licensed HMOs	POA
Properties over 6 bedrooms	Assessed on quotation basis
Follow-up treatment (offered subject to advice from Pest Control Team. Must be requested within 21 days last treatment):	
Residential charge	Half charge of first treatment
Residential on benefits in receipt of Council Tax or Housing Benefits	Half charge of first treatment
Commercial charge including privately rented and HMOs	Half charge of first treatment
Other pests including cockroaches	
Treatment	
Treatment charge for a standard 3 visits. Please note additional visits will be required for heavier infestation. Operatives will advise customer during treatment process	
Residential charge	£347.74

PEST CONTROL

Service	Charge for 2023/24
Residential on benefits in receipt of Council Tax or Housing Benefits	£312.97
Commercial charge including privately rented and HMOs	£363.55
10% discounted rate for landlords of licensed HMOs	£327.20
Additional visits as required for Heavy infestations. Must be booked within 21 days of last treatment date to qualify for individual visit price	
Residential charge	£115.92
Residential on benefits in receipt of Council Tax or Housing Benefits	£104.33
Commercial charge including privately rented and HMOs	£121.19
1. All the above charges include a £50.00 visit charge. If the customer misses an appointment or they no longer require a treatment after a visit has been made, the service reserves the right to levy the visit charge	
2. The above domestic charges are for payments in advance of treatment. If a domestic customer wishes to pay after the treatment is complete or requires an invoice then an additional 10% charge will be levied	
3. Acceptable payment methods: Payment in advance via credit card or debit card. This service does not accept cash.	
4. Premiums (outside normal office hours, subject to staffing availability)	
- Weekdays (between 5pm and 8am) – Total cost plus 50%	
- Saturdays – Total cost plus 50%	
- Sundays – Total cost plus 100%	
Hygiene and disinfection service	
First Hour - plus materials and disposal	£187.50
Thereafter per operative per hour - plus materials and disposal	£93.75

PLANNING ARCHAEOLOGY

Service	Full charge, including production of a Brief - 2023/24	Charge where no Brief supplied - 2023/24
Written Brief for desk-based assessment Archaeological work relating to the planning process Preparation of written briefs, monitoring of archaeological work, and validation of documents All charges for briefs include validation of WSI, a single monitoring visit (or off-site monitoring via photos/email for watching briefs) and signing off the report. (No charges will be levied for work resulting from householder applications.)	£78.00	
<u>Central Southampton and Bitterne Manor - Local Areas or Archaeologically Potential 8 (all) and 11 (east of Itchen)</u>		
Evaluation & geophysical surveys:		
Site area <0.1ha	£237.60	£198.00
Site area 0.1 - 0.5ha	£316.80	£277.20
Site area >0.5ha	£475.20	£435.60
Excavations and/or mitigation (geo-archaeological work & watching briefs):		
Site area <0.1ha	£396.00	£356.40
Site area 0.1 - 0.5ha	£792.00	£712.80
Site area >0.5ha	£1,108.80	£950.40
Watching briefs (standalone):		
All sites	£237.60	£198.00
Building recording		
Single building	£277.20	£237.60
Multiple or complex buildings	£475.20	£435.60
Additional monitoring visits (charge per visit; usually weekly visits for evaluation, excavation and building recording projects and single visits for archaeological watching briefs) (including off-site monitoring via photos and email for watching briefs)	£152.40	£152.40
Monitoring post-excavation analysis (per meeting, or approval of assessment report)	£152.40	£152.40
Validating reports for publication	By negotiation	
<u>Other areas of Southampton</u>		
Evaluations & geophysical surveys		
Site area <0.3ha	£237.60	£198.00
Site area 0.3 - 1ha	£316.80	£277.20
Site area >1ha	£475.20	£435.60

PLANNING ARCHAEOLOGY

Service	Full charge, including production of a Brief - 2023/24	Charge where no Brief supplied - 2023/24
Excavations and/or mitigation (geo-archaeological work & watching briefs)		
Site area <0.3ha	£396.00	£356.40
Site area 0.3 - 1ha	£792.00	£712.80
Site area > 1ha	£1,108.80	£950.40
Watching briefs (standalone)		
All sites	£237.60	£198.00
Building recording		
Single building	£277.20	£237.60
Multiple or complex buildings	£475.20	£435.60
Additional monitoring visits (charge per visit; usually weekly visits for evaluation, excavation and building recording projects and single visits for archaeological working briefs) (including off-site monitoring via photos and email for watching briefs)	£152.40	£152.40
Monitoring post-excavation analysis (per meeting, or approval of assessment report)	£152.40	£152.40
Validating reports for publication	By negotiation	By negotiation
Monitoring and report approval - where a written brief and/or WSI was already in place when charges were introduced. (This charge will apply in most cases but will not be levied for smaller sites if the contractor cannot pass on the charge to the developer.)	75% of full fee for Brief/WSI package	75% of full fee for Brief/WSI package
Report approval - where a brief and/or WSI was already in place and fieldwork completed when charges were introduced. (This charge will apply in most cases but will not be levied for smaller sites if the contractor cannot pass on the charge to the developer.)	50% of full fee for Brief/WSI package	50% of full fee for Brief/WSI package
<u>Archaeological work relating to utilities and other projects outside the planning system</u>		
Preparation of written briefs, monitoring of archaeological work, and validation of documents		
Charges will apply on a case-by-case basis depending on the location, size and extent of the project. (We also offer a consultancy service to utility companies and statutory agencies. See HER User Guidelines and Charges sheet for details of this.)	By negotiation	By negotiation

PLANNING ARCHAEOLOGY

Service	Full charge, including production of a Brief - 2023/24	Charge where no Brief supplied - 2023/24
<p>Fast track service (Briefs and WSI approval) (Please check whether this service is available)</p> <p>Rechecking of poorly written or highly inaccurate WSIs, DBAs and reports (Additional charge for approval)</p> <p>Unsolicited reports (Archaeological work that takes place without Planning Archaeologist being consulted and with no approved WSI in place)</p> <p>The charges for preparation of briefs include validation of a written scheme of investigation or proposal from a single contractor. Validation of proposals from more than one contractor will be subject to an additional charge.</p> <p>Briefs are valid for work starting within six months of the date of the brief. If there has been no material change a brief can be reissued for a further six-month period. This will be charged at 15% of the original charge for the brief.</p>	<p>Additional 50% on top of above fees £66 per hour</p> <p>£720.00</p>	<p>Additional 50% on top of above fees £66 per hour</p>

PORT HEALTH

Service	Charge for 2023/24
CONSIGNMENTS OF ANIMAL ORIGIN OTHER THAN NEW ZEALAND	
Minimum charge 0-6 tonnes	£57.84
7-46 tonnes	£9.64
Maximum charge 46 tonnes +	£443.44
CONSIGNMENTS OF ANIMAL ORIGIN FROM NEW ZEALAND	
Minimum charge 0-6 tonnes	£44.76
7-46 tonnes	£7.46
Maximum charge 46 tonnes +	£343.16
LATE PRE-NOTIFICATION CHARGE	
Applicable to CHED P's, CHED D's, PDD's and Organic certification received.	£64.50
HIGH RISK FOOD/FEED PRODUCTS UNDER REGULATION 2019/1793	
Documentary check (per CHED-D)	£68.00
Full turn out fee	£304.50
Part turn out fee	£138.50
ORGANIC CERTIFICATION	
Charge per consignment/certificate to authorise the importation of organic food from third countries	£47.25
National Rate Movement Control Order	£132.00
NON MANIPULATION CERTIFICATES	
Charge per consignment to issue a non-manipulation certificate for exports under Regulation 852/2004.	£76.00
IUU CERTIFICATES VERIFICATION FOR USA, CANADA & NEW ZEALAND	
(CVED/CHED-P)	£33.50
Up to 10 certificates per consignment (CVED/CHED-P)	£48.00

PORT HEALTH

Service	Charge for 2023/24
Up to 20 certificates per consignment (CVED/CHED-P)	£62.00
Over 20 certificates per consignment (CVED/CHED-P)	£75.50
IUU CERTICATES VERIFICATION FOR OTHER COUNTRIES THAN USA, CANADA AND NEW ZEALAND	
Up to 5 certificates per consignment (CVED/CHED –P)	£53.50
Up to 10 certificates per consignment (CVED/CHED –P)	£82.00
Up to 20 certificates per consignment (CVED/CHED –P)	£93.50
Over 20 certificates per consignment (CVED/CHED –P)	£107.00
CHINESE PLASTICS PER PDD	
Chinese kitchenware under Commission Regulation (EU) No. 284/2011. This charge will be in addition to the Analytical sampling cost.	
Number of Analytical Certificates Charge	
1 to 5	£68.00
6 to 10	£73.50
11 to 20	£102.00
21+	£127.00
ISSUE OF A SHIP SANITATION CERTIFICATE AS PER THE PUBLIC HEALTH (SHIPS) REGULATIONS 1979	
Ships up to 1,000 gross tonnes	£125.00
Ships from 1,001 to 3,000 gross tonnes	£170.00
Ships from 3,001 – 10,000 gross tonnes	£250.00
Ships from 10,001 – 20,000 gross tonnes	£325.00
Ships from 20,001 – 30,000 gross tonnes	£415.00
Ships over 30,000 gross tonnes (see exception below)	£480.00

PORT HEALTH

Service	Charge for 2023/24
Ships with the capacity to carry between 50 – 1,000 persons	£480.00
Ships with the capacity to carry over 1,000 persons	£820.00
Issue of ship sanitation extension	£95.00
SHIPS' POTABLE WATER SAMPLING CHARGES	
Bacteriological Analysis	£132.00
Legionella Analysis	£154.00
Chemical Analysis	POA
Courier Water Sample Collection Charge	£50.00
DISPOSAL COSTS	
(Charges for the disposal by Southampton Port Health of illegal imported food from third countries)	
Up to 10kgs	£102.00
10 – 19 kgs	£114.50
20 – 29 kgs	£127.00
30 – 39 kgs	£139.00
40 – 50 kgs	£149.00
51 – 100 kgs	£209.00
NON –COMPLIANT CONSIGMENTS	
Applies to Products of Animal Origin, High Risk Food & Feed products, Japanese Food & Feed, & Chinese and Hong Kong Plastic Kitchenware Consignments.	£132.00
Supervision of the De-vanning of Containers.	£304.50
REFUND OF PHILIS PRE-PAYMENT ACCOUNT BALANCE	
Administration Charge	£30.50
PORT HEALTH STAFF - HOURLY RATE	
Manager	£80.58

PORT HEALTH

Service	Charge for 2023/24
OV/Port Health Officer/Import Control Assistant.	£50.88

REGISTRATION SERVICES

Service	Charge for 2023/24	Charge for 2024/25
Attendance at Marriage / Civil Partnership / Conversion Ceremonies at Westgate Hall		
Monday – Thursday	£425.00	£468.00
Friday	£525.00	£578.00
Saturday	£625.00	£688.00
Sunday & Bank Holiday	£725.00	£798.00
Attendance at Marriage / Civil Partnership / Conversion Ceremonies at at external approved		
Monday – Thursday	£410.00	£451.00
Friday	£500.00	£550.00
Saturday	£565.00	£622.00
Sunday & Bank Holiday	£615.00	£677.00
Attendance at Marriage / Civil Partnership / Conversion Ceremonies at Golden Jubilee		
Monday – Thursday	£268.00	£268.00
Friday	£358.00	£394.00
Saturday	£408.00	£449.00
Sunday & Bank Holiday	£538.00	£592.00
Attendance at Marriage / Civil Partnership / Conversion Ceremonies at Magnolia Room		
Monday – Thursday	£200.00	£220.00
Friday	£230.00	£253.00
Saturday	£250.00	£275.00
Sunday & Bank Holiday	N/A	N/A
Attendance at Marriage/Civil Partnership/Conversion Ceremonies at Civic Centre (Mayor's		
Monday – Thursday	£445.00	£490.00
Friday	£575.00	£633.00
Saturday	£675.00	£743.00
Sunday & Bank Holiday	£775.00	£853.00
Tudor House Micro ceremonies		
Friday (Basic ceremony between 10.00am and 2.30pm for 2 guests (witnesses) 6-8 week trial (start date tbc -covid)	£150.00	TBC
Statutory Office		
This room is limited to the couple and two adult witnesses only. This is a small working office and is designed for couples who wish to complete the legal paperwork only. There is no room for additional guests and no music or photographs are permitted.	£68.00	£68.00
Registrar to attend a religious building		

REGISTRATION SERVICES

Service	Charge for 2023/24	Charge for 2024/25
Church/religious premises	£108.00	£108.00
Misc		
Evening Fee to be added to all basic ceremony fees for ceremonies at 17.00hrs – 22.00hrs	£150.00	£150.00
Advance meeting for personalisation of ceremonies (30 minutes)	£40.00	TBC
Advance meeting for personalisation of ceremony (60 minutes)	£70.00	TBC
Commemorative Certificates (all services)inc VAT	£5.00	£5.00
Premium Notice Supplement (per individual / non-refundable)	£10.00	£10.00
Follow up Notice Appointment for additional documents (per person) or Non Attendance	£35.00	£35.00
Fee for licensing of Approved Premises for marriages or civil partnerships	£1,500.00	£1,500.00
No restriction on number of rooms	£1,500.00	£1,500.00
Amendment to licence (Name of building or responsible person	£40.00	£40.00
Celebratory Services:		
Naming ceremonies (one child), Renewal of wedding vows, Commitment ceremonies includes commemorative certificate		
Westgate Hall		
Monday to Thursday	£425.00	£468.00
Friday	£525.00	£578.00
Saturday	£625.00	£688.00
Sunday & Bank Holidays	£725.00	£798.00
Golden Jubilee Room/ Bugle Street		
Monday to Thursday	£268.00	£268.00
Friday	£358.00	£394.00
Saturday	£408.00	£449.00
Sunday & Bank Holidays	£538.00	£592.00
External approved premises		
Monday to Thursday	£410.00	£451.00
Friday	£500.00	£550.00
Saturday	£565.00	£622.00
Sunday & Bank Holidays	£615.00	£677.00
Civic Centre Mayor's Parlour/Mayor's Chamber/Civic Balcony/Council Chamber/Committee		
Monday to Thursday	£445.00	£490.00
Friday	£575.00	£633.00

REGISTRATION SERVICES

Service	Charge for 2023/24	Charge for 2024/25
Saturday	£675.00	£743.00
Sunday & Bank Holidays	£775.00	£853.00
Each Additional Child (Naming Ceremony) inc	£40.00	£40.00
Premises Risk Assessment Inspection for Non-Statutory Ceremonies (all ceremonies) inc vat	£200.00	£200.00
PD2 Form (passport change of name form prior to marriage)	£15.00	£15.00
Confetti inc vat	£1.00	£1.00
Provisional bookings		
A non-refundable provisional booking fee is chargeable in addition to the fee for the ceremony. This fee applies to all ceremonies: Marriage, Civil Partnership and Celebratory Ceremonies (Naming, Renewal of Vows, and Commitment).	£70.00	TBC
Provisional Booking Amendment Fee	£35.00	£35.00
Ceremony Cancellation Fee & Policy	Full	Full
3 calendar months written notice	50% refund	50% refund
2-3 calendar months written notice	No refund	No refund
Less than 1 calendar month written notice (or	No refund	No refund
Late Cancellation (less than 7 days) / Non	No refund	No refund
Non-Standard group citizenship ceremonies – individual ceremonies		
During office hours (Monday to Friday)	£99.00	£110.00
Saturday	£150.00	£150.00
Cancellation/Non-attendance fee – in the event of a cancellation or non-attendance 50% of the fee paid in advance for the service will be retained provided 7 days notice is given	50% of fee paid – less £35 admin fee	50% of fee paid – less £35 admin fee
Late Cancellation(less than 7 days) /Non	No refund	No refund
Rescheduling of a Group or Private Ceremony	£35.00	£35.00
Commemorative Medals inc vat	£20.00	£20.00
Certificates		
Commemorative marriage/civil partnership	£5.00	£5.00
Extended Certificate Searches 5-10 years	£10.00	£10.00
Postage & Handling Fee for bulk orders/signed for:-		
- UK	£3.00	£3.00
- Abroad(track and trace)	£8.00	£8.00
Scanning of certificates before postage		
- Training Packages for other Registration Districts – daily rate for classroom training	£5.00	£5.00

REGISTRATION SERVICES

Service	Charge for 2023/24	Charge for 2024/25
Ceremonies Brochure + vat		
Advertising in two-year printed brochure –		
- Full page advertorial or advert	£1,300.00	£1,300.00
- Half page landscape	£800.00	£800.00
- Quarter page portrait	£450.00	£450.00
- Eighth page landscape	£250.00	£250.00
Webpage advertising per 6 months + vat (pilot)		
Basic – 1 photo/link to website/contact details	£60.00	£60.00
Standard -5 photos /link to website/contact details and 150 characters (VTS to confirm)	£80.00	£80.00

ROOM HIRE

Service	Charge for 2023/24
Room hire	
Space	
Meeting room hire (ad hoc basis)	£15.00
	£45.00
	£90.00
Meeting room hire (regular bookings)	£12.00
	£36.00
	£72.00
Learning Centre hire	£30.00
	£90.00
	£150.00
Out of hours meeting room hire (on application only)	£25.00

SECTION 106 MONITORING CHARGES

Service	Charge for 2023/24
Dev Mgt S106 Monitoring Charge	£289 per head of terms
Dev Mgt S106 Discharge of Obligation	£116

STREET NAMING AND NUMBERING

Activity	Charge for 2023/24
New development of 2 - 5 plots	£200.00
New development/phases of 6 - 20 plots	£200.00 + £10.00 per property
New development/phases of 21 - 100 plots	£400.00 + £5.00 per property
New development/phases of 100+ plots	£950.00
Naming of a new block of flats/building	£200.00 + £10.00 per property
New postal address for an individual property, annexe or change/addition of a house name	£100.00
Change to new addresses due to the development changing after the schedule has been issued	£15.00
Research archive for address history	£100.00
Renaming of an existing street	£200.00 + £5.00 per property

VALUATIONS AND ESTATES

Service	Charge for 2023/24
Council Estate Shops	
Assignments	£350.00
New Lettings – suggested fee if sought (fees will not ordinarily be sought on open market lettings)	£350.00
Lease Variations	£250.00
Lease Restructures	N/A
Ground Landlord Consents	£250.00
Freehold Sales (fees will not ordinarily be sought on open market sales)	N/A
Commercial Rd & Queensway Shops	
Assignments	£350.00
New Lettings – suggested fee if sought (fees will not ordinarily be sought on open market lettings)	£350.00
Lease Variations	£350.00
Lease Restructures	N/A
Ground Landlord Consents	£300.00
Freehold Sales (fees will not ordinarily be sought on open market sales)	N/A
Other City Centre Areas	
Assignments	£600.00
New Lettings – suggested fee if sought (fees will not ordinarily be sought on open market lettings)	£600.00
Lease Variations	£500.00
Lease Restructures	£1,200.00
Ground Landlord Consents	£600.00
Freehold Sales (fees will not ordinarily be sought on open market sales)	As agreed on case by case basis
Industrial Premises	
Assignments	£600.00
New Lettings – suggested fee if sought (fees will not ordinarily be sought on open market lettings)	£600.00
Lease Variations	£500.00
Lease Restructures	£1,200.00
Ground Landlord Consents	£600.00
Freehold Sales (fees will not ordinarily be sought on open market sales)	As agreed on case by case basis
Charities & Social Groups	
Assignments	£100.00
New Lettings – suggested fee if sought (fees will not ordinarily be sought on open market lettings)	£100.00
Lease Variations	N/A
Ground Landlord Consents	£75.00
Householders	
Ground Landlord Consents	£75.00
Freehold Sales (fees will not ordinarily be sought on open market sales)	N/A
“Garden Land” Sales	£400 plus £100 admin fee
Freehold Reversions (Houses)	£400
Lease Extensions of Flats	£450
Variation of Restrictive Covenants (Houses)	Sold under RTB - £300
Variation of Restrictive Covenants (Houses)	Not sold under RTB - £800

WASTE SERVICES

Service	Charge for 2023/24
Commercial Waste	
Charges for containers on new developments	
Glass box	£12.00
140 litre bin	£35.00
240 litre bin	£47.00
360 litre bin	£70.00
660/1100 litre container	£285.00
Replacing lost or stolen general waste (green lidded) bin - to cover cost of admin & delivery	
140 litre bin	£30.00
240 litre bin	£40.00
360 litre bin	£50.00
Garden waste collection subscription - Online discounted rate (before 1 April 2022)	
Sacks (qualifying properties only)	£57.80
140-litre bin (small, for customers who already have 140-litre bin only)	£52.30
240-litre bin (standard)	£55.00
360-litre bin (large, for customers who already have 360-litre bin only)	£77.00
Garden waste collection subscription - Direct Debit discounted rate (before 25 February 2022 - for new customers)	
Sacks (qualifying properties only)	£52.80
140-litre bin (small, for customers who already have 140-litre bin only)	£47.30
240-litre bin (standard)	£50.00
360-litre bin (large, for customers who already have 360-litre bin only)	£72.00
Garden waste collection subscription - Standard rate (from 1 April 2022)	
Sacks (qualifying properties only)	£57.80
140-litre bin (small, for customers who already have 140-litre bin only)	£52.30
240-litre bin (standard)	£55.00
360-litre bin (large, for customers who already have 360-litre bin only)	£77.00

WASTE SERVICES

Service	Charge for 2023/24
Garden waste collection subscription - 1/2 year Subscription (from 15 August 2022)	
Sacks (qualifying properties only)	£28.90
140-litre bin (small, for customers who already have 140-litre bin only)	£26.15
240-litre bin (standard)	£27.50
360-litre bin (large, for customers who already have 360-litre bin only)	£38.50
Bulky Waste Collections (large household items which cant be disposed of through domestic waste collections.	
Standard	£10.00
Large (L)	£20.00
Extra Large (X)	£30.00
Trade Waste	
Residual No DD	
Sacks	£4.19
240-litre	£12.55
360-litre	£15.06
660-litre	£19.69
1100-litre	£23.59
Residual With DD	
Sacks	£4.00
240-litre	£12.29
360-litre	£14.61
660-litre	£19.12
1100-litre	£22.83
Recycling & Glass	
Sacks	£2.56
240-litre	£8.27
360-litre	£9.28
660-litre	£10.53
1100-litre	£11.79
Pods	£8.34

WASTE SERVICES

Service	Charge for 2023/24
Chargeable household	
Residual	£10.91
Recycling	£7.70
Pre Paid Sacks pre bag	
Residual	£3.56
Recycling	£2.43
Pre Paid Sacks roll 25	
Residual	£89.00
Recycling	£60.75
Brokers - 10% - Greenzone, WMF, 1st Waste, TJs	
Residual	
Sacks	£3.77
240-litre	£11.30
360-litre	£13.55
660-litre	£17.72
1100-litre	£21.23
Recycling & Glass	
Sacks	£2.30
240-litre	£7.44
360-litre	£8.35
660-litre	£9.48
1100-litre	£10.61
Pods	£6.77
GO Southampton	
Recycling & Glass	
240-litre	£4.13
360-litre	£4.63
660-litre	£5.26
1100-litre	£5.89
Pods	£4.17

