

LABOUR GROUP BUDGET RESOLUTION 2019/20

It is recommended that Council:

Medium Term Financial Strategy and Budget

- i) Notes the general budget consultation process that was followed as detailed in paragraphs 151 to 155 of the revised Medium Term Financial Strategy and Budget 2019/20 to 2022/23 report on the Council agenda.
- ii) Notes that the budget consultation feedback has been taken into consideration by the Cabinet and has informed their final budget proposals. Further details are contained within the Members Room document 3 of the revised Medium Term Financial Strategy and Budget 2019/20 to 2022/23 report on the Council agenda.
- iii) Notes the Equality and Safety Impact Assessment process that was followed as set out in paragraphs 161 to 164 of the revised Medium Term Financial Strategy and Budget 2019/20 to 2022/23 report on the Council agenda. The updated ESIA's and Cumulative Impact Assessment are available documents in the Members Room, documents 1 and 2 of that report.
- iv) Notes the position on the forecast adverse **portfolio** outturn position for 2018/19 as set out in paragraphs 31 to 38 of the revised Medium Term Financial Strategy and Budget 2019/20 to 2022/23 report on the Council agenda. **(It should be noted that this recommendation has been amended to clarify that it is an adverse portfolio outturn position).**
- v) Approves the revised Medium Term Financial Strategy (MTFS) for the period 2019/20 to 2022/23 attached as Appendix 2 of the revised Medium Term Financial Strategy and Budget 2019/20 to 2022/23 report on the Council agenda.
- vi) Approve the General Fund Revenue Budget as detailed in Annex 1 of the MTFS in Appendix 2 of the revised Medium Term Financial Strategy and Budget 2019/20 to 2022/23 report on the Council agenda.
- vii) Approves the revised proposals (following consultation) which reduce cost and generate income that amount to £6.77M in 2019/20 increasing to £10.93M in 2020/21. These proposals are detailed in paragraphs 44, 56 and 57 and in the Outcome Plan Appendices in Appendix 1 of the MTFS of the revised Medium Term Financial Strategy and Budget 2019/20 to 2022/23 report on the Council agenda.
- viii) Note that the Executive's budget proposals will impact on staffing and that consultation will be undertaken in line with legislation and the Council's agreed processes before proposals are implemented. The savings proposals set out in Appendix 1 of the revised Medium Term Financial Strategy and Budget 2019/20 to 2022/23 report on the Council agenda propose the deletion of 87.31 Full Time Equivalent (FTE) posts, of which 18.33 FTE are vacant, leaving 68.98 FTE at risk of redundancy or TUPE transfer.
- ix) Notes that the Executive's budget proposals are based on the assumptions detailed within the MTFS and that this includes a council tax increase of 2.99%, allowable under general powers to increase council tax without a referendum.

- x) Approves additional general fund pressures totalling £17.71M in 2019/20 as detailed in paragraphs 42 and 55 of the revised Medium Term Financial Strategy and Budget 2019/20 to 2022/23 report on the Council agenda.
- xi) Approves a change in the Council Tax – Empty Property Premium as noted in paragraphs 72 to 75 of the revised Medium Term Financial Strategy and Budget 2019/20 to 2022/23 report on the Council agenda.
- xii) Delegates authority to the Service Director – Finance & Commercialisation (S151 Officer), following consultation with the Cabinet Member for Finance and Customer Experience, to do anything necessary to give effect to the proposals contained in the revised Medium Term Financial Strategy and Budget 2019/20 to 2022/23 report on the Council agenda.
- xiii) Sets the Council Tax Requirement for 2019/20 at £99.75M as per Appendix 3 of the revised Medium Term Financial Strategy and Budget 2019/20 to 2022/23 report on the Council agenda.
- xiv) **Notes a revised Appendix 4 is attached as Appendix 1 to this resolution to identify the finalised council tax base.**
- xv) **Notes the estimates of precepts on the council tax collection fund for 2019/20 as set out in the revised Appendix 4.**
- xvi) Delegates authority to the Service Director – Finance & Commercialisation (S151 Officer) to implement any variation to the overall council tax arising from the final notification of the Hampshire Fire and Rescue Authority precept.