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Cost Control Measures

Directorate	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000
Children & Learning	(4,489)	(4,699)	(4,265)	(4,250)
Corporate Services	(1,272)	(893)	(825)	(631)
Place	(1,449)	(1,449)	(1,449)	(1,449)
Strategy & Performance and CEO	(53)	(53)	(53)	(53)
Wellbeing & Housing	(1,620)	(1,580)	(1,580)	(1,580)
Centrally Held Budgets	(200)	(351)	(307)	(480)
Total	(9,083)	(9,025)	(8,479)	(8,443)

Portfolio	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000
Adult, Health & Housing	(1,580)	(1,580)	(1,580)	(1,580)
Children & Learning	(4,489)	(4,699)	(4,265)	(4,250)
Communities & Leisure	(131)	(16)	(16)	(16)
Economic Development	(18)	(72)	(72)	(72)
Environment & Transport	(716)	(661)	(661)	(661)
Finance & Change	(1,277)	(1,003)	(985)	(791)
Leader	(525)	(553)	(553)	(553)
Safer City	(55)	0	0	0
Non-Portfolio	(290)	(441)	(347)	(520)
Total	(9,083)	(9,025)	(8,479)	(8,443)

CHILDREN & LEARNING

Description	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000
Virtual school, do not recruit to vacant post	(44)	(44)	(44)	(44)
Change to Focus School Improvement Funding	(42)	0	0	0
Virtual School - Utilise additional funding	(15)	(15)	(15)	0
Music Service income increase	(15)	(15)	(15)	(15)
Not use surplus from Holiday Activities Fund	(7)	(7)	0	0
Change to Maximise impact of Family Hubs grant	(419)	(419)	0	0
Non recruitment of vacant posts within SEND	(59)	(89)	(89)	(89)
Change to reduction in training and conference costs	(21)	0	0	0
Early saving from moving to Family Safeguarding Model	(72)	(144)	(144)	(144)
Change to Fostering and Adoption Service redesign	(107)	(107)	(107)	(107)
Safeguarding Service redesign	(88)	(176)	(176)	(176)
Quality Assurance Unit redesign	(87)	(174)	(174)	(174)
Language Service redesign.	(19)	(19)	(19)	(19)
Reduce music service management costs	(23)	(23)	(23)	(23)
Holiday Activities and Food efficiencies	(13)	(8)	0	0
Cease outsourced contacts	(47)	(47)	(47)	(47)
Change to Rigorously monitor claims to Home Office to support increased number of UASC.	(211)	(211)	(211)	(211)
Bring ADM (Agency Decision Maker) role in house	(7)	(7)	(7)	(7)
Children & Learning - average 31 agency staff for the whole of 23/24	(2,628)	(2,628)	(2,628)	(2,628)
Cease Tripod costs (re: overseas recruitment)	(390)	(390)	(390)	(390)
Cease Consultancy costs	(176)	(176)	(176)	(176)
Total	(4,489)	(4,699)	(4,265)	(4,250)

CORPORATE SERVICES

Description	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000
Added years pensions adjustment	(230)	(212)	(194)	0
Amend staff time charging	(12)	(12)	(12)	(12)
Charge various grants for finance staff time including overheads	(25)	0	0	0
Charge Finance Business Partner work on school improvement to the associated grant	(5)	0	0	0
Unallocated receipts over 2 years old, credited as a saving (budget held centrally)	(10)	(10)	0	0
Low claims rebate on property insurance	(28)	0	0	0
Staff changes in Insurance Team	(5)	0	0	0
Reduction in insurance premiums	(30)	0	0	0
Slippage factor (C £2M) for capital programme - reduction in capital financing costs (budget held centrally)	(80)	(80)	(40)	(40)
Reduction in bad debt provision general debt (NB 22/23)	(150)	0	0	0
Reduction in investment property bad debt provision (NB 22/23)	(72)	0	0	0
Legal Service removal of 1 Apprentice Legal Services Officer post	(15)	(15)	(15)	(15)
Legal Service removal of 1 Childcare Solicitor post	(65)	(65)	(65)	(65)
Legal Service S106 income increase	(15)	(15)	(15)	(15)
Recharge work on capital projects by Supplier Management to the capital programme	(31)	(46)	(46)	(46)
Find and fix rebate from Balfour Beatty	(29)	0	0	0
Recovery of funding paid on account (Leisure)	(75)	0	0	0
Support Services - Delete vacancy (Grade 10)	(60)	(60)	(60)	(60)
Facilities Management - Centralisation of cleaning	(20)	(20)	(20)	(20)
Facilities Management remove vacant cleaner post	(20)	(20)	(20)	(20)
Facilities Management - changes to building security arrangements	(5)	(15)	(15)	(15)
Customer Experience - automation of processes	(19)	(37)	(37)	(37)
Customer Ops - Deletion of citizen service apprentice post	(26)	(26)	(26)	(26)
HR & OD - Organisational Design Officer Grade 8 0.4 FTE vacancy removed	(19)	(19)	(19)	(19)
HR & OD - Payroll and Pensions Admin Assistant Grade 6 1 FTE vacancy removed	(35)	(35)	(35)	(35)
HR & OD - HR Business Partner Grade 10 post seconded to transformation	(60)	0	0	0
HR & OD - Further reduce Organisational Design budget for management development	(6)	(6)	(6)	(6)
Reduction in Mobile Phone costs	(125)	(200)	(200)	(200)
Total	(1,272)	(893)	(825)	(631)

PLACE

Description	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000
Reduction in museums rateable value	(225)	(225)	(225)	(225)
Golf Course - increased income from change in VAT treatment	(120)	(120)	(120)	(120)
Off Street Parking - Increased income position based on prior year outturn	(250)	(250)	(250)	(250)
Vacancy saving in Environmental Health	(10)	0	0	0
Rebased waste income budgets for recycling (Dry Mixed Recyclables & Glass)	(200)	(200)	(200)	(200)
Bus Shelter Advertising Income from profit share	(60)	(60)	(60)	(60)
Align Dial A Ride Service budget to current provision	(25)	(25)	(25)	(25)
Vacancy saving in Bereavement Services	(16)	(16)	(16)	(16)
Absorb additional food safety inspections within existing budget	(45)	0	0	0
Vacancy saving in Estates Regeneration	(18)	(72)	(72)	(72)
Vacancy saving in Libraries (non-frontline)	(5)	(5)	(5)	(5)
Increase income by Archaeology Unit	(134)	(134)	(134)	(134)
Reduce Events (subscriptions) Budget	(14)	(14)	(14)	(14)
Delete Strategic Projects Budget	(46)	(50)	(50)	(50)
Increase income generation in museums and gallery	(48)	(72)	(72)	(72)
Integrated Transport - FTE reduction and maximise recharge for work on capital projects	(58)	(88)	(88)	(88)
Integrated Transport - Reduced Studies Budget	(43)	(43)	(43)	(43)
Reduction in concessionary fares budget in 23/24 to reflect forecast spend	(59)			
Flood Risk Management - Service Reduction	(60)	(60)	(60)	(60)
Bus Stop Maintenance Budget - fund from capital not revenue	(12)	(15)	(15)	(15)
Total	(1,449)	(1,449)	(1,449)	(1,449)

STRATEGY & PERFORMANCE AND CHIEF EXECUTIVE'S OFFICE

Description	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000
Reduction to Leader's budget	(53)	(53)	(53)	(53)
Total	(53)	(53)	(53)	(53)

WELLBEING & HOUSING

Description	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000
Stronger Communities Holding vacant posts	(40)			
Savings arising from negotiations on inflationary uplift applied to care provision costs	(1,380)	(1,380)	(1,380)	(1,380)
Wellbeing & Housing agency review	(200)	(200)	(200)	(200)
Total	(1,620)	(1,580)	(1,580)	(1,580)

CENTRALLY HELD BUDGETS

Description	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000
Reduction/Rephasing of capital programme	(200)	(351)	(307)	(480)
Total	(200)	(351)	(307)	(480)



PROCUREMENT AND CONTRACT MANAGEMENT STRATEGY 2023-2026

Executive Summary.

This Procurement and Contract Management Strategy (“the Strategy”) sets out the council’s approach to procuring (or buying) goods, services and works over the next three years and managing the subsequent contracts, taking into consideration the latest government procurement legislation and initiatives as well as the council’s own aims and objectives. This Strategy is designed to promote effective and efficient procurement and contract management across the whole council and is designed to ensure that there is a consistent and comprehensive approach in respect of the council’s third party expenditure.

The council recognises that an effective procurement and contract management strategy is key to achieving organisational success because it:

- has a direct impact on the council’s finances including spend, savings, the ability to achieve value for money and the cost-of-service provision within our city.
- helps to shape the delivery of the services that we provide to our residents, communities and customers.
- supports the delivery of other key national and local policy objectives such as the Public Services (Social Value) Act 2012, the National Procurement Priorities, the [Southampton City Council First](#) (“SCC First”) policy, the use of local suppliers, the [Social Value and Green City Procurement policy](#) and the Charter Against Modern Slavery.
- operates within a complex regulatory framework to which the council must adhere.

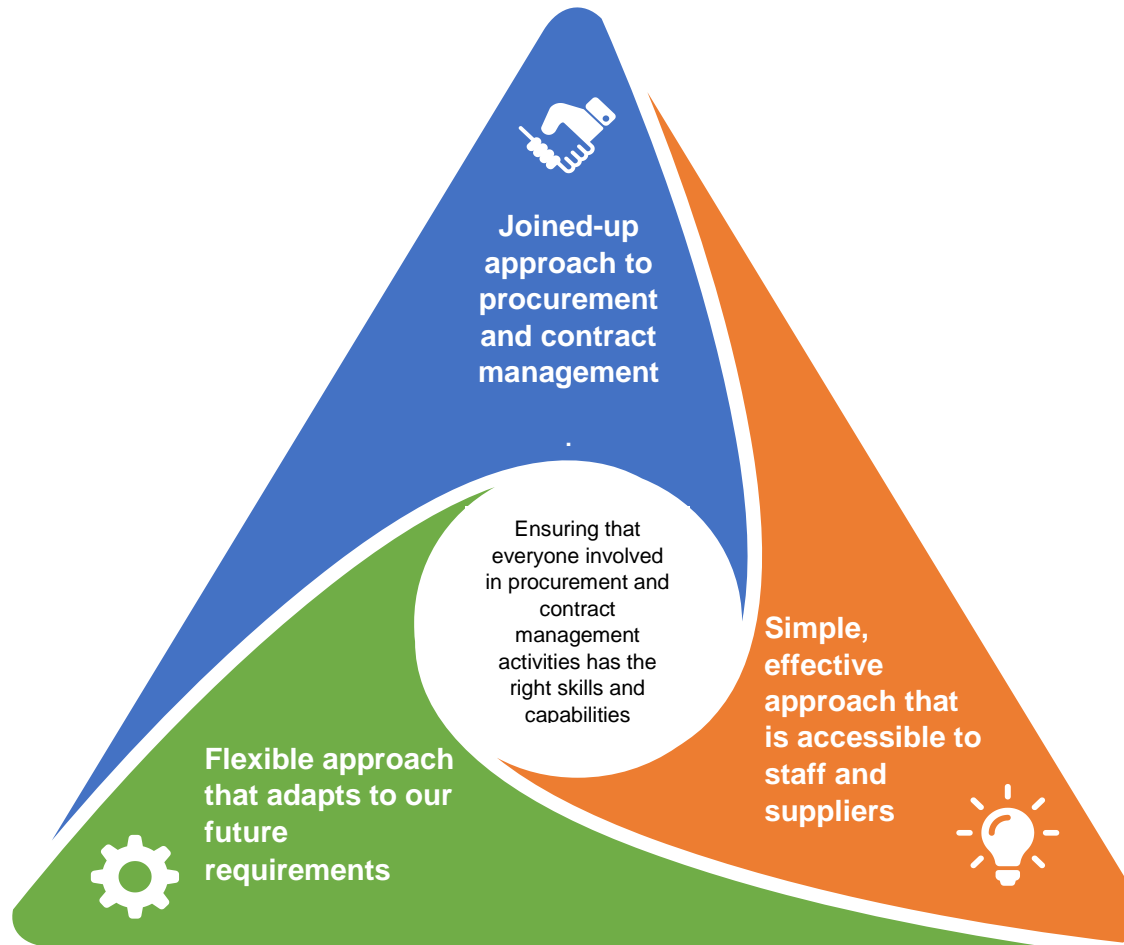
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This Strategy applies to all buying activities undertaken by the council, which is also often referred to as procuring, purchasing, contracting, outsourcing or other service delivery models and is often part of a strategic commissioning approach. To ensure we achieve best value and maximise income (where appropriate) from all of our third-party contracting relationships, this Strategy also applies to contracts where the council does not make payment in return for goods, services or works and/or when council revenue is produced from contracts (including Concession Agreements).

The Procurement Bill (2022) is nearing completion of its passage through Parliament. When it achieves Royal Assent, the new Procurement Act shall be reviewed against this Strategy to ensure that the Strategy remains fit for purpose.

Our Vision.

Our vision is to be a modern, sustainable council with a forward-thinking procurement approach that is accessible to suppliers, consistently provides value for money, is compliant with relevant legislation, ensures risks are managed and results in excellent services and outcomes for our customers.



Our Approach.

The purpose of the Strategy is to set the overall context for procurement and contract management in the council over the next three years, incorporating the latest procurement legislation, government initiatives and the council's priorities, aims and objectives. The Strategy is underpinned by the council's Contract Procedure Rules (CPRs) and Financial Procedure Rules (FPRs) and ensures due compliance and consideration of the Public Contracts Regulations 2015 (PCR 2015), the Concession Contract Regulations 2016, the National Procurement Priorities, the Social Value (Public Services) Act 2012 and other associated legislative requirements.

All buying activity undertaken by the council must adhere to the public procurement principles of equality of treatment for all suppliers, non-discrimination, transparency, mutual recognition and proportionality whilst also delivering value for money for the council and our customers and the Council also intends to use its buying activity to help support the local economy.

When procuring new or renegotiating current contracts, as well as achieving objectives on behalf of our customers we aim to achieve benefit for our suppliers and the city as a whole. Where possible, rather than specifying how a supplier should meet our needs, we enter into contracts which describe the required outcomes, which can incentivise suppliers to share risks and benefits with us. Our procurement approach promotes fair employment practices (including the payment of the Real Living Wage) and, where legislation permits and it is appropriate for the requirement, we incorporate social value related commitments within our contracts. We undertake joint commissioning with partners such as the NHS Integrated Care Board where appropriate.

Focus.

The Strategy for 2023-2026 comprises four principal priorities which shall underpin the procurement and contract management process and be embedded in the way we procure our goods, services and works contracts to support the council's aspirations as set out in its Corporate Plan.

Simple; *Delivering a joined-up approach to procurement and contract management will:*

- Allow greater oversight and transparency of contractual relationships, including performance and compliance monitoring;
- Maximise best value through effective procurement and contract management; and
- Help to foster contractual relationships which result in mutual commercial benefits.

Accessible; *Delivering a simple, agile procurement and contract management service that is accessible to staff and suppliers will:*

- Ensure that our staff and suppliers understand and can access our services;
- Result in compliance with our processes; and
- Promote equality of opportunity for suppliers to bid to increase the numbers of local suppliers and/or those from SMEs and the voluntary sector.

Forward thinking; *Delivering a flexible approach to procurement that adapts to our future requirements will:*

- Allow us to take an outcome-driven approach to meeting our requirements, ensure that contracts are flexible to allow for the changing needs of our customers and take advantage of new opportunities and innovation in a time of fast-paced change.

Skills and Capabilities; *Ensuring that everyone involved in procurement and contract management activities has the right capabilities to support the delivery of this Strategy will:*

- Ensure the council has appropriate procurement and contract management skills and capabilities to enable money to be spent effectively and efficiently; and
- Ensure that existing and prospective suppliers have the right skills and capabilities to bid for the council's contracts and recognise the importance of this to help us deliver the aspirations of this Strategy.

Setting the Scene.

The importance of effective and efficient public procurement has been highlighted by the COVID-19 pandemic and it can play a significant role in the city's economic development and recovery. The economic landscape has changed significantly due to the impacts of the pandemic and, more recently the current cost-of-living crisis, and it has never been more important to ensure our local businesses are supported and that the council continues to procure good value and good quality contracts to deliver better outcomes for local people and the city. Through the delivery of this Strategy, we will, in particular, support local (including Small and Medium Enterprises ("SMEs")) and suppliers to access council opportunities in a way that supports the delivery of our strategic priorities.

The council's procurement and contract management services are aligned to allow us to effectively plan procurement requirements, support the management of council contracts and ensure that needs are fully considered and assessed before procurements commence. This end-to-end approach helps us to achieve best value, meet legislative and transparency publishing commitments and avoid legal challenges. We aim to deliver a procurement and contract management service that contributes to our local and national priorities, positioning us as a forward-thinking council.

We are committed to supporting the local economy and our Social Value and Green City Procurement Policy supports our Southampton Pound initiative by utilising progressive practices to deliver economic, environmental and social benefits through our contracts, ensuring that money generated by Southampton's economy is retained within Southampton's local economy wherever possible. This includes a commitment to seek at least two quotes from local suppliers (those within the city of Southampton or, if the requirement cannot be sourced within Southampton, within the county of Hampshire) when procuring contracts that are above £10,000 in value. The council is also committed to the prevention, detection and reporting of modern slavery within our supply chain and this is supported by the Charter Against Modern Slavery.

Through the ambitions set out in the [Corporate Plan 2022-2030](#), the council is committed to creating a place where people want to live, work, study, visit and enjoy. The Strategy supports the outcomes of the Corporate Plan in the following ways:



Strong foundations for life

- Apprenticeships provided by suppliers to equip young people with the skills they need to successfully enter the workplace, develop their skills and contribute to the local economy and communities.
- Working with other authorities to strengthen residential care for children and young people.
- Being a Child Friendly City.
- Provision of a cohesive and effective sport, recreation and health offer which is consistent with the We Can Be Active Strategy.
- Providing a range of activities and initiatives across the city designed to engage customers of all ages and abilities in sport and physical exercise.
- Delivery and development of the “ActiveAbility Programme Southampton” to engage disabled people in a range of free sports and activities including sailing, skiing, swimming, and kayaking.
- Implementation of a new approach for the provision of day care for older people which promotes independence, health and well-being.



A proud and resilient City

- Implementation of the Social Value and Green City procurement policy to support a greener and safer environment for our community.
- Where appropriate, co-production of service design with customers to ensure the services we are delivering are fit for purpose.
- Improving access to better information and support through a self-help advice, information and guidance service.
- Taking a robust approach to modern slavery to identify and combat exploitation and slavery through our contracted activity.



A prosperous City

- Suppliers bringing added benefit to the city by securing sponsorship and income.
- Profit sharing arrangements allowing our suppliers to receive modest benefits from good performance and/or generating revenue.
- Undertaking joint procurement with other councils and public bodies.
- Working with organisations to increase accessibility to council tendering opportunities.
- Investment by our suppliers in council-owned sites and facilities to ensure they are safe, attractive, modern and improve residents' and visitors' perceptions of the city.

- Suppliers linking with the council's return to work plans to engage with deprived communities.

- Suppliers sharing, embracing and supporting the council's digital working.

- Suppliers introducing improved ways of working to streamline processes, save money and provide effective services to customers.

- Support, guidance and simple procurement processes.



A successful and sustainable organisation

- Strong performance monitoring to ensure the city's highways, public places and street lighting are well maintained.
- Robust procurement processes with best value being at the heart of all our decisions.

Alongside our local priorities, the council is committed to delivering the National Procurement Policy which sets out the national priority outcomes that all contracting authorities should be considering when carrying out its procurement activity. These are:

- creating new businesses, new jobs and new skills;
- tackling climate change and reducing waste, and
- improving supplier diversity, innovation and resilience.

Priority 1.

Simple; Delivering a joined-up approach to procurement and contract management.

Outcome/focus	What do we want to achieve?	How will we achieve this?
<p style="text-align: center;">SIMPLE Delivering a joined-up approach to procurement and contract management</p>	<p>Greater oversight and transparency of contractual relationships, including performance and compliance monitoring.</p>	<p>Maintaining the central Supplier Management Database (SMD) which contains key details of all council contracts held with external suppliers and a list of Southampton Suppliers that staff can use to seek quotes.</p> <p>Implementing a consistent and robust approach to contract management and performance monitoring through a risk-based approach to contract categorisation.</p>
	<p>Improved best value through effective procurement and contract management.</p>	<p>Deliver all buying activity in excess of £10,000 through a team of procurement professionals with expertise in all categories of council expenditure.</p> <p>Reviewing our spend and contract portfolio to identify opportunities for savings and consolidation.</p>
	<p>A streamline and simple approach to our procurement and contract management activities, without compromising on compliance.</p>	<p>Ensuring that our processes are as simple as possible to allow SMEs to effectively bid for work.</p> <p>Review of all procurement processes to identify opportunities for simplification and ease of use.</p>

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What does success look like?

- Details of all contracts held centrally and higher risk contracts managed by a central team.
- Better data to allow us to combine procurements.
- Zero successful challenges in respect of procurement activities.
- Procurement processes completed on time.
- Savings identified through the re procurement of contracts or through efficiencies identified on existing contracts.

Priority 2.

Accessible; Delivering a simple, agile procurement and contract management service that is accessible to staff and suppliers.

Outcome/focus	What do we want to achieve?	How will we achieve this?
<p style="text-align: center;">ACCESSIBLE</p> <p>Delivering a simple, agile procurement and contract management service that is accessible to staff and suppliers</p>	<p>Ensuring that our staff and suppliers can understand and access our services will ensure compliance with our processes and promote equality of opportunity for suppliers to bid to increase the numbers of suppliers from SMEs and the voluntary sector.</p>	<p>Adopting a Business Partnering approach to working with our internal customers.</p> <p>Reviewing and improving procurement processes, roles and responsibilities and associated documents and make more these more prominent and accessible on our intranet site.</p> <p>Streamline 'buying activity' for our staff.</p> <p>Reviewing the council's suite of procurement documents and refreshing the format and language used to ensure they are easy to understand.</p> <p>Set up user-friendly frameworks and guides to help staff and suppliers.</p> <p>Introduce a supplier portal which will allow suppliers to check their details online and view their purchase orders.</p> <p>Ensure that local businesses can bid for our contract opportunities by publishing our procurement pipeline, using prior information notices and making use of Lots where appropriate.</p>
	<p>A service that provides robust procurement and contract management advice and support in a timely manner.</p>	<p>Doing what we will say we will do, when we say we will do it.</p> <p>Working with service areas to create annual workplans to ensure all planned procurement activity is accounted for.</p> <p>Develop a procurement and contract management guide to reflect current practices to ensure we are offering a joined up and effective service and to promote continuous improvement.</p>

What does success look like?

- The experiences of customers, suppliers and staff will be improved.
- Consistent compliance with our processes.
- Improved management information to help us to monitor our spending with suppliers.
- Contracting will be with a greater mixture of suppliers, inclusive of SMEs and the voluntary sector as well as larger suppliers.
- Contracts will be let on time.

Priority 3.

Forward thinking; Delivering a flexible approach to procurement that adapts to our future requirements.

Outcome/focus	What do we want to achieve?	How will we achieve this?
<p style="text-align: center;">FORWARD THINKING Delivering a flexible approach to procurement that adapts to our future requirements</p>	<p>A results-driven approach to meeting our requirements, ensuring that contracts are flexible to allow for the changing needs of our customers and to take advantage of new opportunities.</p>	<p>Adopting an outcome-based approach to meeting the needs of our customers including taking part in collaborative procurements with other local authorities and public bodies.</p> <p>Supporting the SCC First commitment to utilise in-house services to meet SCC requirements where such capability exists and where “SCC Best Value” can be demonstrated.</p> <p>Ensuring that ‘added value’ opportunities from contracts are reviewed at the point of procurement, to identify wider opportunities for suppliers to support the achievement of the council’s priority outcomes.</p> <p>Ensuring that our contracts and specifications are clear, fair and represent our social value requirements and support our ambition to be carbon neutral by 2030 wherever possible.</p> <p>Future proofing our contracts by building in flexible terms and conditions to contracts to allow the council to benefit from changing markets.</p> <p>Developing our Procurement and Contract Management Services to become ‘best in class’.</p>
	<p>Better planning to maximise the benefits of effective procurement and contract management.</p>	<p>Using Prior Information Notices and conducting fair and transparent market engagement to help inform our procurement processes.</p> <p>Utilising strong evidence to inform contract requirements, and predict future needs, trends, risks and opportunities.</p> <p>Embed future procurement into our budget and business planning processes, to ensure visibility of future procurement needs and opportunities.</p>

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What does success look like?

- We will have flexible contracts which are adaptable as technology and our requirements change, without need for complex renegotiations.
- Our contracts will contribute to improving the quality of life of our customers and the environment within which they live.
- Procurement will be joined up with our other functions and decision-making processes.
- Suppliers deliver the outcomes the council and our customers need in a manner consistent with our social values.

Priority 4.

Skills and capabilities; Ensuring that everyone involved in procurement and contract management activities have the right capabilities to support the delivery of this Strategy.

Outcome/focus	What do we want to achieve?	How will we achieve this?
<p style="text-align: center;">SKILLS AND CAPABILITIES</p> <p>Ensuring that everyone involved in procurement and contract management activities have the right capabilities to support the delivery of this Strategy</p>	<p>A procurement and contract management service that is able to adapt to the forthcoming changes to the public sector procurement regulations.</p>	<p>Providing training opportunities to procurement and contract management staff on the new regulations to ensure they are equipped to support our service areas.</p> <p>Delivering training and guidance to service areas on procurement and contract management to ensure the necessary skills and capabilities are embedded within the organisation.</p>
	<p>Suppliers, including local suppliers, SMEs and Voluntary, community and social enterprises (VCSEs), are able to engage with our procurement processes and deliver contracts that are consistent with the council's aspirations.</p>	<p>Developing guidance with suppliers on how to do business with the council that is consistent with the organisation's aspirations, i.e., social, economic, and environmental benefits, modern slavery, high contract performance.</p> <p>Increase the use of pre procurement market engagement to ensure the market have early notice of our forthcoming procurement opportunities and can ready themselves to bid before the opportunity goes live.</p> <p>Increase engagement with potential suppliers through business networks such as the Chamber of Commerce.</p>

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What does success look like?

- We have a service that is 'best in class' that is able to adapt to the changing landscape in public sector procurement.
- Our staff have the right knowledge and skills to be able to deliver the aspirations of this Strategy.
- Our suppliers engage with our training and development opportunities and we see increased engagement from local, SME and VCSE suppliers.

Delivering our strategy.

This Strategy alone will not lead to effective and efficient procurement and contract management; it is the commitment of our councillors, senior managers and staff carrying out procurement activity which is key to its success.

Success measures:

Measure	Frequency	Reviewed by
Increase the number of staff engaging with the Procurement Service as soon as a need to purchase over £10,000 is identified.	Monthly	Supplier Management Service
100% of procurements completed on time.	Monthly	Supplier Management Service
Zero successful challenges in relation to our procurement processes.	Quarterly	Supplier Management Service
Increase in the number of pre-procurement market engagement activities carried out.	Quarterly	Supplier Management Service
Increase in local spend and number of contracts awarded to local suppliers.	Monthly	Supplier Management Service and Executive Management Board
Increase in the number of contracts awarded to SMEs.	Monthly	Supplier Management Service
Increase the number of contracts that include enhanced social value commitments.	Monthly	Supplier Management Service
Increase in the number of staff and suppliers engaging with training and development opportunities.	Quarterly	Supplier Management Service
Reduction in multiple contracts for the same or similar council requirements.	Annually	Supplier Management Service

Link in with existing plans and strategies.

The Strategy aims to support the following council plans and strategies:

- Southampton Economic & Green Growth Strategy 2020-2030
- The Medium-Term Financial Strategy (MTFS)
- Customer Access Strategy 2022-2026
- Our People Plan
- Southampton City Council Corporate Plan 2022-2030
- Southampton City Strategy 2015-2025
- SCC First Policy
- Social Value and Green City Procurement Policy
- Charter Against Modern Slavery

[END]

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Procurement Workplan

The information provided shows all council contracts expiring during the period 1 April 2023 - 31 March 2025 where a re-procurement is expected to take place. In addition to expiring contracts, details of new procurements expected to take place over the same period is also provided.

Please note; the details have been provided with data produced on 9 May 2023. These content may be subject to change as work continues between the Supplier Management Service and council Service Areas.

Values and contract dates have been provided where these details are known. Values listed are estimates.

Contract/Project Name	Service Area	Estimated Value	Contract Start Date	Contract End Date
Corporate Services				
MFDs / Printers	Corporate Services - IT	£110,000	20/09/15	31/10/23
Avaya Support	Corporate Services - IT	£48,298	31/12/22	30/12/23
Second IPS Unit	Corporate Services - IT	£35,690	17/02/23	26/01/24
Youth Offending Team Client Case Management System	Corporate Services - IT	-	01/04/19	31/03/25
CCIS Client Case Management System	Corporate Services - IT	-	29/01/13	31/03/24
Concierge Network	Corporate Services - IT	£37,030	27/03/23	03/05/23
Hays Advertising	Corporate Services - HR & Legal	£20,000	01/10/22	31/10/23
Workflow 360: Supply, Implementation and Support Contract	Corporate Services - IT	£174,542	23/07/19	22/07/24
V1 Software - Professional Services	Corporate Services - IT	£33,018	18/02/13	31/12/23
Treasury & Strategic Financial Consultancy	Corporate Services - Finance	£70,000	01/02/19	31/01/24
Websense Firewall	Corporate Services - IT	£15,677	30/08/19	30/03/25
Insurance and Risk Consultancy and Brokerage	Corporate Services - Finance	£14,000	01/05/19	30/04/24
Panacea Software	Corporate Services - IT	£95,800	01/07/19	01/07/23
Process serving and tracing services	Corporate Services - HR & Legal	£65,000	03/09/19	03/09/23
Computer Room UPS Maintenance	Corporate Services - IT	£28,780	02/11/17	20/10/23
A114305 Annual PTX service charge	Corporate Services - IT	£68,813	-	-
Home Connections - HOPE System	Corporate Services - IT	£116,175	-	-
Keystone annual licence	Corporate Services - IT	£165,230	29/11/13	30/04/23
E Learning Authoring Tool	Corporate Services - IT	£6,480	25/06/19	25/06/23
Microsoft Premier Support Services	Corporate Services - IT	£108,115	31/03/19	29/06/23
Financial Management System Replacement Project	Corporate Services - IT	£1,887,403	29/09/01	03/07/23
VMWare Software Licences	Corporate Services - IT	£77,669	23/07/20	27/07/23
Legal Case Management System	Corporate Services - IT	£65,000	31/07/17	01/08/23
Contact Centre Telephony	Corporate Services - IT	£55,380	04/01/21	03/01/24
Technology Products	Corporate Services - IT	£74,000	12/01/21	12/01/24
Cohesity Backup Solution	Corporate Services - IT	£352,000	31/01/19	01/02/24
Hevacomp Licenses and Subscriptions	Corporate Services - IT	£22,517	15/06/20	14/06/24
Library Management System	Corporate Services - IT	£159,000	01/07/19	30/06/24
BT ISDN line rental	Corporate Services - IT	£32,640	03/07/19	02/07/24
ISDN30e with 20 Channels	Corporate Services - IT	£8,160	03/07/19	02/07/24
EPOS System for Museums	Corporate Services - IT	£9,299	01/08/11	01/08/24
Fleet Management System	Corporate Services - IT	£58,000	30/09/19	30/09/24
Online Legal Library	Corporate Services - HR & Legal	£42,990	01/12/21	30/11/24
FAB Online Assessment Form (BetterCare)	Corporate Services - IT	£52,500	-	-
Vfire Master Services Agreement and 34 concurrent licences	Corporate Services - IT	£210,000	-	-
Rentsense	Corporate Services - IT	£210,000	-	-
Tekla	Corporate Services - IT	£12,433	01/01/19	31/12/23
Cisco licencing	Corporate Services - IT	£5,131	14/06/21	13/06/24
TP2	Corporate Services - IT	£49,000	28/07/21	28/07/24
Forescout HW and SW	Corporate Services - IT	£165,887	22/02/21	21/02/25
Citrix Licence Renewal	Corporate Services - IT	£95,672	23/03/21	24/03/25
Technology Products	Corporate Services - IT	£90,000	31/10/16	31/10/23
Adobe licenses	Corporate Services - IT	£55,327	09/03/21	08/03/24
Occupational Health Services	Corporate Services - HR & Legal	£1,019,000	23/04/21	23/04/24
LinkedIn	Corporate Services - HR & Legal	£40,393	12/09/21	11/09/24
Flexera Admin Studio	Corporate Services - IT	£31,767	01/10/21	30/09/24
Client Case Management System	Corporate Services - IT	£944,475	29/10/18	28/10/23
Security Services	Corporate Services - Supplier Management	£1,443,104	02/12/19	01/12/24

Contract/Project Name	Service Area	Estimated Value	Contract Start Date	Contract End Date
AI Chatbot	Corporate Services - IT	-	30/08/18	30/10/23
DX Services	Corporate Services - HR & Legal	£25,440	-	-
Securesphere	Corporate Services - IT	£72,472	30/06/19	30/06/25
RSA Secure ID	Corporate Services - IT	£67,690	01/09/17	31/08/23
Tech Forge	Corporate Services - IT	£120,000	01/09/09	31/08/23
IVR Recording	Corporate Services - Customer Experience	£22,400	31/03/21	31/03/24
Partnership for South Hampshire	Corporate Services - Customer Experience	£160,000	01/05/14	30/04/24
Source to Contract System	Corporate Services - Supplier Management	£146,476	31/01/21	31/01/25
Corporate insurance - Lot 4	Corporate Services - Finance	£20,227	01/04/20	31/03/25
Corporate Insurance - Lots 1, 2 & 5	Corporate Services - Supplier Management	£4,950,204	01/05/20	31/03/25
E-Payment Service	Corporate Services - IT	£713,394	10/03/09	09/09/23
Cisco Core Maintenance	Corporate Services - IT	£51,069	28/07/21	27/07/24
AVC Wise Service Contract	Corporate Services - HR & Legal	£45,000	01/10/21	30/09/24
Account Verification Requirement	Corporate Services - Customer Experience	£23,485	18/10/21	18/10/24
Apprenticeships Dynamic Purchasing System	Corporate Services - HR & Legal	£10,000,000	11/12/19	10/12/24
Forcepoint Websense Licenses	Corporate Services - IT	£63,406	01/04/22	29/03/25
Post and Franking Services	Corporate Services - Customer Experience	£61,500	-	-
Millbrook Roundabout Full Horticultural & Remote Monitoring Maintenance	Corporate Services - Supplier Management	£32,850	-	-
Proofpoint Email Security System	Corporate Services - IT	£344,274	25/04/22	24/04/25
Schools Budgeting System	Corporate Services - IT	£28,023	01/02/22	31/01/24
Leaders Development Programme	Corporate Services - HR & Legal	£300,000	01/01/22	31/12/24
ANS Azure Data Warehouse	Corporate Services - IT	£44,400	-	-
Cleaning Services	Corporate Services - Customer Experience	£600,000	03/05/22	02/05/24
Employee Assistance Programme (EAP)	Corporate Services - HR & Legal	£70,000	23/04/21	22/04/24
DocuSign	Corporate Services - Supplier Management	£24,340	01/02/22	31/01/24
Learning Management System	Corporate Services - HR & Legal	£76,943	31/05/19	30/05/24
ModGov and Xpress Contract	Corporate Services - IT	£184,000	23/07/19	22/07/24
Personal Education Plan	Corporate Services - IT	£32,000	-	-
Unit4 Enterprise Software Solution	Corporate Services - IT	£691,883	01/02/22	31/01/24
Appointeeship client case management system	Corporate Services - Finance	-	-	-
Interpretation, Translation and Transcription Service	Corporate Services - HR & Legal	-	-	-
Invoicing Capture	Corporate Services - Finance	-	-	-
Travel and Accommodation Services	Corporate Services - Supplier Management	-	-	-
Delivery of Finance apprenticeships through SCC DPS	Corporate Services - HR & Legal	-	-	-
St Johns Ambulance	Corporate Services - HR & Legal	-	-	-
City Services District Teams IT System	Corporate Services - IT	£313,000	-	-
Recruitment Advertising	Corporate Services - HR & Legal	-	-	-
DBS Checks for New Starters and Renewals	Corporate Services - HR & Legal	-	-	-
RTB Leasehold Flats - Buildings Insurance	Corporate Services - Audit Partnership	-	-	-
Future Transport Zone Grant	Corporate Services - Supplier Management	-	-	-
Permanent Recruitment via Agencies	Corporate Services - HR & Legal	-	-	-
Support & maintenance services to the existing Bartec Collective waste management system.	Corporate Services - IT	£50,000	-	-
Checkpoint refresh with support	Corporate Services - IT	-	-	-
HEPA/UV/Silver ion installations	Corporate Services - Finance	-	-	-
Business World Support and Maintenance	Corporate Services - IT	-	-	-
F5 BIGIP LTM renewal	Corporate Services - IT	-	-	-
SIP Trunks	Corporate Services - IT	£46,000	-	-
Cash Collection Service	Corporate Services - Finance	£120,000	-	-
Microsoft Support Renewal	Corporate Services - IT	£275,501	-	-
Print Management Solution	Corporate Services - IT	£75,000	-	-
Replacement of Library RFID Self Service Kiosks	Corporate Services - IT	£145,000	-	-
Desktop Refresh	Corporate Services - IT	£165,000	-	-
Main SCC Internet Connection	Corporate Services - IT	-	-	-
Consultancy for implementing the next generation of Income Management within Unit4 Contract	Corporate Services - IT	£26,000	-	-
WIFI Installation at remote site	Corporate Services - IT	£13,949	-	-
Hybrid Mail	Corporate Services - HR & Legal	£260,000	-	-
Corporate Mobile Telephony Contract	Corporate Services - IT	£200,000	-	-

Contract/Project Name	Service Area	Estimated Value	Contract Start Date	Contract End Date
Consultants and Statement of Works	Corporate Services - HR & Legal	£300,000	-	-
Awarding of apprenticeship delivery	Corporate Services - HR & Legal	£5,974,000	-	-
Social Worker Apprenticeship Delivery	Corporate Services - HR & Legal	£1,150,000	-	-
Procurement of a process server and tracing agent	Corporate Services - HR & Legal	£34,000	-	-
Adult Services Online Learning	Corporate Services - HR & Legal	£24,000	-	-
Arborist Apprenticeship Delivery	Corporate Services - HR & Legal	£30,000	-	-
Extended Support for Microsoft 2012 Servers	Corporate Services - IT	£31,553	-	-
Post and Print (Revenues and Benefits, Payslips)	Corporate Services - Customer Experience	£300,000	-	-
General Banking contract - SCC primary bank account	Corporate Services - Finance	£65,000	-	-
Treasury Management advisors	Corporate Services - Finance	£30,000	-	-
Apprenticeship contract renewals	Corporate Services - HR & Legal	-	-	-
Hireserve contract via IT for recruitment	Corporate Services - HR & Legal	£30,000	-	-
Leisure commissioning: Strategic Outcomes Planning Model Stage 4	Corporate Services - Supplier Management	£60,000	-	-
Enabling works to support cricket/tennis development	Corporate Services - Supplier Management	£15,000	-	-
Strategic Procurement Projects: property consultancy/ Subject Matter Expertise commission	Corporate Services - Supplier Management	-	-	-
Strategic Procurement Projects: Legal and Financial specialist support and advice	Corporate Services - Supplier Management	-	-	-
Strategic Procurement Projects: Highways consultancy/ Subject Matter Expertise commission	Corporate Services - Supplier Management	-	-	-
Smaller scale highways procurements/ market testing	Corporate Services - Supplier Management	£50,000	-	-

Place

Bikeability Training	Place - Transport & Planning	£50,000	01/04/23	31/07/23
ENCTS AND ITCHEN BRIDGE SMARTCARD SOFTWARE	Place - Transport & Planning	£155,000	01/08/21	31/07/24
Taxi Driver Safeguarding Training	Place - Environment	£43,750	01/10/19	31/12/23
Network Co-Working space at the Marlands Shopping Centre	Place - Environment	£500,000	06/04/19	05/04/24
Purchase, warranty & Maintenance of Mobile Elevated Working Platform & Trailer	Place - Environment	£85,665	01/09/19	30/08/24
Card readers for Itchen Toll Bridge	Place - Environment	£15,000	22/10/20	30/11/24
Wood Burning Air Quality Monitoring	Place - Transport & Planning	£254,624	31/03/22	31/03/25
Vehicle Activated Signs (VAS)	Place - Transport & Planning	£47,085	11/10/22	10/04/23
Supply Various Vehicles for City Services	Place - Environment	£1,236,816	17/01/22	16/01/24
Cycle Maintenance and Pit Stop	Place - Environment	£61,200	24/01/22	31/03/24
GPS Robotic Line Marker for Sports Fields	Place - Environment	£29,930	13/03/23	12/09/23
Provision and management of Markets in Southampton City Centre	Place - Culture & Tourism		03/02/23	28/10/23
Outdoor Furniture	Place - Environment	£80,000	01/01/20	30/06/23
Conduent parking enforcement (RfE)	Place - Transport & Planning	£23,400	01/06/20	31/05/23
Legible Cities Bus Stop and Services	Place - Transport & Planning	£350,000	01/06/19	31/05/23
Sustainable Distribution Centre Services	Place - Transport & Planning	£370,000	01/09/19	31/08/23
Crematorium Audiovisual Services	Place - Environment	£46,395	01/04/20	31/03/24
Traveline, Contribution to NPTI	Place - Transport & Planning	£43,468	01/04/21	31/03/25
PHILIS Software	Place - Environment	£153,862	22/07/15	14/12/24
Southampton E-Scooter Rental	Place - Transport & Planning	£163,868	16/03/21	30/11/23
Car Park Management Services	Place - Environment	£68,000	01/09/12	31/12/23
Markets - City Centre	Place - Culture & Tourism	£0	01/04/20	31/03/24
Itchen Bridge Accounts Management System Maintenance Agreement	Place - Environment	£740,000	06/12/17	06/12/24
Itchen Bridge Contactless Payments	Place - Environment	£175,000	23/11/20	22/11/24
Corporate Insurance - Lot 3 Motor	Place - Environment	£435,742	01/04/20	31/03/25
Wheeled Waste Containers	Place - Environment	£295,135	26/05/22	31/03/24
Street Manager 2022-2025	Place - Transport & Planning	£45,000	01/04/22	31/03/25
RIDES E-Cargo Bike Service & Maintenance Provider	Place - Transport & Planning	£6,000	01/10/22	30/09/23
RouteSmart licences and professional services	Place - Transport & Planning	£25,704	01/11/22	31/10/23
E-books, E-audiobooks, and Print Books	Place - Culture & Tourism	£73,000	17/03/22	16/03/25
Supported Bus Services	Place - Transport & Planning	£133,800	01/06/22	31/05/23
Vending Solutions for City Service Buildings	Place - Environment	£16,380	01/01/21	27/11/23
HERITAGE ASSET REPAIRS PROGRAMME 2021-2021: THE WEIGH HOUSE & WEST GATE WALL	Place - Culture & Tourism	£311,000	27/09/21	23/10/23
Hants E-Taxi Trials Grant	Place - Transport & Planning	£759,352	01/07/21	31/05/23
Progress Cleaning Services	Place - Environment	£20,500	01/07/22	31/05/23
Supply of Liquid Fuels	Place - Transport & Planning	-	-	-
Landscape Framework	Place - Environment	-	-	-

Contract/Project Name	Service Area	Estimated Value	Contract Start Date	Contract End Date
Landscape Aggregates Framework	Place - Environment	-	-	-
Landscapes Hire Framework	Place - Environment	-	-	-
Landscapes trees and shrubs framework	Place - Environment	-	-	-
Safer surfacing for Play areas	Place - Environment	-	-	-
English and Numeracy tests for Taxi Drivers	Place - Environment	-	-	-
Private Sector Housing Stock Condition Survey	Place - Environment	-	-	-
White lining Services for, Car Parks, Public Spaces, Sports Facilities and Non Highways	Place - Environment	-	-	-
Pest Control Framework	Place - Economic Development & Regeneration	-	-	-
Approved Taxi Camera Provider	Place - Environment	-	-	-
Mayflower Park Barrier Controlled Parking	Place - Environment	-	-	-
Cobbett Road Hub and Library	Place - Culture & Tourism	-	-	-
Weston Shore Play Area	Place - Environment	-	-	-
Vetinary services for Port Health	Place - Environment	-	-	-
Fleet Electric Vehicle Chargers	Place - Transport & Planning	-	-	-
Calculating Scope 3 procurement Green House Gas Emissions	Place - Economic Development & Regeneration	-	-	-
Northam Rail Bridge - Rail Interaction	Place - Transport & Planning	£2,000,000	-	-
Home 2 School Transport (H2ST) Departmental Audit	Place - Transport & Planning	£30,000	-	-
Liquid fuel tank maintenance	Place - Transport & Planning	£11,625	-	-
Provision and maintenance of a core central Real Time Information system	Place - Transport & Planning	£210,000	-	-
City Weed Spraying	Place - Economic Development & Regeneration	£270,000	-	-
Sports Centre Play Area	Place - Transport & Planning	£38,271	-	-
Bevan Close Play Area	Place - Transport & Planning	£44,215	-	-
Winton Street Play Area	Place - Transport & Planning	£48,795	-	-
Lamberhurst Close Play Area	Place - Transport & Planning	£32,964	-	-
Octavia Road Play Area	Place - Transport & Planning	£45,960	-	-
Steuart Road Play Area	Place - Transport & Planning	£56,200	-	-
Woodmill Play Area	Place - Transport & Planning	£55,000	-	-
Hinkler Green Play Area	Place - Transport & Planning	£50,785	-	-
Thornhill Adventure Play Area	Place - Transport & Planning	£52,000	-	-
St Denys Play Area	Place - Transport & Planning	£35,768	-	-
Cobden Meadows Play Area	Place - Transport & Planning	£47,215	-	-
Riverside Park Play Area	Place - Transport & Planning	£50,863	-	-
Lawn Road Play Area	Place - Transport & Planning	£48,483	-	-
Feasibility study: Net Zero Training and Retrofit Centre	Place - Economic Development & Regeneration	£50,000	-	-
Masterplanning Programme	Place - Economic Development & Regeneration	£300,000	-	-
Supported Passenger Services Framework	Place - Transport & Planning	£250,000	-	-
Bird Flight Survey	Place - Economic Development & Regeneration	£25,000	-	-
Wayfinding Signs- New/Replacement Units	Place - Transport & Planning	£25,000	-	-
Wayfinding Signs - Map Refresh	Place - Transport & Planning	£150,000	-	-
SYPOL COSHH CMS	Place - Environment	£10,000	-	-
Adult Education - provision for the 2023-24 academic year	Place - Economic Development & Regeneration	£25,000	-	-
Parks Furniture	Place - Environment	£70,000	-	-
Adult and Community Learning	Place - Economic Development & Regeneration	£350,000	-	-
Adult Learning Innovation grant	Place - Economic Development & Regeneration	£25,000	-	-
Routesmart- route optimising software licences training and support	Place - Environment	£250,000	-	-
Legible Cities Bus Stops Goods and Services Contract	Place - Transport & Planning	£175,000	-	-
Air Quality Healthcare Engagement Project	Place - Environment	-	-	-
Southampton Schools Surface Water Resilience Project	Place - Transport & Planning	-	-	-
Daisy Dip Flood Alleviation Scheme	Place - Transport & Planning	-	-	-
PropTech Round 3 - Project Manager Support	Place - Transport & Planning	£73,000	-	-
PropTech Round 3 - VU.CITY 3D Modelling Software Improvements	Place - Transport & Planning	£255,425	-	-
HTST – Transformation Programme	Place - Transport & Planning	-	-	-
Home to School Dynamic Purchasing System	Place - Transport & Planning	£100,000,000	-	-
Operating software and tablets for reactive and planned street cleansing and grounds maintenance operations	Place - Environment	-	-	-
Refurbishment at cremation	Place - Environment	£396,000	-	-
Public Health Act Funerals	Place - Environment	£25,000	01/08/23	31/07/26
PCN and Permits	Place - Environment	£50,000	-	-
Match Day signing	Place - Environment	£30,000	-	-
Barrier controlled MSCP equipment upgrade	Place - Environment	£600,000	-	-
Pay By Phone	Place - Environment	£50,000	-	-
Pay and Display equipment	Place - Environment	-	-	-
Fuel poverty advice & guidance (Southampton Healthy Homes)	Place - Environment	£500,000	-	-
Handyperson Service	Place - Environment	£500,000	-	-

Contract/Project Name	Service Area	Estimated Value	Contract Start Date	Contract End Date
	Place - Corporate Estate & Assets			
Professional, technical consultant to support SCC with Fire safety advice	Place - Corporate Estate and Assets	£100,000	28/07/21	15/12/23
Technical advise for future procurement relating to contractual rectification works for SCC housing stock	Place - Corporate Estate and Assets	£150,000	15/01/23	15/01/24
Hire of generator and sound enclosure	Place - Corporate Estate and Assets	£20,550	20/01/23	19/05/23
Hearing Impairment Equipment MTC	Place - Corporate Estate and Assets	£35,000	02/11/22	01/05/23
Joint Working Agreement with HCC	Place - Corporate Estate and Assets	-	29/11/19	28/11/23
Cyclical Redecorations (and Associated Work/Repairs)	Place - Corporate Estate and Assets	£4,500,000	15/06/20	14/06/23
Communal Doors & Entry Systems (Installations & Maintenance)	Place - Corporate Estate and Assets	£1,750,000	01/04/19	31/03/24
Concrete Repairs Programme (2019-2024)	Place - Corporate Estate and Assets	£199,275	15/05/19	14/05/23
New Replacement Lifts (Albion, Redbridge and Shirley Towers): Term Servicing Contract	Place - Corporate Estate and Assets	£116,533	07/05/23	06/05/24
Roofing Programme - Flat Roofs	Place - Corporate Estate and Assets	£14,000,000	14/08/20	13/08/23
Sundry Passive Fire Safety Works (Citywide, non-highrise)	Place - Corporate Estate and Assets	£5,000,000	06/01/20	31/12/23
Mechanical Services (Servicing & Maintenance) MTC	Place - Corporate Estate and Assets	£3,500,000	19/12/19	18/12/24
Roofing Programme - Pitched Roofs	Place - Corporate Estate and Assets	£9,000,000	14/08/20	13/08/23
Maintaining Weston Adventure Playground	Place - Corporate Estate and Assets	£85,000	01/10/19	31/12/23
Outdoor Sports Centre Development – (Employer's Agent & Project Designer Roles)	Place - Corporate Estate and Assets	£925,008	30/09/21	31/03/24
Fire Risk Assessments (Citywide)	Place - Corporate Estate and Assets	£1,142,000	06/09/21	05/09/24
Local Plan engagement Works	Place - Corporate Estate and Assets	£132,050	01/11/21	31/12/23
Outdoor Sports Centre Development – (Client Side) PM Appointment	Place - Corporate Estate and Assets	£144,000	28/09/21	31/03/24
Fire Door Inspection Programme (Citywide)	Place - Corporate Estate and Assets	£1,579,618	01/03/22	29/02/24
Legal Services	Place - Corporate Estate and Assets	£30,000	08/06/22	31/03/24
Millbrook Biomass Heat Centre Managed Service	Place - Corporate Estate and Assets	£75,000	02/03/22	01/03/25
Civic Centre Guildhall - Refurbish Windows	Place - Corporate Estate & Assets	£300,000	-	-
Passive Fire Safety Programme (8 No High Rise Tower Blocks) - Works	Place - Corporate Estate & Assets	-	-	-
Legionella Control Measures (Monitoring and Maintenance)	Place - Corporate Estate & Assets	-	-	-
Redbridge Estate Regeneration Feasibility	Place - Corporate Estate & Assets	-	-	-
Townhill Junior School - Roof Replacement (Works)	Place - Corporate Estate & Assets	-	-	-
City Telecare Systems (Design and New Installations)	Place - Corporate Estate & Assets	-	-	-
Windows and External Doors (Supply and Installation) MTC	Place - Corporate Estate & Assets	-	-	-
Southampton Crematorium Works 2021	Place - Corporate Estate & Assets	-	-	-
Crematorium Cremators (Servicing and Maintenance) inc associated analytical equipment	Place - Corporate Estate & Assets	-	-	-
SEND Programme - Feasibility Consultant Appointment (St Monicas/Vermont/Polygon)	Place - Corporate Estate & Assets	-	-	-
Townhill Park Demolition Ph 4 (Rowlands Walk)	Place - Corporate Estate & Assets	-	-	-
Oakwood Primary School - Replacement of Roof Coverings	Place - Corporate Estate & Assets	-	-	-
SEND Programme - Client Side PM Appointment	Place - Corporate Estate & Assets	-	-	-
PAS 2035 Assessor - Retrofit Programme Study	Place - Corporate Estate & Assets	-	-	-
Redevelopment of Outdoor Sports Centre (Phase 2 - Main Works)	Place - Corporate Estate & Assets	-	-	-
Regents Park Community College: Renewal of Roof Coverings (Blocks 1 & 2) - Works	Place - Corporate Estate & Assets	-	-	-
Fire Sprinkler Systems (Servicing and Maintenance)	Place - Corporate Estate & Assets	-	-	-
Consultancy and study for a retrofit programme	Place - Corporate Estate & Assets	-	-	-
SEND Programme - Consultant Appointment Green Lane Phases 2 and3 and Temporary Modulars (RIBA Stages 2-6)	Place - Corporate Estate & Assets	-	-	-
Green Lane - Phase 2-3 (Main Works)	Place - Corporate Estate & Assets	-	-	-
Heritage Repairs and Maintenance Project Management and Design	Place - Corporate Estate & Assets	-	-	-
Passive Fire Safety Programme (Thornhill)	Place - Corporate Estate & Assets	-	-	-
Asbestos Surveying Analytical Services	Place - Corporate Estate & Assets	-	-	-
Asbestos Removal	Place - Corporate Estate & Assets	-	-	-
Domestic Lifts - Servicing and Maintenance Contract	Place - Corporate Estate & Assets	-	-	-
Bitterne CofE School 2nd Door Sets	Place - Corporate Estate & Assets	-	-	-
Fire Safety Equipment Maintenance Contract	Place - Corporate Estate & Assets	-	-	-
Mayflower Park Waterfront Development (Consultants - Ph 1)	Place - Corporate Estate & Assets	-	-	-
Hearing Impairment Equipment (Servicing, Maintenance, Repairs and Upgrading Works) - Housing	Place - Corporate Estate & Assets	-	-	-
Fairisle Infant School Drainage Replacement Works	Place - Corporate Estate & Assets	-	-	-
Outdoor Sports Centre Artificial Grass Pitches	Place - Corporate Estate & Assets	-	-	-
Oakwood Primary School - Windows Replacement	Place - Corporate Estate & Assets	-	-	-
Letting Agent agreement Golf Course Road Cottages	Place - Corporate Estate & Assets	-	-	-
Intrusive Structural Surveys to SCC Tower Blocks (Tranche No 1 - Phase 1 of 2)	Place - Corporate Estate & Assets	-	-	-
Townhill Junior School ReRoofing - Consultant Appointment	Place - Corporate Estate & Assets	-	-	-
Mount Pleasant Junior School (Roof Repairs inc Glazed Rooflights and Ventilation)	Place - Corporate Estate & Assets	-	-	-
Mount Pleasant Junior School (Roof Repairs - Design and Admin)	Place - Corporate Estate & Assets	-	-	-
Civic Centre Art Gallery West Wing Refurbishment	Place - Corporate Estate & Assets	-	-	-

Contract/Project Name	Service Area	Estimated Value	Contract Start Date	Contract End Date
Affordable Housing Framework	Place - Corporate Estate & Assets	£10,000	-	-
Client Project Management Services (Major Capital Projects)	Place - Corporate Estate & Assets	£150,000	-	-
Solar PV and associated services	Place - Corporate Estate & Assets	£2,500,000	-	-
Holyrood Estate District Heating Efficiency (Pilot Project Consultants)	Place - Corporate Estate & Assets	£21,846	-	-
CDM Advisor Appointment	Place - Corporate Estate & Assets	£52,632	-	-
Lifts Servicing and Maintenance Contract (Passenger & Commercial - Non-Domestic)	Place - Corporate Estate & Assets	-	-	-
Mayflower Park Improvements - Client side Project Manager role	Place - Corporate Estate & Assets	£610,000	-	-
Intrusive Structural Surveys to SCC Tower Blocks (Tranche No 2 - Phases 1 & 2)	Place - Corporate Estate & Assets	£160,000	-	-
Supply and install external wall insulation to 65 P-Type blocks	Place - Corporate Estate & Assets	£600,000	-	-
Cambridge Road Accessible Adaptations	Place - Corporate Estate & Assets	£90,000	-	-
Property marketing services	Place - Corporate Estate & Assets	£60,000	-	-
Fairisle Junior School - Roof Lantern Replacement	Place - Corporate Estate & Assets	£110,000	-	-
Heritage Assets Repair Programme (Works) - Ph 1 (of 3)	Place - Corporate Estate & Assets	£2,337,356	-	-
Education Programme Management resource	Place - Corporate Estate & Assets	£75,000	-	-
Intrusive Structural Surveys to SCC Tower Blocks (Tranche No 3 - Phase 1 of 2)	Place - Corporate Estate & Assets	£334,105	-	-
Townhill Park Plots 2, 9 and 10 - Post-Planning Employer's Agent and Principal Designer	Place - Corporate Estate & Assets	£726,000	-	-
Townhill Park Plots 2, 9 and 10 - Construction	Place - Corporate Estate & Assets	£51,700,000	-	-
Green Lane - DT Block	Place - Corporate Estate & Assets	£273,000	-	-
Council Chamber: Improvements to Heating & Ventilation - DESIGN STAGE	Place - Corporate Estate & Assets	£74,000	-	-
Westwood House and Bungalow Refurbishment	Place - Corporate Estate & Assets	£1,200,000	-	-
SEND Programme Consultants (Green Lane, St Monica and Vermont)	Place - Corporate Estate & Assets	£3,600,000	-	-
Albion Tower Heating Upgrade	Place - Corporate Estate & Assets	£1,400,000	-	-
Gas and Electricity Supply Contracts - Housing & Corporate	Place - Corporate Estate & Assets	£4,000,000	-	-
Civic Centre: Air Tunnel Flood Remediation Project	Place - Corporate Estate & Assets	£45,000	-	-
Woodmill Waterside Assets	Place - Corporate Estate & Assets	£150,000	-	-
Warden Call System: Replacement Digital Upgrade (2025)	Place - Corporate Estate & Assets	-	-	-
Teleswitch meter replacement and controls works	Place - Corporate Estate & Assets	-	-	-
Civic Flooring Remedials - Drainage Survey	Place - Corporate Estate & Assets	-	-	-

Strategy & Performance

Online Self-Assessment Tool - AskSara	Strategy & Performance - Projects & Change	£12,500	31/03/23	30/03/24
Design and Print Services - DPS	Strategy & Performance - Communications & Business Marketing	£30,000	-	-
Project Online Support Agreement	Strategy & Performance - Projects & Change	£24,000	10/06/21	08/06/23
Media Management & Monitoring Software	Strategy & Performance - Communications & Business Marketing	£39,998	01/11/22	01/11/24
SAP Business Objects Maintenance	Strategy & Performance - Projects & Change	-	-	-
The dynamic purchasing system for the provision of design and print services	Strategy & Performance - Communications & Business Marketing	-	-	-
Adult Social Care Client Case Management Project Management	Strategy, Performance & Change - Projects & Change	-	-	-
Children and Learning Client Case Management Project Management	Strategy, Performance & Change - Projects & Change	-	-	-
Adult Social Care Client Case Management Design Lead	Strategy, Performance & Change - Projects & Change	-	-	-
APM Training	Strategy & Performance - Projects & Change	-	-	-
City Resident Surveys 2022-2024	Strategy & Performance - Projects & Change	-	-	-
Email marketing software	Strategy & Performance - Communications & Business Marketing	£20,000	-	-

Contract/Project Name	Service Area	Estimated Value	Contract Start Date	Contract End Date
Wellbeing & Housing				
Supply of Building Materials	Wellbeing & Housing - Housing	£1,570,500	-	-
Accommodation for Ex-Offenders	Wellbeing & Housing - Housing	£46,658	01/04/23	31/03/25
Cashless Parking Solution	Wellbeing & Housing - Housing	£20,000	-	-
Provision of Property for emergency Housing	Wellbeing & Housing - Housing	£200,000	31/08/21	31/08/24
Help2Rent scheme (Landlord/Tenants Insurances) - Homelessness	Wellbeing & Housing - Housing	£19,900	-	-
Welfare Reforms, Disability and Benefit Advice service	Wellbeing & Housing - Housing	£341,661	02/09/19	31/01/25
Adult Learning Framework Agreement	Wellbeing & Housing - Housing	-	01/08/19	31/07/23
Hate Crime Third Party Network	Wellbeing & Housing - Stronger Communities	£40,000	01/04/22	31/03/25
Homes for Ukraine wrap-around support	Wellbeing & Housing - Stronger Communities	£200,000	-	-
Landscape Works Providers Framework - Lot 1 Soft Landscaping	Wellbeing & Housing - Housing	-	20/11/20	31/10/24
Landscape Works Providers Framework - Lot 2 Hard Landscaping	Wellbeing & Housing - Housing	-	20/11/20	31/10/24
Landscape Works Providers Framework - Lot 3 Specialist Surfacing	Wellbeing & Housing - Housing	-	20/11/20	31/10/24
Landscape Works Providers Framework - Lot 4 Fencing	Wellbeing & Housing - Housing	-	01/11/20	01/11/24
Honister Close Decent Neighbourhoods Project	Wellbeing & Housing - Stronger Communities	-	-	-
Electrical Non-Housing Purchasing	Wellbeing & Housing - Housing	-	-	-
Removals Services (General)	-	-	-	-
Sourcing emergency accommodation	Wellbeing & Housing - Stronger Communities	£60,000	-	-
International Way Decent Neighbourhoods Project	Wellbeing & Housing - Stronger Communities	£165,000	-	-
Southampton Christmas Market	-	£240,000	-	-
Tenant Satisfaction Measures	Wellbeing & Housing - Housing	£60,000	-	-
Supply of Telecare Equipment within the home and community	Wellbeing & Housing - Housing	£500,000	-	-
Wyndham Court - Conversion	Wellbeing & Housing - Housing	£612,000	-	-
Multiply Numeracy project using the Adult Learning Framework Agreement	Wellbeing & Housing - Stronger Communities	-	-	-
Canberra Towers Mount Decent Neighbourhoods Project	Wellbeing & Housing - Stronger Communities	-	-	-
Equifax - Tenancy Fraud	Wellbeing & Housing - Stronger Communities	-	-	-
Housing Operations Voids Program	Wellbeing & Housing - Housing	£200,000	-	-
Allstar fuel cards and associated services	Wellbeing & Housing - Housing	£50,000,000	-	-
Hsg Ops sub-contractor frameworks	Wellbeing & Housing - Housing	-	-	-
Lease for existing Nursling depot	Wellbeing & Housing - Housing	-	-	-
Expansion of existing partnership with Travis Perkins	Wellbeing & Housing - Housing	-	-	-
DLUHC / Homes England grants	Wellbeing & Housing - Housing	-	-	-
Northgate	Wellbeing & Housing - Housing	-	-	-
NFS Contract	Wellbeing & Housing - Housing	-	-	-
Equifax Contract	Wellbeing & Housing - Housing	-	-	-

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STRATEGIC CAPITAL BOARD TERMS OF REFERENCE

Statement of Purpose

The role of the group is to oversee the capital programme, from proposed projects through to inclusion in the programme and implementation and delivery of the benefits. This will include:

- 1) Acting as a gateway for consideration of what proposals should be recommended for inclusion in the capital programme
- 2) To oversee and endorse the Council's Capital Strategy.
- 3) To own and oversee the development of the Council's Capital Programme for both the General Fund and the Housing Revenue Account.
- 4) Maintaining an overview of the performance of the projects within the Council's capital programme, identifying any specific implementation challenges being faced
- 5) Scanning the horizon for projects emerging that may need to be added into the programme in the future.
- 6) To ensure the Council has business cases ready to apply for investment opportunities as they arise, working closely with the Renaissance Board

This remit applies to both the General Fund and Housing Revenue Account (HRA). All proposals will be considered for value for money, alignment with the Council's vision, priorities and criteria of purposeful investment, and within the context of overall affordability of the entire programme using the criteria and parameters set within the Capital Strategy.

Attendees

- Cabinet Member for Finance and Change (Chair)
- Leader of the Council
- Deputy Leader of the Council
- Chief Executive
- Executive Director for Place
- Executive Director Corporate Services (S151 Officer)
- Head of Financial Planning and Management (Deputy S151 Officer)
- Capital & Treasury Manager
- Head of Corporate Estates & Assets

By invite depending on the project requiring approval

- Relevant Cabinet Members
- Relevant Executive Directors
- Relevant Project / Programme Managers
- Relevant Heads of Services (to attend at least quarterly to cover capital monitoring)

Core Functions

- To operate as a critical gateway for capital projects, evaluating and challenging business case proposals and taking a view on prioritisation of projects proposed.
- To review systems of pre-project evaluation, cost estimation and phasing of spend to ensure accuracy of each proposed scheme.
- To review the whole 5-year capital programme taking into account resources and any changes in priorities and recommending any changes to the Cabinet Member for Finance and Change.
- To review the quarterly reporting provided on the Council's capital programme to identify any areas of focus or concern.
- To agree and review a dashboard reporting system which easily highlights projects and programmes where there is a need for focus.
- To identify common issues being experienced across the programmes and seek to address this corporately.
- To focus on specific projects and programmes where further confidence or information is needed.
- To act as a forum for horizon scanning for projects that will need to be closed or introduced to the capital programme.
- To consider opportunities for bidding to external organisations for funding prior to a sign off by the Council's Section 151 officer.
- To seek assurance that there are effective project and programme management processes in place for the delivery of successful projects.
- To provide assurance that the capital programme is further scrutinised beyond the regular updates provided to Cabinet and EMB and to take actions to expedite any issue that is blocking implementation of agreed projects within the programme.
- To share examples of good practice across the Council and to receive post-implementation review presentations after the completion of major projects for lessons learnt.
- To consider all requests for in-year additions and changes to the capital programme that are not Officer delegated decisions, in accordance with the limits set out in the Financial Procedure Rules.
- To review all assets held by the council, to evaluate if the interests of the council may be better served by disposing of assets to generate capital receipts or avoid potential future liabilities.
- To consider any proposals on the sale of assets, creating capital receipts, to ensure value for money is being obtained.

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FINANCIAL PROCEDURE RULES

The Financial Procedure Rules consist of and should be interpreted as the Council's Financial Regulations.

1. STATUS OF FINANCIAL PROCEDURE RULES

1.1 The Council's Financial Procedure Rules provide the framework for managing the authority's financial affairs. They apply to every Member and Officer of the authority and anyone acting on its behalf and compliance with these rules is mandatory. These rules must be read in conjunction with the whole of the Constitution and any other Council Standards.

1.2 The rules identify the financial responsibilities of Full Council, Cabinet, Members and Officers. Chief Officers are defined for the purpose of these rules as the Chief Executive Officer (CEO), Monitoring Officer, Chief Financial Officer (CFO) and Executive Directors. All Members and Officers have a general responsibility for taking reasonable action to provide for the security of the assets under their control, and for ensuring that the use of these resources is legal, properly authorised, provides value for money and achieves best value.

4.21.3 Deliberate disregard of the Financial Procedure Rules will be seen as misconduct and dealt with accordingly through the disciplinary procedure.

4.31.4 The CFO is responsible for maintaining a continuous review of the Financial Procedure Rules and may, where ~~they~~ ~~he or she~~ consider it necessary, issue revisions during the year. Where the CFO considers the revisions to be significant and material additions or changes, these will be reported to Full Council for noting and/or approval. The CFO is also responsible for reporting, where appropriate, any breach of the Financial Procedure Rules to Full Council and/or to Cabinet. It should be noted that the CFO and S151 Officer is the Executive Director for Finance and Commercialisation. Any reference to CFO within these Financial Procedure Rules should be read as referring to that officer.

4.41.5 To underpin the Financial Procedure Rules, the CFO is responsible for issuing any relevant advice and guidance that Members, Officers and others acting on behalf of the authority are required to follow. Such advice and guidance will be reviewed, and amended as necessary, by the CFO.

4.51.6 Chief Officers are responsible for ensuring that all staff in their departments are aware of the existence and content of the authority's Financial Procedure Rules and other internal regulatory documents and that they comply with them. An electronic copy can be found on the Council's [website](#).

4.61.7 If it is felt to be in the wider interests of the Council, if an urgent decision is required that either:

- Falls outside of the defined process or limits within Financial Regulations or Financial Procedure Rules, or
- Is within the limits of the Financial Regulations or Financial Procedure Rules but due to reasons of urgency the rules cannot be applied as set out

the urgent decision can be made by the CFO, in consultation with the Cabinet Member responsible for Finance ~~and Capital Assets~~, the Leader, relevant portfolio holder and Executive Director for the service impacted by the decision. This is subject to it being reported at the next appropriate decision-making meeting.

A record of any authorised exceptions will be kept by the Chief Internal Auditor to assist the S151 Officer in determining if any amendments need to be made to these rules.

A: FINANCIAL MANAGEMENT

Responsibilities of the CFO

- A.1 To ensure the proper administration of the financial affairs of the authority.
- A.2 To monitor compliance with the Financial Procedure Rules.
- A.3 To ensure proper professional practices are adhered to and to act as head of profession in relation to the standards, performance and development of finance staff throughout the authority.
- A.4 To advise on the key strategic controls necessary to secure sound financial management.
- A.5 To ensure that financial information is available to enable accurate and timely monitoring and reporting of comparisons of national and local financial performance indicators.

Responsibilities of Chief Officers

- A.6 To ~~promote~~ ensure that all staff in their area are aware of the Financial Procedure Rules in their departments and to monitor adherence to the standards and practices, liaising as necessary with the CFO.
- A.7 To ~~promote~~ ensure there are sound financial practices in relation to the standards, performance and development of staff in their departments.

Financial Accountabilities in relation to the Scheme of Revenue Virement (including

HRA)

Explanatory Note

The overall budget is agreed by Cabinet and approved by Full Council. Following this approval Chief Officers and budget holders are authorised to incur net expenditure in accordance with the estimates that make up the budget for the current financial year. The rules below cover virements, or the switching of resources between approved estimates, heads of expenditure and income.

What is a Virement?

A virement is the:

‘planned transfer of a budget for use in a different purpose to that originally intended’.

A virement does not create additional overall budget liability. It changes the purpose for which the budget will be used compared to that originally planned. The use of virements is intended to enable services to manage budgets with a degree of flexibility while at the same time ensuring that these remain consistent with the overall policy framework determined by the Council.

Chief Officers are expected to exercise their discretion in managing their budgets responsibly and prudently, within any agreed restrictions on spending. They should avoid supporting recurring expenditure from virements against one-off sources of savings or additional income, or creating future commitments, including full-year effects of decisions made part way through a year, for which they have not identified future resources.

Chief Officers must plan to fund such commitments from within their own budgets having regard to the overall forecast outturn for the service, and the Council. Any budget provided by Full Council to meet specific pressures must be used for the identified purpose. If this budget subsequently is not required, this should be identified to the CFO to enable the resource to be utilised as he/she sees fit.

Executive Directors should ~~aim to~~ balance their service area net expenditure to the budget allocated. In some cases, this will require a transfer of the budget between their service activities.

For the purposes of the scheme set out below, a virement occurs when a budget is transferred from one Service Activity to another. Service activities that will apply for the following financial year are those which are set out in the budget approved by Full Council for the coming financial year.

- A.8 All virements should be cleared in the first instance by the relevant accounting support for the Service Activity concerned. All virements must be recorded on the ledger system.
- A.9 Controls on the use of additional controllable income are required to ensure that significant additional income is not spent without any control process in place.
- A.10 Decisions will be made in line with the criteria set out in the table below and applies to virements of expenditure budgets or virements of income budgets:

Virement Value	Approval Required
Up to £200,000	Approved by CHIEF OFFICERS in consultation with the CFO
£200,000 to £500,000	Approved by CHIEF OFFICERS in consultation with CFO and Cabinet Member
Over £500,000 to £2 million	Approved by CABINET
Over £2 million	Approved by COUNCIL

- A.11 The creation of any new reserve, or change in use of reserve, needs agreement from the CFO and formal approval by Cabinet. The CFO can allocate sums of any value to or from central funds or reserves, in line with the requirements for virements as outlined in the above table.
- A.12 Any budget virements resulting from a restructure or a reduction in the number of FTE can only be actioned following the appropriate consultation.
- A.13 The HRA contingency and revenue balance is defined as a “non-employee” budget. However, any virements from the HRA revenue balance that would reduce the level of balances below the minimum level set by the CFO in the HRA budget and business plan report can only be approved by Full Council.

Financial Accountabilities in Relation to the Treatment of Year-end Balances

Responsibilities of the CFO

- A.14 Where the council is in an underspend position the CFO is responsible for administering the scheme of carry-forwards within the guidelines approved by Full Council. If the council is in an overspend position only carry forwards that relate to grant income will be considered.

A.15 To report all underspends on service estimates carried forward to Full Council for approval.

Responsibilities of Chief Officers

A.16 Any overspends will be reported by the CFO to Cabinet and to Full Council.

A.17 There is no authority to overspend. Budgets are allocated on a 'cash limit' basis. This means the service must operate within the agreed set budget. If a budget is forecast to overspend, this must be offset by mitigation measures or an underspend elsewhere to ensure the cash limit is not breached. The Executive Director will be responsible for bringing forward, at the earliest opportunity, a plan of mitigation that will result in the overspend being contained within budget. Such a plan will be expected to be sufficiently detailed, with timeframes, milestones, performance indicators and any resources needed, that it is considered a robust plan by the Executive Director Corporate Services. Where, in spite of this, a Chief Officer believes they may overspend they must inform the CFO immediately.

A.18 Executive Directors will be requested to sign a declaration before the commencement of the financial year, stating they understand the cash limited budget set and the key assumptions and any savings it includes, and they will make every effort to stay within that limit. Budget holders will be requested to agree the budgets under their management and sign an accountability statement stating that they understand their role as a budget holder and the support they will receive in managing their financial position.

A.19 Underspends on specific estimates may be carried forward within guidelines issued by the CFO, subject to the approval of Full Council. However, where budgets being carried forward into the new financial year are ring-fenced (e.g. specific grant funds from Government) and hence the Council can exercise no discretion, these will not require the approval of Full Council.

A.20 Schools' balances shall be available for carry-forward to support the expenditure of the school concerned as per the criteria in surplus policy. Schools cannot plan for a year end deficit budget when submitting budget plans at the start of the year. Schools that submit deficit plans will be required to resubmit their budget with plans to bring the budget back into balance. The authority will intervene if a school refuses to set a balanced budget by identifying the action a school could take and ultimately by suspending delegation.

A.21 Where an unplanned deficit occurs, the governing body shall prepare a detailed financial recovery plan for consideration by the Cabinet Member concerned and agreed by Cabinet, following evaluation by the relevant Chief Officer and the CFO. Any unplanned deficit incurred during the year would be a first call on the following year's budget; the school would need to include the deficit in its balanced budget plan for the following year. Schools that incur unplanned deficits in successive years would be treated the same as schools submitting deficit plans and the authority would need to intervene. The school will need to work with SCC's School Finance Team (if they have purchased SCC Finance Services via an SLA) or their own finance support (if they have not bought back SCC Finance Services), together with SCC School Improvement Teams to produce a robust Deficit Recovery Plan (DRP), ensuring the spend is brought back in line with their allocated funds.

A.22 The schools funding comes from Dedicated Schools Grant (DSG) grant. DSG consists of three blocks namely Schools Block, Early Years Block and High Needs Block. The grant is paid in support of the local authority's schools budget. Local authorities are responsible for determining the split of the grant between central expenditure and the individual schools budget (ISB) in conjunction with local schools forums. Local authorities are

responsible for allocating the ISB to individual schools in accordance with the local schools' funding formula

A.23 Scheme for financing schools sets out the financial relationship between the City Council and the maintained schools it funds. The scheme for financing schools is required by the School Standards and Framework Act 1998 and it contains requirements relating to financial management and associated issues. The scheme is binding on both the local authority and schools.

The scheme refers to the following legislation:

- [Section 48 of the School Standards and Framework Act 1998, and Schedule 14 to the Act](#) •
[School and Early Years Finance \(England\) Regulations 2014](#)

Financial Accountabilities in Relation to Accounting Policies

Responsibilities of the CFO

A.24 To select suitable accounting policies, and to ensure that they are applied consistently. The accounting policies are set out in the Statement of Accounts, which are prepared at 31 March each year, and covers such items as:

- (a) General principles
- (b) Adjustments between accounting basis and funding basis
- (c) Acquisitions and discontinued operations
- (d) Cash and cash equivalents
- (e) Exceptional items
- (f) Prior period adjustments, changes in accounting policies and estimates and errors
- (g) Employee benefits
- (h) Events after the balance sheet date
- (i) Financial Instruments
- (j) Government grants and other contributions
- (k) Heritage assets
- (l) Interests in companies and other entities
- (m) Investment property
- (n) Joint arrangements
- (o) Leases
- (p) Overhead and support services
- (q) Property, Plant and Equipment (PPE)
- (r) Private Finance Initiatives (PFI) and similar contract
- (s) Provision, contingent liabilities and contingent assets
- (t) Reserves
- (u) Revenue expenditure funded from capital under statute (REFCUS)
- (v) Value added tax (VAT)
- (w) Collection fund
- (x) Schools
- (y) Rounding convention

Responsibilities of Chief Officers

A.25 To adhere to the accounting policies and guidelines approved by the CFO.

Financial Accountabilities in relation to Accounting Records and Returns

Responsibilities of the CFO

A.26 To determine the accounting procedures and records for the authority. Where these are maintained outside the finance department, the Chief Officer concerned should consult the CFO.

A.27 To arrange for the compilation of all accounts and accounting records under his or her direction.

A.28 To comply with the following principles when allocating accounting duties:

- (a) Separating the duties of providing information about sums due to or from the authority and calculating, checking and recording these sums from the duty of collecting or disbursing them
- (b) Employees with the duty of examining or checking the accounts of cash transactions must not themselves be engaged in these transactions.

A.29. To make proper arrangements for the audit of the authority's accounts in accordance with the Accounts and Audit Regulations 2015.

A.30 To ensure that all claims for funds including grants are made by the due date.

A.31. To prepare and publish the draft accounts of the authority for each financial year, in accordance with the statutory timetable, which is 31 May other than for financial years 2020/21 and 2021/22 when it is 31 July. With the requirement for the Governance Committee to approve the audited statement of accounts and for them to be published by 31 July other than for financial years 2020/21 and 2021/22 when it is 30 September.

A.32. To administer the authority's arrangements for underspends or overspends to be carried forward to the following financial year.

A.33. To ensure the proper retention of financial documents in accordance with the requirements set out in the authority's document retention schedule.

Responsibilities of Chief Officers

A.34 To consult and obtain the approval of the CFO before making any changes to accounting records and procedures.

A.35 To comply with the principles outlined in paragraph A.27, when allocating accounting duties.

A.36 To maintain adequate records to provide an audit trail leading from the source of income/expenditure through to the accounting statements.

A.37 To supply information required to enable the Statement of Accounts to be completed in accordance with guidelines and timetable issued by the CFO.

Financial Accountabilities in relation to the Annual Statement of Accounts

Responsibilities of the CFO

A.38 To select suitable accounting policies and to apply them consistently.

A.39 To make judgments and estimates that are reasonable and prudent.

- A.40 To comply with the Code of Practice on Local Authority Accounting in the United Kingdom (Code of Practice).
- A.41 To sign and date the Statement of Accounts, stating that they present a true and fair view of the financial position of the authority at the accounting date and its income and expenditure for the year ended 31 March.
- A.42 To draw up the timetable for final accounts preparation and to advise staff and external auditors accordingly.

Responsibilities of Chief Officers

- A.43 To comply with accounting guidance provided by the CFO and to supply the CFO with information when required.

B: FINANCIAL PLANNING

Responsibilities of the CFO

- B.1 For the General Fund, to ensure that a five-year overview is prepared on a regular basis for consideration and recommendation by Cabinet, before submission to Full Council. The CFO will also prepare the indicators required as part of the Prudential Code. Full Council may amend the budget and Prudential Indicators or ask Cabinet to reconsider them before approving them.
- B.2 For the HRA, to ensure that a 40-year business plan is produced which covers revenue and capital spending. With regard to the revenue budget, there must be a detailed budget for the forthcoming financial year for consideration and recommendation by Cabinet, before submission to Full Council. The CFO will also prepare the indicators required as part of the Prudential Code. Full Council may amend the budget and Prudential Indicators or ask Cabinet to reconsider them before approving them. The 40-year business plan should also be presented to Cabinet and Full Council as part of the budget report.
- B.3 To advise and supply the financial information that needs to be included in business plans in accordance with statutory requirements and agreed timetables. B.4 To contribute to the development of business and service plans.
- B.5 To maintain a 5-year Medium Term Financial Strategy (MTFS) and model.
- B.6 To advise Cabinet and opposition groups on the format and content of the budget that is to be approved by Full Council. This includes providing a commentary on the robustness of the estimates made for the purpose of the calculations (to set the Council Tax), and the adequacy of the proposed level of reserves, as required by Section 25 of the Local Government Act 2003.
- B.7 Work with other Chief Officers To ensure horizon scanning and planning within the current economic climate.

Responsibilities of Chief Officers

- B.8 To ensure that systems are in place to measure activity and collect accurate information for use as performance indicators.
- B.9 To ensure that performance information is monitored sufficiently frequently to allow corrective action to be taken if targets are not likely to be met.
- B.10 To contribute to the development of performance plans in line with statutory requirements.

B.11 To contribute to the development of corporate and service targets and objectives and performance information.

Format of the Budget

Responsibilities of the CFO

B.12 To include a statement on the robustness of the estimates and the adequacy of the reserves.

Responsibilities of Chief Officers

B.13 To ensure robust and up-to-date business plans are in place, together with delivery plans for any agreed savings proposals.

Revenue Budget Preparation, Monitoring and Control

Responsibilities of the CFO

B.14 To ensure sound financial administration and produce a balanced budget; as set out in S.151 of the Local Government Act 1972.

B.15 To administer procedures to set Council Tax and Business Rates.

B.16 To establish an appropriate framework of budgetary management and control that ensures:

- (a) Expenditure is within budget unless Full Council agrees otherwise.
- (b) Each Chief Officer has available timely information on receipts and payments on each budget which is sufficiently detailed to enable managers to fulfil their financial responsibilities.
- (c) Expenditure is committed only against an approved budget head and within resources available.
- (d) All managers responsible for committing expenditure comply with relevant guidance, and the Financial Procedure Rules.
- (e) Each cost centre has a single named manager, determined by the relevant Chief Officer. As a general principle, budget responsibility should be aligned as closely as possible to the decision-making processes that commits expenditure.
- (f) Significant variances from approved budgets are investigated and reported by budget managers regularly along with action plans for recovery. B.17 To administer the authority's scheme of revenue virement.

B.18 To submit reports to Cabinet and if necessary, to Full Council, following consultation with the relevant Chief Officer, where a Chief Officer is unable to balance expenditure and resources within existing approved budgets under his or her control.

B.19 To prepare and submit reports to Cabinet on the authority's projected income and expenditure compared with the budget on a regular basis.

B.20 All estimates should be calculated using the approved assumptions in the MTFs.

Responsibilities of Chief Officers

- B.21 To ensure that budget estimates reflecting agreed priorities and business plans are produced in consultation with Cabinet Member and submitted to the CFO in accordance with the budget timetable and the guidance issued for the production of budget reports to Cabinet and Full Council.
- B.22 To maintain budgetary control within their departments, in adherence to the principles in B.15, and to ensure that all income and expenditure are properly recorded and accounted for.
- B.23 To ensure that an accountable budget holder is identified for each item of income and expenditure under the control of the Chief Officer (grouped together in a series of cost centres). As a general principle, budget responsibility should be aligned as closely as possible to the decision-making that commits expenditure.
- B.24 To ensure that spending remains within the service's overall budget and that individual budget heads are not overspent, by monitoring the budget and taking appropriate corrective action where significant variations from the approved budget are forecast.
- B.25 To ensure that a monitoring process is in place to review performance levels/levels of service in conjunction with the budget, and that this process is operating effectively.
- B.26 To prepare, following consultation with the CFO, reports on the service's projected expenditure compared with its budget, in accordance with the Council's Corporate Monitoring procedure and timetable.
- B.27 To ensure prior approval by Full Council or Cabinet (as appropriate) for new proposals, of whatever amount, that:
- (a) Create financial commitments in future years
 - (b) Change existing policies, initiate new policies or cease existing policies
 - (c) Materially extend or reduce the authority's services
- The report on new proposals should explain the full financial implications, after consultation with the CFO. Unless Full Council or Cabinet has agreed otherwise, Chief Officers must plan to contain the financial implications of such proposals within their budget.
- B.28 To ensure compliance with the scheme of virement.
- B.29 To agree with the relevant Chief Officer and the CFO where it appears that a budget proposal, including a virement proposal, may impact materially on another service area or Chief Officer's level of service activity.

Maintenance of Reserves and Balances

Responsibilities of the CFO

- B.30 To advise the Cabinet and Council on prudent levels of reserves and balances for the City Council, giving consideration to the level of risk the council faces, and published CIPFA guidance.

Capital Programme Management (General Fund and Housing Revenue Account (HRA))

Capital Governance

Capital Approvals

- B.31 The Council has an established ~~officer~~ governance process which ensures transparency and gives assurance to members. The Change Authority Board and the Strategic Capital Board Review Group will receive and consider proposals and business cases in line with the agreed procedure and timeline for capital approvals as issued by the CFO. Further details of the role of the Change Authority Board and Strategic Capital Board Review Group are included in appendices 1 and 2.
- B.32 All new capital schemes or additions to existing capital schemes would normally have a business justification through a business case to the Strategic Capital Board Review Group. These are considered for prioritisation ahead of recommendation to the Council for approval of the capital programme as part of the annual budget approval in February. Business cases for new or additional capital funding made at any other time during the year will be considered
- in exceptional circumstances only, unless external funding has been identified for scheme. There is a separate procedure for the HRA, as per B.33.
- B.33 Individual business cases are also normally expected for new additions to the HRA capital programme. The 40-year HRA business plan, which is approved by Full Council annually, will show the affordability of the overall programme. Capital Business cases must always consider the revenue implications of the capital spending.
- B.34 Approval is also required before expenditure can be incurred against a new scheme in the capital programme. This approval can be requested when the scheme is submitted for addition to the General Fund capital programme. If a scheme is included in the programme, but is dependent on subsequent agreement to spend, approval to spend must be sought usually once a full business case is available and prior to incurring expenditure. Approval for HRA additions and approval to spend will be given to schemes included in the 40-year HRA business plan.
- B35 The Capital programme will operate within the limits set within the Capital Strategy, applying the agreed limits from the indicators adopted from the Prudential Code. These are designed to ensure capital spending is affordable and sustainable.
- B.36 Schemes already added to the capital programme may spend up to ten per cent of the scheme budget with the approval of the relevant Chief Officer following consultation with the relevant Cabinet Member and the CFO in advance of approval to spend on the scheme. Such cases should be based on an urgent need to spend, rather than be seen as an alternative to seeking formal permission to spend by the usual means of reporting to Cabinet or Council as necessary.
- B.37 The same process for considering and approving projects and business cases applies whether the decision is for an officer or a Cabinet Member. A model for business cases is used which is streamlined for less complex projects to ensure the input is proportionate. The full scheme approval process is detailed in Appendix 3.
- B.38 The capital programme shall be recommended for approval by Full Council following consideration by the Strategic Capital Board Review Group. This will include projected available resources, the allocation of resource to schemes, the impact on the revenue budget, prudent retention of resources to meet unforeseen short-term demands, variances in projected available resources and medium-term future needs.
- B.39 In addition to the large schemes and development projects that make up much of the capital programme, there will be routine investment plans for the core business of the Council that have block allocations. These include the schools' maintenance programme, the heritage assets maintenance budget, highways maintenance, the replacement of vehicles and

other essential service assets. These are planned and budgeted for through 5-year asset management plans within the capital programme and will operate within the approved control totals. The Executive Director is delegated to move budgets between projects within each programme.

B.40 A virement is the movement of a budget to another purpose other than that it was allocated to when the capital scheme was approved. This applies to the virement of budgets between capital schemes within the capital programme and between projects within a capital scheme.

B.41 All virements at any value within a capital programme can be approved by the CFO on submission of a completed DDN. All other virements must be agreed according to the approval levels as set out in Table 1.

B.42 Requests for approval by Cabinet or Council must be submitted in the correct corporate report format and submitted in accordance with Council's democratic processes.

B.42 Decisions will be made in line with the approval levels set out in Table 1.

Notes:

A diagram summarising the process for approving new capital schemes and additions to existing capital schemes is shown in Appendix 4.

A timeline for capital approvals is shown in Appendix 5.

Capital Monitoring

B.43 The monitoring of the capital programme is part of the core business of Cabinet Member Briefing on a quarterly basis with formal decisions published in accordance with constitutional arrangements. The [Strategic Capital Board Review Group](#) has the same quarterly programme review.

B.44 Approvals of slippage and rephasing and the approval of Delegated Decision Notices (DDNs) required to vire budgets between schemes and projects within schemes should be requested in accordance with approval levels set out in Table 1.

B.45 Capital schemes must be monitored at a service level according to the capital monitoring timetable. This includes a review of expenditure, plans for slippage and rephasing and explanations for any variance to budget.

B.46 Expenditure included in the Capital Programme must show the total value of contracts and related expenses that the council will incur. Any grants or other income must be shown as a source of capital finance and not as a reduction to the gross expenditure.

B.47 Expenditure must be in line with the Council's [Contract Procedure Rules](#).

B.48 Feasibility work carried out prior to a scheme being added to the capital programme is a charge to revenue. If a capital project is approved following feasibility work, the cost of this can be capitalised. Feasibility work is an analysis of all factors of the project including economic, technical, legal and scheduling considerations, to establish the likelihood that the project can be completed successfully.

Capital Programme Management Responsibilities

Local authorities are required by regulation to have regard to the Prudential Code for Capital Finance in Local Authorities when carrying out financial duties regarding capital expenditure. The objectives of this code are to ensure that the capital investment plans of local authorities are affordable, prudent and sustainable. The responsibilities are set out below to ensure adherence with this code.

Responsibilities of the CFO

- B.49 To issue guidance concerning capital schemes and controls, and to determine the definition of “capital”, having regard to government regulations and accounting requirements.
- B.50 To ensure that the Capital Strategy and 5-year programme are presented to Full Council as part of the budget and at such other times as the CFO may determine. The HRA capital spending plan is included and detailed in the Council Capital report that is reported to Full Council as part of budget-setting.
- B.51 To report on the outturn of capital expenditure to Council as soon as practicable after the end of the financial year.
- B.52 To give regular updates to Cabinet on the forecast expenditure.

Responsibilities of the ~~Strategic Capital Board Review Group~~

- B.53 To oversee and coordinate the preparation, review and implementation of the Council’s Capital Strategy. The Capital Strategy must be approved by Council and reviewed annually.
- B.54 To lead the strategic direction of capital investment for the Council.
- B.55 The full terms of reference for the ~~Strategic Capital Board Review Group~~ are attached at Appendix 1. In summary the ~~Strategic Capital Board Review Group~~ will be responsible for:
- (a) Managing un-ringfenced and corporate resources and reviewing all bids for resources, evaluating them and then agreeing on the prioritisation of resources accordingly.
 - (b) Reviewing the use of any ringfenced resources to ensure alignment with other spending plans and the maximisation of benefits to the Council and achievement of Council outcomes.
 - (c) Recommending the use of both un-ringfenced and ringfenced resources and also the general prioritisation of resources so that Cabinet / Council can make a final well-informed decision on the utilisation of resources.
 - (d) Prior to the annual review of the capital strategy undertaking a review of the individual projects.

Responsibilities of Chief Officers

- B.56 To ensure that the correct business case template is completed in full for all new capital projects. This will include full costings, accurate phasing of annual budgets across the life of the project and correctly identifying capital and revenue expenditure required for the project. The completion of the business case should be in consultation with the Finance Business Partner for the service to ensure the accuracy of the financial information provided.
- B.57 The cost of internal resources should be included in the project costs. This will include:
- Project Management
 - Legal Services
 - HR
 - Communications
 - Procurement

- Finance

Table 1 – Capital Approvals

Note:

The appropriate report should be submitted for decision depending on the value of approval as per sections **B401** and **B412**.

Approval to add new schemes or to increase existing capital schemes <i>Funded from new, sources including 100% ringfenced</i>	Approval to spend against a new or existing scheme <i>If a full business case is available, approval to spend can be given at the same time as approval to add a scheme to the capital programme or increase the value of an existing capital scheme</i>	Virements ** <i>Variations across schemes within an overall programme can be approved by CHIEF OFFICER*** in consultation with CFO and relevant Cabinet Member</i>	Slippage & Rephasing <i>Movement of budgets between years</i>
Up to £500,000 – A Delegated Decision Notice (DDN) is required Approved by CHIEF OFFICER*** in consultation with CFO and Cabinet Member	Up to £500,000 – A Delegated Decision Notice (DDN) is required Approved by CHIEF OFFICER*** in consultation with CFO and Cabinet Member	Up to £500,000 – A Delegated Decision Notice (DDN) is required Approved by CHIEF OFFICER*** in consultation with CFO and Cabinet Member	Up to £500,000 – A Delegated Decision Notice (DDN) is required Approved by CHIEF OFFICER*** in consultation with the CFO and Cabinet Member
Over £500,000 up to £5 million Approved by CABINET	Over £500,000 up to £5 million Approved by CABINET	Over £500,000 up to £5 million Approved by CABINET	Over £500,000 Approved by CABINET
Over £5 million Approved by COUNCIL	Over £5 million Approved by COUNCIL	Over £5 million Approved by COUNCIL	

* This includes credit arrangements such as financing leases.

** If the virement is not in line with current approved council policies and strategies the decision must be made by Council regardless of value.

***The Chief Officer is the Executive Director of the service that holds the budget for the capital project.

Following the submission of a Delegated Decision Notice (DDN) for consideration and recommendation by the Strategic Capital Board Capital Review Group, the CFO, can approve virements of any value within a programme.

The approval limits do not apply in respect of decisions taken at the Joint Commissioning Board up to a value of £2 million where the decision is taken by an officer / Individual Cabinet Member following consultation with and the agreement of all Cabinet Member Representatives on the Board or to acquisitions and disposals in relation to the Property Investment Fund, authority being delegated to the Associate Director: Capital Assets, following consultation with the Leader of the Council and the Executive Director: Finance and Commercialisation.

C: RISK MANAGEMENT AND CONTROL OF RESOURCES

Risk Management

Responsibilities of the CFO

- C.1 To prepare and promote the authority's risk management policy.
- C.2 To develop risk management controls in conjunction with other Chief Officers.
- C.3 To include all appropriate employees of the authority in a suitable fidelity guarantee insurance.
- C.4 To offer insurance cover to schools.
- C.5 To advise Cabinet on proper insurance cover where appropriate, and effect corporate insurance cover, through external insurance and internal funding.

Responsibilities of Chief Officers

- C.6 To notify the CFO immediately of any loss, liability or damage that may lead to a claim against the authority, together with any information or explanation required by the CFO or the authority's insurers.
- C.7 To take responsibility for the management of operational and service risks in accordance with the risk management policy, having regard to advice from the CFO and other specialist Officers.
- C.8 To ensure that there are regular reviews of risk within their departments and that appropriate actions are taken or are in place to manage risk.
- C.9 To notify the CFO promptly of all new risks, including properties or vehicles that require insurance and of any alterations or new initiatives affecting existing insurances.
- C.10 To consult the CFO and where appropriate the Director of Legal & Business Services, on the terms of any indemnity that the authority is requested to give.
- C.11 To ensure that employees, or anyone covered by the authority's insurances, do not admit liability or make any offer to pay compensation that may prejudice the assessment of liability in respect of any insurance claim.

Internal Control

Responsibilities of the CFO

- C.12 To assist the authority to put in place an appropriate control environment and effective internal controls which provide reasonable assurance of effective and efficient operations, financial stewardship, probity and compliance with laws and regulations.

Responsibilities of Chief Officers

- C.13 To manage processes to check that established controls are being adhered to and to evaluate their effectiveness, in order to be confident in the proper use of resources, achievement of objectives and financial performance targets, and management of risks.
- C.14 To review existing controls in the light of changes affecting the authority and to establish and implement new ones in line with guidance from the CFO. Chief Officers should also be responsible for removing controls that are unnecessary or not cost or risk effective, for example because of duplication.

C.15 To ensure staff have a clear understanding of the consequences of lack of control.

Audit Requirements – Internal Audit

Responsibilities of the CFO

- C.16 To ensure that internal auditors have the authority to:
- (a) Access authority premises at reasonable times
 - (b) Access all assets, records, documents, correspondence and control systems
 - (c) Receive any information and explanation considered necessary concerning any matter under consideration
 - (d) Require any employee of the authority to account for cash, stores or any other authority asset under his or her control
 - (e) Access records belonging to third parties, such as contractors, when required
 - (f) Directly access the Head of Paid Service, Cabinet and Overview and Scrutiny Management Committee
- C.17 To approve the strategic and annual audit plans prepared by the Chief Internal Auditor, which take account of the characteristics and relative risks of the activities involved.
- C.18 To ensure that effective procedures are in place to investigate promptly any suspected fraud or irregularity.

Responsibilities of Chief Officers

- C.19 To ensure that internal auditors are given access at all reasonable times to premises, personnel, documents and assets that the auditors consider necessary for the purposes of their work.
- C.20 To ensure that auditors are provided with any information and explanations that they seek in the course of their work.
- C.21 To consider and respond promptly to recommendations in audit reports.
- C.22 To ensure that any agreed actions arising from audit recommendations are carried out in a timely and efficient fashion.
- C.23 To notify the CFO immediately of any suspected fraud, theft, irregularity, improper use or misappropriation of the authority's property or resources. Pending investigation and reporting, the Chief Officer should take all necessary steps to prevent further loss and to secure records and documentation against removal or alteration.
- C.24 To ensure new systems for maintaining financial records, or records of assets, or changes to such systems, are discussed with and agreed by the Chief Internal Auditor prior to implementation.

Audit Requirements – External Audit

Responsibilities of the CFO

- C.25 To ensure that external auditors are given access at all reasonable times to premises, personnel, documents and assets that the external auditors consider necessary for the purposes of their work.
- C.26 To ensure there is effective liaison between external and internal audit.

C.27 To work with the external auditor and advise Full Council, Cabinet and Chief Officers on their responsibilities in relation to external audit.

Responsibilities of Chief Officers

C.28 To ensure that external auditors are given access at all reasonable times to premises, personnel, documents and assets which the external auditors consider necessary for the purposes of their work.

C.29 To ensure that all records and systems are up to date and available for inspection.

Preventing Fraud and Corruption

Responsibilities of the CFO

C.30 To develop and maintain an anti-fraud, anti-bribery and anti-corruption policy.

C.31 To develop and maintain an anti-money laundering policy.

C.32 To maintain adequate and effective internal control arrangements.

C.33 To ensure that all suspected irregularities are reported to the Chief Internal Auditor.

Responsibilities of Chief Officers

C.34 To ensure that all suspected irregularities are reported to the Chief Internal Auditor.

C.35 To invoke the authority's disciplinary procedures where the outcome of an investigation indicates improper behaviour.

C.36 To ensure that where financial impropriety is discovered, the CFO is informed, and where sufficient evidence exists to believe that a criminal offence may have been committed, the police are called in to determine with the Crown Prosecution Service whether any prosecution will take place.

C.37 To maintain a departmental register of interests.

Assets – Security

Responsibilities of the CFO

C.38 To ensure that an asset register is maintained in accordance with good practice for all fixed assets whose value is material in the manner prescribed by CIPFA in the Institute's Practical Guide to Asset Registers. The function of the asset register is to provide the authority with information about fixed assets so that they are safeguarded, used efficiently and effectively, and are adequately maintained.

C.39 To receive the information required for accounting, costing and financial records from each Chief Officer.

C.40 To ensure that assets are valued in accordance with the Code of Practice.

Responsibilities of Chief Officers

C.41 The Service Manager – Asset Management shall maintain a property database in a form approved by the CFO for all land and buildings and plant within buildings currently owned or used by the authority. Any use of property by a department or establishment other than for direct service delivery should be supported by documentation identifying terms, responsibilities and duration of use.

- C.42 To ensure that lessees and other prospective occupiers of Council land are not allowed to take possession or enter the land until a lease or agreement, in a form approved by the appropriate Chief Officers has been established.
- C.43 To ensure the proper security of all buildings and other assets under their control.
- C.44 Where land or buildings are surplus to requirements, a recommendation for sale should be the subject of a joint report by the appropriate Chief Officers
- C.45 To pass title deeds to the Director of Legal & Business Services who is responsible for custody of all title deeds.
- C.46 To ensure that no authority asset is subject to personal use by an employee without proper authority.
- C.47 To ensure the safe custody of vehicles, equipment, furniture, stock, stores and other property belonging to the authority. If an asset requires to be moved, altered, or disposed of check that the asset has not been leased or that any lease conditions are complied with.
- C.48 To ensure that additions and amendments to the register of moveable assets are notified to Finance in accordance with arrangements defined by the CFO.
- C.49 To ensure that assets are identified, their location recorded and that they are appropriately marked and insured.
- C.50 To consult the CFO in any case where security is thought to be defective or where it is considered that special security arrangements may be needed. C.51 To ensure cash holdings on premises are kept to a minimum.
- C.52 To ensure that keys to safes and similar receptacles are carried on the person of those responsible at all times; loss of any such keys must be reported to the CFO as soon as possible.
- C.53 To record all disposal or part exchange of assets that should normally be by competitive tender or public auction, unless, following consultation with the CFO, the relevant Cabinet Member, Cabinet or Full Council (as appropriate) agrees otherwise.
- C.54 To arrange for the valuation of assets for accounting purposes to meet requirements specified by the CFO.
- C.55 To ensure that all employees are aware that they have a personal responsibility with regard to the protection and confidentiality of information, whether held in manual or computerised records. Information may be sensitive or privileged, or may possess some intrinsic value, and its disclosure or loss could result in a cost to the authority in some way.
- C.56 To maintain inventories and record an adequate description of furniture, fittings, equipment, plant and machinery above £200 in value.
- C.57 To carry out an annual check of all items on the inventory in order to verify location, review, condition and to take action in relation to surpluses or deficiencies, annotating the inventory accordingly. Attractive and portable items such as computers, cameras and video recorders should be identified with security markings as belonging to the authority.
- C.58 To make sure that property is only used in the course of the authority's business, unless the Chief Officer concerned has given permission otherwise.
- C.59 To make arrangements for the care and custody of stocks and stores in the department.
- C.60 To ensure stocks are maintained at reasonable levels and are subject to a regular independent physical check. All discrepancies should be investigated and pursued to a satisfactory conclusion.

- C.61 To investigate and remove from the authority's records (i.e. write off) discrepancies as necessary, or to obtain Cabinet approval if they are in excess of a predetermined limit.
- C.62 To authorise or write off disposal of redundant stocks and equipment. Procedures for disposal of such stocks and equipment should be by competitive quotations or auction, unless, following consultation with the CFO, Cabinet decides otherwise in a particular case.
- C.63 To seek Cabinet approval to the write-off of redundant stocks and equipment in excess of a predetermined sum.
- C.64 To ensure that, in the event of any disaster, contingency plans for the security of assets and continuity of service or system failure are in place.

Assets – Disposal

Responsibilities of the CFO

- C.65 To issue guidelines representing best practice for disposal of assets. Corporate Property Standards should be followed for disposals of Land and Buildings.
- C.66 To ensure appropriate accounting entries are made to remove the value of disposed assets from the authority's records and to include the sale proceeds if appropriate.

Responsibilities of Chief Officers

- C.67 To dispose of surplus or obsolete materials, stores or equipment in accordance with the guidelines issued by the CFO.
- C.68 To ensure that income received for the disposal of an asset is properly banked and coded.

Treasury Management

All financial transactions actioned as part of the Council's Treasury Management function will be undertaken in line with the approved Treasury Management Strategy and practices but will fall outside of the Delegated Decision Notice process.

Responsibilities of CFO

- C.69 To arrange the borrowing and investments of the authority in such a manner as to comply with the CIPFA Code of Practice on Treasury Management and the authority's treasury management policy statement and strategy.
- C.70 To report a proposed treasury management strategy for the coming financial year to Full Council at, or before the start of, each financial year.
- C.71 To report to Full Council not less than twice in each financial year on the activities of the treasury management operation and on the exercise of his or her delegated treasury management powers. One such report will comprise an annual report on treasury management for presentation by 30 September of the succeeding financial year.
- C.72 To operate bank accounts as are considered necessary – opening or closing any bank account shall require the approval of the CFO.
- C.73 To ensure that all investments of money are made in the name of the authority or in the name of nominees approved by Full Council.

- C.74 To ensure that all securities that are the property of the authority or its nominees and the title deeds of all property in the authority's ownership are held in the custody of the appropriate Chief Officer.
- C.75 To affect all borrowings in the name of the authority.
- C.76 To act as the authority's registrar of stocks, bonds and mortgages and to maintain records of all borrowing of money by the authority.

Responsibilities of Chief Officers

- C.77 To ensure that loans are not made to third parties and that interests are not acquired in companies, joint ventures or other enterprises without the approval, following consultation with the CFO, of Full Council or Cabinet as appropriate, subject to the criterion as detailed in E.9.
- C.78 To arrange for all trust funds to be held, wherever possible, in the name of the authority. All Officers acting as trustees by virtue of their official position shall deposit securities, etc relating to the trust with CFO, unless the deed otherwise provides.
- C.79 To arrange, where funds are held on behalf of third parties, for their secure administration, approved by the CFO, and to maintain written records of all transactions.
- C.80 To ensure that trust funds are operated within any relevant legislation and the specific requirements for each trust.
- C.81 To follow the instructions on banking issued by the CFO.

D: SYSTEMS AND PROCEDURES

General

Responsibilities of the CFO

- D.1 To make arrangements for the proper administration of the authority's financial affairs, including to:
- (a) Issue advice, guidance and procedures for Officers and others acting on the authority's behalf
 - (b) Determine the accounting systems, form of accounts and supporting financial records
 - (c) Establish arrangements for audit of the authority's financial affairs
 - (d) Approve any new financial systems to be introduced
 - (e) Approve any changes to be made to existing financial systems

Responsibilities of Chief Officers

- D.2 To ensure that accounting records are properly maintained and held securely.
- D.3 To ensure that vouchers and documents with financial implications are not destroyed, except in accordance with arrangements approved by the CFO.
- D.4 To ensure that a complete management trail, allowing financial transactions to be traced from the accounting records to the original document, and vice versa, is maintained. D.5 To incorporate appropriate controls to ensure that, where relevant:
- (a) All input is genuine, complete, accurate, timely and not previously processed

- (b) All processing is carried out in an accurate, complete and timely manner
- (c) Output from the system is complete, accurate and timely
- D.6 To ensure that the organisational structure provides an appropriate segregation of duties, an adequate level of internal control, and that the risk of fraud or other malpractice is minimised.
- D.7 To ensure there is a documented and tested disaster recovery plan to allow information system processing to resume quickly in the event of an interruption.
- D.8 To ensure that systems are documented and staff trained in operations.
- D.9 To consult with the CFO before changing any existing system or introducing new systems.
- D.10 To establish a scheme of delegation identifying Officers authorised to act upon the Chief Officer's behalf, or on behalf of Cabinet, in respect of payments, income collection and placing orders, including variations, and showing the limits of their authority.
- D.11 Where relevant, to supply lists of authorised Officers, with specimen signatures if required, and delegated limits, to the CFO, together with any subsequent variations.
- D.12 To ensure that effective contingency arrangements, including back-up procedures for computer systems are in place. Wherever possible, back-up information should be securely retained in a fireproof location, preferably off site or at an alternative location within the building.
- D.13 To ensure that, where appropriate, computer systems are registered in accordance with data protection legislation and that staff are aware of their responsibilities under the legislation.
- D.14 To ensure that the authority's IT Standards issued by the appropriate Head of Service are observed, and that in particular all computerised data, computer equipment and software are protected from loss and damage through theft, vandalism, etc.
- D.15 To comply with the copyright, designs and patents legislation and, in particular, to ensure that:
 - (a) Only software legally acquired and installed by the authority is used on its computers
 - (b) Staff are aware of legislative provisions
 - (c) In developing systems, due regard is given to the issue of intellectual property rights

Income

Responsibilities of the CFO

- D.16 To agree arrangements for the collection of all income due to the authority, and to approve the procedures, systems and documentation for its collection.
- D.17 To provide advice to Chief Officers on the statutory regulations which relate to the collection and accounting of income.
- D.18 To assess and approve the form of receipts used.
- D.19 To undertake weekly reconciliations of all deposits to the authority's bank accounts.

- D.20 To provide an accounting system which records income and provides relevant information to Chief Officers so that income can be monitored.
- D.21 To maintain a Value Added Tax (VAT) account and supply HM Revenues & Customs (HMRC) with such details, explanations and statutory returns as required.
- D.22 To provide a system for the collection and control of credit income, and of sundry debts.
- D.23 To create, monitor and maintain a provision for bad and doubtful debts.
- D.24 To annually review the policy for writing off debts and the terms of credit. Cabinet is responsible for approving the procedures for writing off debts as part of the overall control framework of accountability and control.
- D.25 To approve all debts to be written off up to the value of £200,000 and to keep a record of all sums written off up to the approved limit. Once raised, no bona fide debt may be cancelled, except by full payment or by its formal writing off. A credit note to replace a debt can only be issued to correct a factual inaccuracy or administrative error in the calculation and/or billing of the original debt.
- D.26 To obtain the approval of Cabinet when writing off debts in excess of £200,000.

Responsibilities of Chief Officers

- D.27 To establish proposals for a charging policy for the supply of goods or services, including the appropriate charging of VAT, and to review it regularly, in line with corporate policies.
- D.28 To separate the responsibility for identifying amounts due and the responsibility for collection, as far as is practicable.
- D.29 To establish and initiate appropriate recovery procedures, including legal action where necessary, for debts that are not paid promptly.
- D.30 To issue official receipts or to maintain other documentation for income
- D.31 To ensure that at least two employees are present when post is opened so that money received by post is properly identified and recorded.
- D.32 To hold securely receipts, tickets and other records of income for the appropriate period.
- D.33 To lock away all income to safeguard against loss or theft, and to ensure the security of cash handling.
- D.34 To ensure that income is paid fully and promptly into the appropriate authority bank account in the form in which it is received. Appropriate details should be recorded on to paying-in slips to provide an audit trail. Money collected and deposited must be reconciled to the bank account and the ledger system on a regular basis appropriate to the level of transactions
- D.35 To ensure income is not used to cash personal cheques or other payments.
- D.36 To supply the CFO with details relating to work done, goods supplied, services rendered or other amounts due, to enable the CFO to record correctly the sums due to the authority and to ensure accounts are sent out promptly. To do this, Chief Officers should use established performance management systems to monitor recovery of income and flag up areas of concern to the CFO. Chief Officers have a responsibility to assist the CFO in collecting debts that they have originated, by providing any further information requested by the debtor, and in pursuing the matter on the authority's behalf. Only up to approved levels of cash can be held on the premises.
- D.37 To keep a record of any transfer of money between employees. The receiving Officer must sign for the transfer and the transferor must retain a copy.

D.38 To notify the CFO of outstanding income relating to the previous financial year as soon as possible after 31 March in line with the timetable determined by the CFO.

Ordering and Paying for Work, Goods and Services

Responsibilities of the CFO

- D.39 To ensure that all the authority's financial systems and procedures are sound and properly administered.
- D.40 To ensure that a budgetary control system is established that enables commitments incurred by placing orders to be shown against the appropriate budget allocation so that they can be taken into account in budget monitoring reports.
- D.41 To approve any changes to existing financial systems and to approve any new systems before they are introduced.
- D.42 To approve the form of official orders and associated terms and conditions.
- D.43 To make payments from the authority's funds on the Chief Officer's authorisation that the expenditure has been duly incurred in accordance with financial regulations.
- D.44 To make payments, whether or not provision exists within the estimates, where the payment is specifically required by statute or is made under a court order.
- D.45 To make payments to contractors on the certificate of the appropriate Chief Officer, which must include details of the value of work, retention money, amounts previously certified and amounts now certified.
- D.46 To provide advice and encouragement on making payments by the most economical means.
- D.47 To provide, as necessary, cash change floats, and approve and set up bank imprest accounts to meet minor expenditure on behalf of the authority and to prescribe rules for operating these accounts.
- D.48 To maintain a record of all such cash floats and bank imprest accounts, and periodically to review the arrangements for the safe custody and control of them.
- D.49 To hold a central record of the scheme of delegation identifying Officers authorised to approve payments, orders and variations up to the value of £2 million as agreed by the Executive Director for each service.
- D.50 Payments, orders and variations over £2 million must be approved by the Executive Director in consultation with the CFO and Cabinet Member for the service.

Responsibilities of Chief Officers

- D.51 To ensure that unique numbered official orders are used for all goods and services, wherever possible in accordance with the Council's [No Purchase Order No Pay policy](#). D.52 To ensure official orders are not used to obtain goods or services for private use.
- D.53 To ensure that only those designated staff initiate or authorise orders and to maintain an up-to-date list of such designated staff, identifying authorisation limits. The authoriser of the order should be satisfied that the goods and services ordered are appropriate and needed, that there is adequate budgetary provision and that quotations or tenders have been obtained if necessary. Best value principles should underpin the authority's approach to procurement and the [Contract Procedure Rules](#) must be adhered to when procuring on behalf of the Council. Value for money should always be achieved.

- D.54 To ensure that goods and services are checked on receipt to verify that they are in accordance with the order. Where possible a different Officer from the person who authorised the order should always carry out this check. If appropriate, entries should then be made in inventories or stores records.
- D.55 To ensure that payment is not made unless a proper VAT invoice has been received, checked, coded and certified for payment, confirming that:
- (a) The goods or services have been received
 - (b) The invoice has not previously been paid
 - (c) The expenditure has been properly incurred and is within budget provision
 - (d) Prices and arithmetic are correct and accord with quotations, tenders, contracts or catalogue prices
 - (e) Tax has been correctly accounted for
 - (f) The invoice is correctly coded
 - (g) Discounts have been taken where available
 - (h) Appropriate entries will be made in accounting records
- D.56 For the avoidance of doubt, no pre-payment for goods, services or suppliers shall be allowed above the value of £15,000, without the prior written consent of the CFO and the Director of Legal & Business Services.
- D.57 To ensure no Officer authorises a payment to her or himself, and where practical no Officer should authorise an invoice for which the Officer raised the order.
- D.58 To ensure controls are regularly reviewed to verify they are in place and adequate for the efficient management of the system, which enables invoices to be examined, verified and authorised as properly payable
- D.59 To ensure that payments are not made on a photocopied or faxed invoice, statement or other document other than the formal invoice. Any instances of these being rendered should be reported to the Chief Internal Auditor unless a written explanation giving the reason is attached. Any copy invoice must be clearly marked by the supplier that it is a copy.
- D.60 To encourage suppliers of goods and services to receive payment by the most economical means for the authority. It is essential, however, that payments made by direct debit have the prior approval of the CFO.
- D.61 To ensure that the Council obtains best value from purchases by taking appropriate steps to obtain competitive prices for goods and services of the appropriate quality, with regard to the authority's [Contract Procedure Rules](#).
- D.62 To utilise any established central purchasing procedures in putting purchases, where appropriate, out to competitive quotation or tender. These will comply with the authority's [Contract Procedure Rules](#).
- D.63 To ensure that employees are aware of the national code of conduct for local government employees (summarised in the procedures and conditions of employment manual).
- D.64 To ensure that loans, leasing or rental arrangements are not entered into without prior agreement from the CFO. This is because of the potential impact on the authority's borrowing powers, to protect the authority against entering into unapproved credit arrangements and to ensure that value for money is being obtained.

- D.65 To notify the CFO of outstanding expenditure relating to the previous financial year as soon as possible after 31 March in line with the timetable determined by the CFO.
- D.66 With regard to contracts for construction and alterations to buildings and for civil engineering works, to document and agree with the CFO, the systems and procedures to be adopted in relation to financial aspects, including:
- (a) Certification of interim and final payments
 - (b) Checking, recording and authorising payments
 - (c) Monitoring and controlling capital schemes
 - (d) Validation of subcontractors' tax status
- D.67 To notify the CFO immediately of any expenditure to be incurred as a result of statute/court order where there is no budgetary provision.
- D.68 To ensure that all appropriate payment records are retained and stored for the defined period, in accordance with the document retention schedule. D.69 To ensure that employees operating an imprest account:
- (a) Obtain and retain vouchers to support each payment from the imprest account, including where appropriate an official receipted VAT invoice
 - (b) Make adequate arrangements for the safe custody of the account
 - (c) Produce upon demand by the CFO cash and all vouchers to the total value of the imprest amount
 - (d) Record transactions promptly
 - (e) Reconcile and balance the account at least monthly; reconciliation sheets to be signed and retained by the imprest holder
 - (f) Provide the CFO with a certificate of the value of the account held at the end of Period 11 each year, detailing the breakdown between cash at bank, cash in hand, petty cash floats advanced and vouchers.
 - (g) Ensure that the float is never used to cash personal cheques or to make personal loans and that the only payments into the account are the reimbursement of the float and change relating to purchases where an advance has been made
 - (h) On leaving the authority's employment or otherwise ceasing to be entitled to hold an imprest advance, an employee shall account to the CFO for the amount advanced to him or her.
 - (i) Follow the Council's Petty Cash policy.

Payments to Employees and Members

Responsibilities of the CFO

- D.70 To arrange and control secure and reliable payment of salaries, wages, compensation or other emoluments to existing and former employees, in accordance with procedures prescribed by him or her, on the due date.
- D.71 To record and make arrangements for the accurate and timely payment of tax, superannuation and other deductions.
- D.72 To make arrangements for payment of all travel and subsistence claims or financial loss allowance.
- D.73 To make arrangements for paying Members travel or other allowances.

- D.74 To provide advice and encouragement to Members, Chief Officers and employees in order to secure payment of allowances, salaries and wages by the most economical means.
- D.75 To ensure that there are adequate arrangements for administering superannuation matters on a day-to-day basis.
- D.76 To act as an advisor to Chief Officers on areas such as national insurance and pension contributions, as appropriate.

Responsibilities of Chief Officers

- D.77 To ensure appointments are made in accordance with the regulations of the authority and approved establishments, grades and scale of pay and that adequate budget provision is available.
- D.78 To notify the CFO of all appointments, terminations or variations which may affect the pay or pension of an employee or former employee, in the form and to the timescale required by the CFO.
- D.79 To ensure that adequate and effective systems and procedures are operated, so that:
- (a) Payments are only authorised to bona fide employees
 - (b) Payments are only made where there is a valid entitlement
 - (c) Conditions and contracts of employment are correctly applied
 - (d) Employees' names listed on the payroll are checked at regular intervals to verify accuracy and completeness
- D.80 To ensure that only those staff designated by them initiate or authorise payroll documentation and to maintain a list of such designated staff, including where appropriate specimen signatures identifying in each case the limits of their authority.
- D.81 To ensure that payroll transactions are processed only through the payroll system. Chief Officers should give careful consideration to the employment status of individuals employed on a self-employed consultant or subcontract basis. HMRC applies a tight definition for employee status, and in cases of doubt, advice should be sought from the CFO.
- D.82 To certify travel and subsistence claims and other allowances. Certification is taken to mean that journeys were authorised and expenses properly and necessarily incurred, and that allowances are properly payable by the authority, ensuring that cost-effective use of travel arrangements is achieved. Due consideration should be given to tax implications and that the CFO is informed where appropriate.
- D.83 To ensure that the CFO is notified of the details of any employee benefits in kind, to enable full and complete reporting within the income tax self-assessment system.
- D.84 To ensure that all appropriate payroll documents are retained and stored for the defined period in accordance with the document retention schedule.

Responsibilities of Members

- D.85 To submit claims for Members' travel and subsistence allowances on a monthly basis and, in any event, within one month of the year end.

Taxation

Responsibilities of the CFO

- D.86 To complete all HMRC returns regarding PAYE.
- D.87 To complete a monthly return of VAT inputs and outputs to HMRC.
- D.88 To provide details to HMRC regarding the construction industry tax deduction scheme.
- D.89 To complete all relevant company returns.
- D.90 To complete corporation returns for wholly owned companies.
- D.91 To advise Chief Officers, in the light of guidance issued by appropriate bodies and relevant legislation as it applies, on all taxation issues that affect the authority, and to maintain up-to-date guidance for all authority employees on taxation issues.

Responsibilities of Chief Officers

- D.92 To ensure that the correct VAT liability is attached to all income due and that all VAT recoverable on purchases complies with HMRC regulations.
- D.93 To ensure that, where construction and maintenance works are undertaken, the contractor fulfils the necessary construction industry tax deduction requirements.
- D.94 To ensure that all persons employed by the authority are added to the authority's payroll and tax deducted from any payments. The [IR35 guidance](#) should be followed for all offpayroll workers who will be subject to PAYE deductions unless a determination has been issued by the IR35 team stating otherwise. As per the [Consultants Policy](#) a business case must be submitted for approval to Executive Management Board before engaging consultants.
- D.95 To follow the guidance on taxation issued by the CFO, including the [Tax Evasion Policy](#).

Quasi Commercial operations

Responsibilities of the CFO

- D.96 To advise on the establishment and operation of trading accounts and business units.

Responsibilities of Chief Officers

- D.97 To consult with the CFO where a business unit wishes to enter into a contract with a third party where the contract expiry date exceeds the remaining life of their main contract with the authority. In general, such contracts should not be entered into unless they can be terminated within the main contract period without penalty.
- D.98 To observe all statutory requirements in relation to business units, including the maintenance of a separate revenue account to which all relevant income is credited and all relevant expenditure, including overhead costs, is charged, and to produce an annual report in support of the final accounts.
- D.99 To ensure that the same accounting principles are applied in relation to trading accounts as for other services or business units.
- D.100 To ensure that each business unit prepares an annual business plan in accordance with published guidelines.

E: EXTERNAL ARRANGEMENTS

Partnerships

Responsibilities of the CFO

- E.1 To advise on effective controls that will ensure that resources are not wasted.
- E.2 To advise on the key elements of funding a project including:
 - (a) A scheme appraisal for financial viability in both the current and future years
 - (b) Risk appraisal and management
 - (c) Resourcing, including taxation issues
 - (d) Audit, security and control requirements
 - (e) Carry-forward arrangements.
- E.3 To ensure that the accounting arrangements are satisfactory.

Responsibilities of Chief Officers

- E.4 To maintain a register of all contracts entered into with external bodies in accordance with procedures specified by the CFO.
- E.5 To ensure that, before entering into agreements with external bodies, appropriate approvals have been obtained and a risk management appraisal has been prepared for the CFO.
- E.6 To ensure that such agreements and arrangements do not impact adversely upon the services provided by the authority.
- E.7 To ensure that all agreements and arrangements are properly documented.
- E.8 To provide appropriate information to the CFO to enable a note to be entered into the authority's statement of accounts concerning material items.
- E.9 To ensure proper authority is obtained for the creation of any company, or any interest in a company, upon the following provisos:
 - i. Cabinet authority – where the interest is within the Policy Framework, a minority one, there is limited liability, less than 20 per cent board membership and the CFO and the Director of Legal & Business Services have no financial or legal concerns;
 - ii. Council authority – any other situation.

External Funding

Responsibilities of the CFO

- E.10 To ensure that any match-funding or partnership funding requirements are considered prior to entering into agreements and that future revenue budgets reflect these requirements and that these issues are fully considered before bids are submitted.
- E.11 To ensure that the longer-term sustainability costs have been properly assessed.
- E.12 To ensure that the sustainability of funding has been assessed for risk.
- E.13 To ensure that all agreements entered into are consistent with and support the Council's priorities.
- E.14 To ensure that all funding notified by external bodies is received and properly recorded in the authority's accounts.

E.15 To maintain a central register of external funding / grant arrangements.

E.16 To ensure that audit requirements are met.

Responsibilities of Chief Officers

E.17 To consult with the CFO and the relevant Cabinet Member before any bid for any external funds is submitted and to ensure that the necessary approvals are obtained to accept funding in line with the criteria in the table below.

E.18 To ensure that when a bid is successful, relevant amendments are made to the appropriate capital and revenue budgets, and that all necessary capital and revenue approvals are obtained before any expenditure is incurred or any commitment is made.

E.19 To consider any future commitments that arise after the period of external funding ceases and agree a written exit strategy in order to avoid unplanned future commitments or provide a robust financial plan to fund any approved future commitments after the period of external funding ceases.

E.20 To ensure that expenditure is properly incurred and recorded in accordance with the Financial Procedure Rules and any conditions of the funding and that all claims for funds are made within any deadlines.

E.21 To ensure that the project progresses in accordance with the agreed project plan.

Value of external funding	Approval required for acceptance of external funding bids
Up to £200,000	Approved by CHIEF OFFICERS in consultation with the CFO
£200,000 to £500,000	Approved by CHIEF OFFICERS in consultation with CFO and Cabinet Member
Over £500,000 to £2 million	Approved by CABINET
Over £2 million	Approved by COUNCIL

Work for Third Parties

Responsibilities of CFO

E.22 To issue guidance with regard to the financial aspects of third-party contracts and the maintenance of the contract register.

Responsibilities of Chief Officers

E.23 To ensure that the approval of Cabinet is obtained before any negotiations are concluded to work for third parties.

E.24 To maintain a register of all contracts entered into with third parties in accordance with procedures specified by the CFO.

E.25 To ensure that appropriate insurance arrangements are made.

E.26 To ensure that the authority is not put at risk from any bad debts.

- E.27 To ensure that no contract is subsidised by the authority.
- E.28 To ensure that, wherever possible, payment is received in advance of the delivery of the service.
- E.29 To ensure that the business unit has the appropriate expertise to undertake the contract.
- E.30 To ensure that such contracts do not impact adversely upon the services provided for the authority.
- E.31 To ensure that all contracts are properly documented.
- E.32 To provide appropriate information to the CFO to enable a note to be entered into the Statement of Accounts.

APPENDIX 1 – STRATEGIC CAPITAL BOARD REVIEW GROUP – TERMS OF REFERENCE

Note: This is **not** a formal decision-making body. Any decision making must be in accordance with the Constitution ie through Council, Cabinet or powers formally delegated to officers. Please refer to the Director of Legal & Business Services for further advice

STRATEGIC CAPITAL BOARD REVIEW GROUP

Terms of Reference

Statement of Purpose

The role of the board group is to oversee the strategic development and delivery of the capital programme, from proposed projects through to inclusion in the programme, implementation, and delivery of the benefits. This will include:

- 1) Acting as a gateway for consideration of what proposals should be recommended for inclusion in the capital programme
- 2) To oversee and endorse the Council's Capital Strategy.
- 3) To own and oversee the development of the Council's Capital Programme for both the General Fund and the Housing Revenue Account.
- 4) Maintaining an overview of the performance of the projects within the Council's capital programme, identifying any specific implementation challenges being faced. ~~and~~
- 5) Scanning the horizon for projects emerging that may need to be added into the programme in the future.
- 6) To ensure the Council has business cases ready to apply for investment opportunities as they arise, working closely with the Renaissance Board.

This remit applies to both the General Fund and Housing Revenue Account (HRA). All proposals will be considered for value for money, alignment with the Council's vision, ~~and~~ priorities and criteria of purposeful investment, and within the context of overall affordability of the entire programme using the criteria and parameters set within the Capital Strategy.

Attendees

- Cabinet Member for Finance and Change (Chair)
- Leader of the Council
- Deputy Leader of the Council
- Cabinet Member for Finance and Resources
- Chief Executive
- Executive Director ~~of~~ for Place
- Executive Director Corporate Services Finance and Commercialisation (S151 Officer)
- Head of Financial Planning and Management (Deputy S151 Officer)
- Capital & Treasury Manager
- Head of Corporate Estates & Assets Head of Property

By invite depending on the project requiring approval

- ~~Leader of the Council~~
- ~~Chief Executive~~
- Relevant Cabinet Members
- Relevant Executive Directors
- Relevant Project / Programme Managers
- Relevant Heads of Services (to attend at least quarterly to cover capital monitoring)

Core Functions

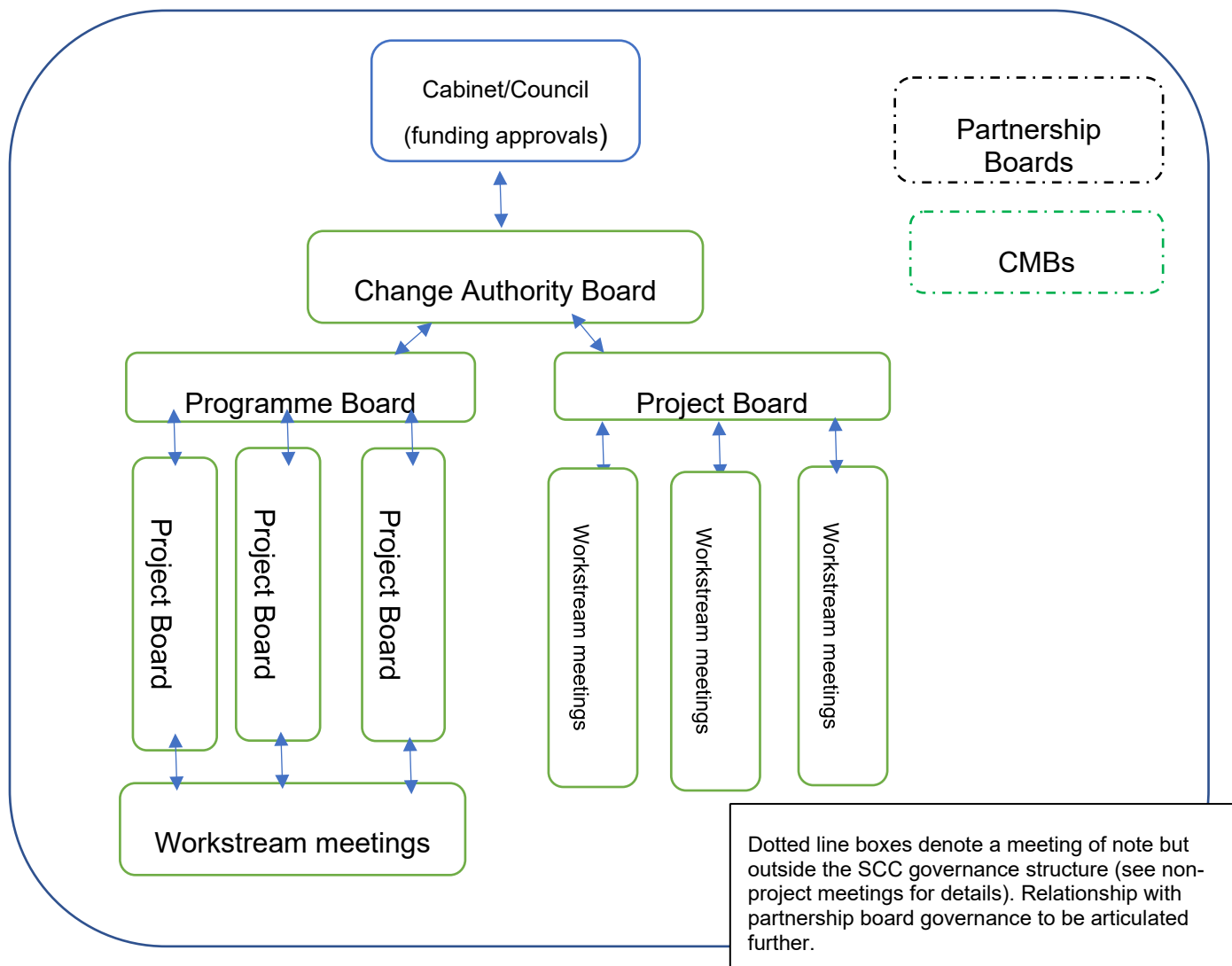
- To operate as a critical gateway for capital programme and major capital projects, evaluating and challenging business case proposals to test robustness and taking a view on prioritisation of projects proposed.
- To review systems of pre-project evaluation, cost estimation and phasing of spend to ensure accuracy of each proposed scheme.
- To review the whole 5-year capital programme taking into account resources and any changes in priorities and recommending any changes to the Cabinet Member for Finance and Resources
- To review the quarterly reporting provided on the Council's capital programme to identify any areas of focus or concern.
- To agree and review a dashboard reporting system which easily highlights projects and programmes where there is a need for focus.
- To identify common issues being experienced across the programmes and seek to address this corporately.
- To focus on major projects and programmes where further confidence or information is needed.
- To act as a forum for horizon scanning for projects that will need to be closed or introduced to the capital programme.
- To consider opportunities for bidding to external organisations for funding prior to a sign off by the Council's Section 151 officer.
- To seek assurance that there are effective project and programme management processes in place for the delivery of successful capital projects.
- To provide assurance that the capital programme is further scrutinised beyond the regular updates provided to Cabinet and EMB and to take actions to expedite any issue that is blocking implementation of agreed projects within the programme.
- To share examples of good practice across the Council and to receive post-implementation review presentations after the completion of major projects for lessons learnt.
- To consider all requests for in-year additions and changes to the capital programme that are not Officer delegated decisions, in accordance with the limits set out in the Financial Procedure Rules.
- To review all assets held by the council, to evaluate if the interests of the council may be better served by disposing of assets to generate capital receipts or avoid potential future liabilities.
- To consider any proposals on the sale of assets, creating capital receipts, to ensure value for money is being obtained.

APPENDIX 2 – CHANGE AUTHORITY BOARD – TERMS OF REFERENCE

<p>Note: This is not a formal decision-making body. Any decision making must be in accordance with the Constitution ie through Council, Cabinet or powers formally delegated to officers. Please refer to the Director of Legal & Business Services for further advice</p>	
<p>Purpose</p>	<ul style="list-style-type: none"> • To act as an approval authority for resourcing Concept stage of new projects • To act as a review point for Concept and Definition stages of project governance. • To monitor specific key programmes against agreed milestones, outcomes risks and issues • To resolve escalated conflicts between programmes. • To review agreed priorities against progress and pipeline to support delivery and BAU capacity. • To assess project success and benefits realisation at appropriate points including after formal project close.
<p>Aims</p>	<ul style="list-style-type: none"> • EMT understand progress and challenges of key council projects and programmes. • EMT are aware of, and are the decision maker on escalations or conflicts that impact more than one programme of work and/or are outside agreed programme tolerances. • Ensure alignment of any new projects (both service and centrally supported) align to council strategies. • Ensure projects and programmes are following the agreed project governance structure. • Horizon scanning and potential pipeline. • Project improvement through lessons learned feedback.
<p>Projects/Programmes to be included</p>	<ul style="list-style-type: none"> • Any project or programme that is outlined in the SCC Corporate Plan 2020-25. • A project or programme that has potential for strategic, reputational, financial or political impact. • Any project or programme that requires resource (including funding) that is not part of a BAU programme. <p>Note: whether included in this board or not, unless by exception, projects and programmes should only be initiated if they are agreed as part of a business plan.</p>
<p>Core Membership</p>	<p>Executive Management Team (EMT) Head of Projects, Policy & Performance, Head of Property, Head of IT Head of Financial, Planning & Management PMO and Performance Manager</p>

Membership by invite	Project/Programme Sponsors Project/Programme Managers Service representatives
Standing agenda items	<ul style="list-style-type: none"> • Decision, escalation & awareness reporting of major projects and programmes • Review/approval and prioritisation of new projects. • Stage review of Concept and Definition stage • Critical decisions or milestones on specific projects/programmes • Capital Monitoring • Spotlight on project/programme
Frequency	Bi-monthly
Administrator	Karen Hilleard (PMO & Performance Manager)

Project governance – key meetings



Meeting	Attendees
<p><u>Cabinet/Council</u> Where Cabinet or full Council approval of funding is required, followed by monitoring projects/programmes against key milestones.</p>	<p>Cabinet Members Executive Management Team Officers as appropriate</p>
<p><u>Change Authority Board</u> Monitoring suite of major programmes across the council against key milestones and outcomes. Decision maker on programme conflicts, escalations and prioritisation.</p>	<p>Executive Management Team Head of Projects, Policy & Performance Head of Property Head of IT PMO & Performance Manager Other Officers as appropriate</p>

<p><u>Programme Board</u> Project updates Monitoring programme progress and key success criteria. Decision maker on project conflicts and escalations and within agreed authority levels.</p>	Programme Sponsor Programme Manager Senior Service User Senior Supplier representative (if relevant) As required -Project Manager(s), workstream leads etc
<p><u>Project Board</u> Monitoring project progress and key success criteria. Decision maker within agreed authority levels. *Note: In a programme set up there will be an additional meeting to manage cross project dependencies etc</p>	Project Manager Business Change Manager Workstream leads – as required SMEs as required
<p><u>Non-project meetings</u> Updates should be provided as required at other meetings (eg CMBs, Governance Committee, improvement boards, operational and relevant partnership meetings) but these are for information only, and are not governance or decision meetings for the project or programme. If a potentially issue arises as part of these, they should be flagged as part of the agenda for the next project or programme board for a decision.</p>	

APPENDIX 3 – SCHEME APPROVAL PROCESS

All capital investment will be agreed by the ~~Capital Review Group~~ Strategic Capital Board. This will enable any expenditure and its funding to be better aligned with the Council and City priorities as well as that of other partners and funding sources. These partners, from both the public and private sector will be at both a regional level and at a district level.

For all proposals identified within business plans, the following approval process needs to be followed:

- a) Outline Business Case (OBC) which will focus on options appraisal and quantifiable outcomes.
- b) Full Business Case (FBC) – the final investment decision. This will focus on the how the priorities set out in the OBC will be delivered, including:
 - i. Project description - This should provide sufficient detailed information in order to give an understanding of what the scheme involves, including the need for and urgency for the work. For example, where the scheme involves a programme of works such as "improvements to" or "replacements to" give some indication of where and when the work is to take place. It is insufficient to simply restate the scheme description as contained in the capital programme.
 - ii. Consultation undertaken.
 - iii. Expenditure and funding including whole life costs and revenue implications. This should be based on an agreed design and specification. It should also include an allowance for fees, contingencies and inflation. A risk-based assessment should be applied to the costs and an indication of the potential range of costs included where appropriate. If there is scheme specific external funding, for example third party grants or capital receipts to be generated, this must be identified and any risks to the receipt of this money made clear.
 - iv. Summary of what the scheme will provide in terms of outputs.
 - v. Concept outline – this will cover the initial concept idea, potential costs and funding sources, links to the Council Strategy and the City Plan and how outcomes will be improved.
 - vi. Any further option appraisal
 - vii. Value for Money – including whether there are any revenue implications other than capital financing costs. Where savings are generated the use of the saving must be specified and where there are extra costs there must be a clear statement of how these will be funded. Any impact on fees and charges, either varying existing charges or introducing new ones, must also be specified.
 - viii. Delivery
 - ix. Timescales - Project start and finish dates plus any key milestones or review dates. This is particularly important where a scheme approval covers several financial years.
 - x. Risk Management
 - xi. Sustainability, forward strategy and evaluation
 - xii. Asset Management
 - xiii. Procurement - The proposed procurement regime to be followed where contracts are to be let, in consultation with the Senior Manager Property, Procurement and Contract Management, and the intended start and completion dates, for each management stage of the scheme.
 - xiv. Equality Impact Assessment

- xv. Environmental Impact Assessment
- xvi. Any approvals or consents that are required from Government Departments or third parties.
- xvii. Change Requests where delegated tolerance levels will be exceeded.

There is a separate process for proposals that are identified by officers outside of the business planning process:

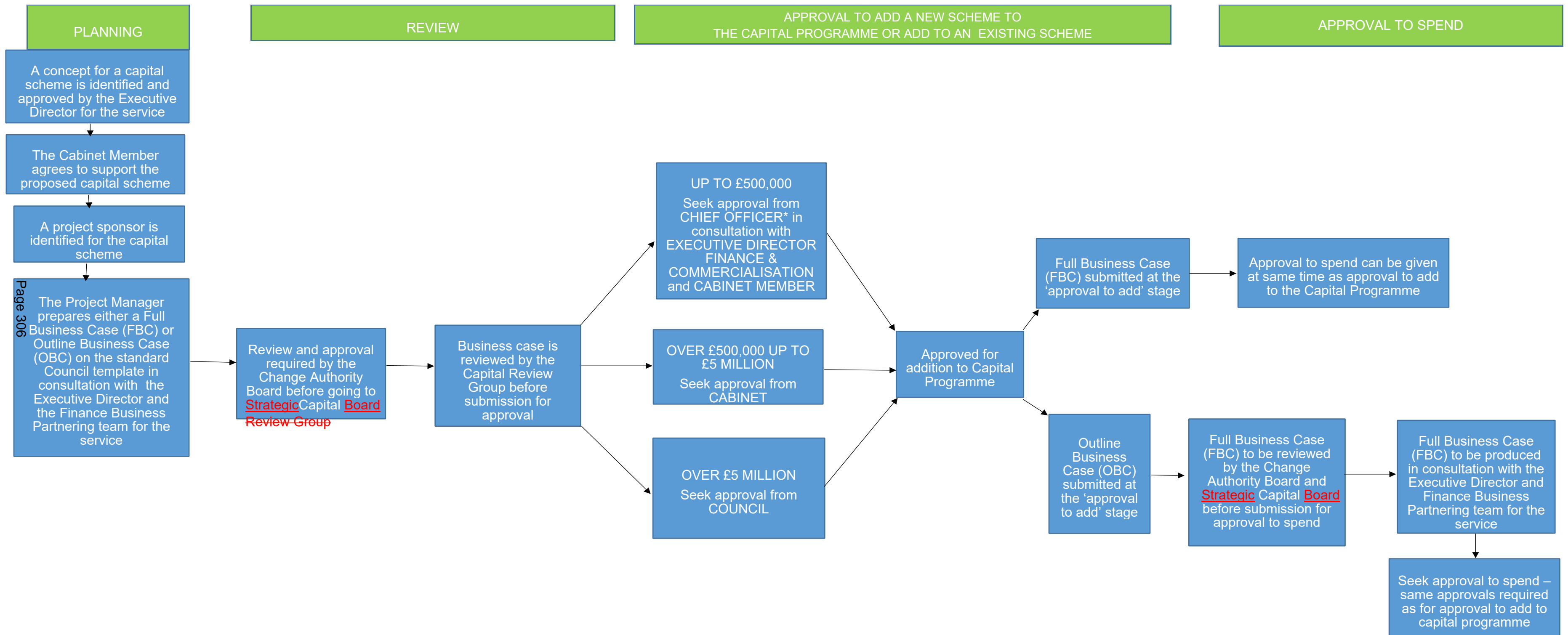
- i. Support for the initial concept of the project must be sought from the relevant Cabinet Member before proceeding with an outline or full business case.
- ii. A full business case as detailed above, or a streamlined version if a less complex project, should normally be prepared in consultation with the Executive Director and Finance Business Partner for the service.
- iii. Once completed and reviewed by the Executive Director and Finance Business Partner, the business case should be taken to the Change Authority Board to review and agree the proposal.
- iv. Once agreed by the Change Authority Board, the business case should be taken to the Strategic Capital Board Review Group for review and agreement before it goes for final approval as required in Table 1 and any appropriate constitutional requirements.

Where there is already an agreed asset management plan the Capital Review Group Strategic Capital Board can choose to request elements of the above business case come forward as they see fit.

APPENDIX 4 – DECISION PATHWAY FOR CAPITAL APPROVALS

Approval to add a new scheme to the capital programme or to add to an existing capital scheme

***The Chief Officer is the Executive Director for the service that holds the budget for the capital project**



<p>APRIL TO SEPTEMBER</p> <p>As part of business planning cycle, detailed business plans for new capital projects for the next financial year are prepared</p>	<p>OCTOBER</p> <p>Detailed business plans are reviewed by Heads of Service and Finance before going to the Change Authority Board and then on to the Strategic Capital Board for review</p>	<p>NOVEMBER</p> <p>Final review of business plans following any amendments requested or additional info. No new business cases – updates only.</p>	<p>DECEMBER</p> <p>Executive Director - Finance & Commercialisation and Cabinet Member for Finance and Capital Assets liaise to agree the additions to the budget</p>	<p>JANUARY</p> <p>Detailed business plans are reviewed by EMB and Cabinet</p>	<p>FEBRUARY</p> <p>Capital and revenue budgets are approved by Full Council for the following financial year</p>
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<p>MONTHLY</p> <p>Meeting of Change Authority Board to monitor and discuss capital issues</p> <p>Proposals for additions to the annual capital programme are reviewed by the Change Authority Board before submission to the <u>Strategic Capital Board Review Group</u> for review.</p> <p>Business plans for new capital projects during the year are accepted by exception only i.e. urgent capital projects not previously anticipated or fully funded capital projects</p>	<p>QUARTERLY</p> <p>Meeting of the <u>Strategic Capital Board Review Group</u> to monitor the capital programme, give approvals to spend and approve additions to the capital programme by exception only i.e. urgent capital projects not previously anticipated or fully funded capital projects</p>
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APPENDIX 6 – GLOSSARY OF TERMS AND ACRONYMS

Glossary

Change Request	A proposal to significantly alter a project
Delegated Decision Notice	A form to record details of a key decision that has been delegated to a Chief Officer
Project Sponsor	An individual with overall accountability for the project
Rephasing	Moving a budget for a future year into a previous year if, for example, a project progressed more quickly than originally expected
Ringfenced resources	Funding that has restrictions placed upon it and can only be used for a particular purpose
Slippage	Moving a budget for one year into a future year if, for example, there was a delay in the progress of the project
Un-ringfenced resources	Funding that is not restricted to a particular purpose and which can be allocated as required
Virement	The planned transfer of a budget for use in a different purpose to that originally intended

Acronyms

BAU	Business As Usual
CAB	Change Authority Board
CFO	Chief Financial Officer
CMB	Cabinet Member Briefing
CRG	Capital Review Group
DDN	Delegated Decision Notice
EMB	Executive Management Board
EMT	Executive Management Team
FBC	Full Business Case
HRA	Housing Revenue Account
OBC	Outline Business Case
PMO	Project Management Office

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Portfolio	Area	2023/24 Movement £'000	2024/25 Movement £'000	2025/26 Movement £'001	2026/27 Movement £'002	2027/28 Movement £'000	Total Movement £'000	Saving Total £'000	DESCRIPTION
Communities & Leisure	Crematorium Refurbishment	(487)	487				0	(18)	Delay to Crematorium works expected
Economic Development	Works to Winchester Road Property	(1,830)					(1,830)	(494)	Expected delay and refresh of business case needed
Economic Development	Corporate Council Buildings	(260)					(260)	(70)	Halted pending review
Finance & Change	Civic Centre Upgrade	(524)					(524)	(141)	Item removed pending review
Finance & Change	Civic Centre Upgrade	(250)					(250)	(68)	Item removed pending review
Finance & Change	Civic Centre Upgrade	(15)					(15)	(4)	Item removed pending review
Finance & Change	IT Equipment and Software Refresh	(250)	(250)	500				(45)	IT Equipment reprofiled phasing of works
Adults, Housing & Health	Integrated Working	(100)					(100)	(27)	Halt on integrated working (care director) pending review
Environment & Transport	Purchase of vehicles	400	(400)				0	24	Reprofile spend on purchase of vehicles and refresh of business case needed as part of the assets as a cost driver
Environment & Transport	Solar Powered Compactor Bins	(212)	212				0	0	Solar bins spending rephased and refresh of business case needed
Environment & Transport	City Services - Depots	(350)		350			0	(42)	Delay to City Depot to 2025/26
Environment & Transport	QE2 Mile - Bargate Square	(1,260)	1260				0	(56)	Reprofiling of work on QE2 Mile to 2024/25
Environment & Transport	Carriageways	(2,250)	2250				0	(135)	Carriageways and footways - planned works reprofiled and subject to further review
Leader	Art Gallery Roof		(640)				(640)	(134)	Removal of contingency from programme
Leader	Restoring and Promoting Heritage Assets	(500)			500		0	(90)	Reprofiling of work
Children & Learning	St Mark's School	(1,200)					(1,200)	(180)	Project completed
Children & Learning	SEND Review	(711)				711	0	(171)	Reprofiled
Children & Learning	Childrens Services- Residential Unit	(213)	213				0	(13)	Reprofiled and refresh of Business case needed
Children & Learning	Childrens Services- Assessment Unit	(174)	(25)	199			0	(22)	Expected delays with current spending profile
Children & Learning	Young Peoples Hub	(60)					(60)	(16)	Project completed
Finance & Change	Transformation programme	(904)	904				0		Reprofiling of works
Finance & Change	Corporate Assets Decarbonisation Scheme (CADS)	(1,000)	1000				0	750	Replace LED bulbs work - rephasing
Communities & Leisure	Outdoor Sports Centre Improvements		(1,000)	1000			0	(60)	Updating to assumption - grant funding rather than SCC for £1M
Environment & Transport	Northam Rail Bridge	(3,170)	(5,340)	(9,190)	(48,606)		(66,306)	(955)	On Hold pending a full business case
	TOTAL	(15,320)	(1,329)	(7,141)	(48,106)	711	(71,185)	(1,967)	Saving is £200k in 2023/24; £351k in 2024/25; £307k in 2025/26; £480k in 2026/27 and £627k in 2027/28

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**Southampton City Council
Strategy and Performance
Consultation Policy**

Southampton City Council

Strategy and Performance Consultation Policy

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Consultation Policy			
Version	Consultation Policy	Approved by	Munira Holloway
Date last amended	27/06/2023	Approval date	27/06/2023
Lead officer	Rachel Bone	Review date	19/07/2024
Contact	rachel.bone@southampton.gov.uk	Effective date	20/07/2023

Purpose

1. This policy aims to clearly set out Southampton City Council's (the Council's) key commitments and principles when undertaking public consultations.
2. The Council undertakes consultations:
 - 2.1. to ensure that people who live and work in Southampton and those affected by our decisions have the opportunity to influence and contribute to the Council's decision-making process;
 - 2.2. to gather new ideas, suggestions, and information;
 - 2.3. to make sure that our time, resources, and skills are shaped around addressing the needs and aspirations of our residents;
 - 2.4. to improve transparency and accountability for the decisions we make.

Definitions

3. Consultation: The dynamic process of dialogue between individuals or groups, based upon a genuine exchange of views with the objective of influencing decisions, policies or programmes of action ([LGA guide to engagement](#)).
4. Engagement (insight, research, perceptions): A dialogue with an individual or group to help understand experiences behaviours, opinions and act on the needs or issues that the individual community experiences.
5. Judicial review: A judicial review enables the public to challenge a local council's use of its administrative powers. Where there is a claim against a decision in the public realm, a case may be heard by the courts. For judicial review challenges relating to consultation, the Gunning Principles, outlined below, are used as a guide to determine whether a public consultation has been carried out lawfully.

Scope

6. This policy applies to all services within the Council and partners and commissioned services undertaking a public consultation on behalf of Southampton City Council.
7. Therefore, all staff, including partners' and commissioned services staff, must adhere to these commitments and principles and ensure that best practice is carried out.

Legislative context and other related documents

8. [New Conversations LGA guide to engagement](#) emphasises that local authorities must consult when there is a legal requirement to do so, when the authority has promised to do so, and when the legal rights of particular groups are affected. The duty to consult may also arise on the basis of past practice or where failure to do so may be deemed to be ‘conspicuously unfair’.
9. Under the [Revised best value statutory guidance](#), local authorities have a Duty to Consult previously stated in [Section 3\(2\) of the Local Government Act 1999](#). In fulfilling its best value obligation, Local Authorities must consult representatives of a wide range of local persons. They must consult “representatives of council taxpayers, those who use or are likely to use services provided by the authority, and those appearing to the authority to have an interest in any area within which the authority carries out functions. Authorities should include local voluntary and community organisations and businesses in such consultation. This should apply at all stages of the commissioning cycle, including when considering the decommissioning of services. In the interests of economy and efficiency, it is not necessary for authorities to undertake lifestyle or diversity questionnaires of suppliers or residents.”
10. The [Gunning Principles](#) are four principles which form a strong legal foundation for which the legitimacy of public consultations are assessed. A consultation is only legitimate when these four principles are met. They are referred to as a legal basis for judicial review decisions. The Gunning Principles state that consultation must be:
 - 10.1. **When proposals are still at a formative stage.** A final decision has not yet been made, or predetermined, by the decision-makers.
 - 10.2. **Where there is sufficient information to give ‘intelligent consideration.’** The information provided must relate to the consultation and must be available, accessible, and easily interpretable for consultees to provide an informed response.
 - 10.3. **When there is adequate time for consideration and response.** There must be sufficient opportunity for consultees to participate in the consultation. There is no set timeframe for consultation, as the length of time given for the consultee to respond can vary depending on the subject and extent of the impact of the consultation.
 - 10.4. **‘Conscientious consideration’ must be given to the consultation responses before a decision is made.** Decision-makers should be able to provide evidence that they took consultation responses into account.
11. Statutory consultation arises in certain instances and will dictate how consultation is conducted and for how long. For instance, under [Section 105 of the Housing Act 1985](#), the Local Housing Authority has legal obligations for consulting with secure tenants on “matters of housing management”. Secure tenants include flexible and demoted tenants. There are similar obligations under [Section 137 of the Housing Act 1996](#) for consulting with Introductory Tenants. The Council remains committed to its [Statement of Arrangements](#) for consulting with secure and introductory tenants pursuant to Section 105 of the Housing Act 1985 and Section 137 of the Housing Act 1996.
12. Under the [Equality Act 2010](#), the local authority has a duty to promote equality and protect people from discrimination. The Council has a duty to consider and listen to the needs of all sectors of the community when making decisions. The Council outlines the impact changes may

have on residents and how to mitigate negative impacts in the Equality and Social Impact Assessments (ESIA).

13. During the period before elections or referendums, specific restrictions on communications and publications are placed on local authorities. The Council must ensure that all publicity complies with the statutory provisions, including the [Code of Recommended Practice on Local Authority Publicity 2011](#). These restrictions prohibit local authorities from issuing publicity which may influence voters. The Council must comply with relevant laws such as [Section 2 Local Government Act 1986](#). This law states that local authority should not publish any material which appears to be designed to affect public support for a political party. The Council will make sure that consultations are launched in compliance with pre-election period laws.
14. [HM Government's Code of Practice](#) outlines the Government's general policy on how they will run a formal written and public consultation exercise. The Code does not have legal force and cannot prevail over statutory or mandatory requirements. However, the Code is a useful guide to ensuring best practices when undertaking public consultations.

Policy Statement

Whom we consult

15. We will consult people who live, visit or work in Southampton and those who may be affected by our decisions. This includes representatives of council service users or taxpayers.
16. Where appropriate, we will consult with representatives of those who are likely to use services provided by the Council, and those appearing to the Council to have an interest in Southampton.
17. We will ensure that individuals and groups who may be impacted by a certain decision will have the opportunity to share their views during the consultation.
18. We will target different audiences depending on the topic being consulted on. This will include people who will be significantly impacted by the decision being proposed.
19. We will consult with local voluntary and community organisations and businesses, where appropriate.

How we consult

Governance process and launching the consultation

20. We will ensure the correct governance process is followed for each consultation.
 - 20.1. The relevant Executive Director and Cabinet Member will have oversight of the developments of the proposals, policies and service changes and the consultation plan.
 - 20.2. The Research, Insight and Consultation team will have oversight of proposed consultation activities to advise on best practice. Level of support may range from advice on consultation processes to leading on the development and analysis of a consultation exercise.
 - 20.3. We will make sure that the correct governance process is followed to launch the consultations.

21. The Council will consider each consultation to ensure that we meet our obligations, provide quality feedback and decide when the best time is to launch.
22. The Council reserves the right to seek an appropriate contribution to any necessary public consultation.

Carrying out the consultation

23. We will ensure that the consultation is promoted effectively to the target audience and in the most appropriate way.
 - 23.1. Most consultations will be hosted on or signposted from the Southampton City Council website.
 - 23.2. The Council will use various measures to promote the consultation and will take into account the needs of the target audience.
 - 23.3. The Council will review the responses being submitted throughout the consultation period, including information on the total numbers and characteristics of the respondents. This will enable the Council to make decisions throughout the consultation period about the consultation engagement plan.
24. We will ensure that there is sufficient information put forward in the proposals to allow intelligent consideration.
 - 24.1. We will ensure that all public information for consideration on the proposals will be included in one place, such as a council webpage, to keep it as clear as possible.
 - 24.2. We may publicise various routes for consultees to provide feedback. For example, a questionnaire, because it provides a summary of key information and takes the respondent through structured feedback. Other routes may include emailing, posting or providing verbal feedback through meetings, calls, events, and focus groups.
25. We will ensure that there is adequate time for consultees to provide feedback. However, the length of each consultation will vary. The length of the consultation will depend on the consultation type.

Types of consultation	Definitions	Length of consultation	Examples
Statutory duty to consult	Statutory provisions are legal requirements which state that a consultation must occur. They exist in several key area, such as housing, highway infrastructure, health, equality and the environment.	Length of consultation dictated by law or guidance.	<ul style="list-style-type: none"> • Under Section 105 of the Housing Act 1985, the Local Housing Authority has legal obligations for consulting with secure tenants on “matters of housing management”. There are similar obligations under Section 137 of the

			<p>Housing Act 1996 for consulting with Introductory Tenants.</p> <ul style="list-style-type: none"> • Town and Country Planning (Local Planning) Regulations 2012 • Traffic regulation order
<p>Duty created by legitimate expectation or where there would be 'conspicuous unfairness' should consultation not be undertaken</p>	<p>The legitimate expectation applies:</p> <ul style="list-style-type: none"> • when there has been a clear promise of consultation; • where official guidance or policies imply a promise to act in a particular way; • where there has been past practice of consultation; • where there is a withdrawal of a benefit with significant impacts to be considered; • where the nature of the relationship would create unfairness if there were to be inadequate consultation. 	<p>Each proposal will be looked at individually and the length of appropriate consultation assessed. The length will be based on various factors, such as guidance, size, scope and impact.</p>	<ul style="list-style-type: none"> • Budget consultation. • External strategies and policies. • Changes to a service. • Travel proposals. • Changes to public spaces.

Consideration of feedback

26. We will ensure that there is adequate conscientious consideration of the responses.

26.1. Feedback from the consultation will be analysed and all free text comments read. A summary of responses will be provided in a report to the service(s) involved.

26.2. The service(s) will consider this feedback in depth and may use these views to make amendments or subsequent recommendations to the specific proposals, policies, or service changes.

26.3. To assist with consideration, the service area will aim to complete a written response to the feedback. This may be a consideration table highlighting the actions proposed.

- 26.4. Conscientious consideration will be given to the consultation responses before a decision is made. However, it is important to be mindful that consultation is not a vote. Decisions makers will consider what has been said in a consultation period alongside other information when making a decision.
- 26.5. The relevant Head of Service, Executive Director and Cabinet Member will have oversight of the feedback and the decision of the service and partners on the response to the feedback.

Data Privacy

27. We will ensure that any personal data we gather is handled in accordance with the data protection principles, such as the [Data Protection Act 2018](#), and meets our contractual, statutory, and administrative obligations.
28. The standard privacy statement for council consultations will be included in the consultation questionnaire. This statement outlines how the information collected about respondents during the consultation will be used.

Governance

29. This Policy will be implemented by the Strategy and Performance Team at Southampton City Council.
30. This Policy will be monitored and updated by the Research, Insight and Consultation team at Southampton City Council.

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