Housing Revenue Account

- xvii) Approves that, from 1st April 2019, a standard decrease be applied to all dwelling rents of 1.0%, as set out in paragraph 117 of the revised Medium Term Financial Strategy and Budget 2019/20 to 2022/23 report on the Council agenda, equivalent to an average decrease of £0.84 per week in the current average weekly dwelling rent figure of £84.39. This will be the final year of the required decreases.
- xviii) Approve an increase in weekly service charges from 1st April 2019 (including supported accommodation) as detailed in paragraph 118 of the revised Medium Term Financial Strategy and Budget 2019/20 to 2022/23 report on the Council agenda.
- xix) Approve savings totalling of £3.15M in 2019/20 as detailed in paragraph 120 of the revised Medium Term Financial Strategy and Budget 2019/20 to 2022/23 report on the Council agenda.
- xx) Approves the Housing Revenue Account Revenue Estimates as set out in the report of the revised Medium Term Financial Strategy and Budget 2019/20 to 2022/23 report on the Council agenda.
- xxi) Approves the 30 year Business Plans for revenue and capital expenditure set out in Appendices 7 and 8 respectively, that based on current assumptions are sustainable and maintain a minimum HRA balance of £2.0M in every financial year as set out in the report of the revised Medium Term Financial Strategy and Budget 2019/20 to 2022/23 report on the Council agenda.
- xxii) Notes that 2019/20 is a 53 week rent year and that rental income and service charge payments will be paid by tenants in 49 instalments across this period.

General Fund and Housing Revenue Account Capital Strategy & Programme

- xxiii) Approves the revised General Fund Capital Programme, which totals £184.11M (as detailed in paragraph 6 and 30 of the General Fund & Housing Revenue Account Capital Strategy & Programme 2018/19 to 2022/23) and the associated use of resources.
- xxiv) Approves the revised HRA Capital Programme, which totals £221.59M (as detailed in paragraph 6 and 30 of the General Fund & Housing Revenue Account Capital Strategy & programme 2018/19 to 2022/23) and the associated use of resources.
- xxv) Approves additions of £16.68M which has been added to the General Fund programme and £36.69M to the HRA programme totalling £53.37M, requiring approval to spend. These additions are detailed in paragraphs 9 to 13 and Appendix 1 of the General Fund & Housing Revenue Account Capital Strategy & programme 2018/19 to 2022/23.
- xxvi) Approves the addition of £53.37M to the overall capital programme and the request for approval to spend to spend £53.37M as detailed in paragraphs 9 to 13 and Appendix 1 of the General Fund & Housing Revenue Account Capital Strategy & programme 2018/19 to 2022/23.
- xxvii) Approves the slippage and re-phasing totalling £20.52M as set out in paragraphs 14 to 21 and as detailed in Appendix 2 of the General Fund & Housing Revenue Account Capital Strategy & programme 2018/19 to 2022/23.
- xxviii) Approves the removal of schemes from the general fund capital programme totalling £3.90M and £12.05M from the HRA capital programme as set out in paragraphs 14 to 21 and as detailed in Appendix 1 of the General Fund & Housing Revenue Account Capital Strategy & programme 2018/19 to 2022/23.
- xxix) Notes that the capital programme remains fully funded up to 2022/23 based on the latest forecast of available resources although the forecast can be subject to change; most notably with regard to the value and timing of anticipated capital receipts and the use of prudent assumptions of future Government Grants to be received.
- xxx) Approves the Council's capital strategy detailed in Appendix 4 of the General Fund & Housing Revenue Account Capital Strategy & programme 2018/19 to 2022/23.

Council Tax Setting Matters

- xxxi) Approves the following amounts now calculated by the Council for the year 2019/20 in accordance with Section 32 and Sections 34 to 36 of the Local Government Finance Act 1992 as amended (the Act).
- xxxii) Determines in accordance with Section 52ZB of the Act that the Council's relevant basic amount of Council Tax for 2019/20 is not excessive in accordance with principles approved by the Secretary of State under Section 52ZC of the Act.

a)	Aggregate the amounts which the Council estimates for the items set out in Section 32(2) of the Act.	£553,182,742
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b)	Aggregate the amounts which the Council estimates for the items set out in Section 32(3) of the Act.		£453,436,898
c)	Calculation in accordance with Section 32(4) of the Act, of the Council's council tax requirement for the year, being the amount by which the aggregate at a) above exceeds the aggregate at b) above. (Item R in the formulae in Section 33(1) of the Act.		£99,745,844
d)	The amount at c) above (Item R), divided by the Council Tax Base of 64,959.0 (Item T in the formula in Section 33(1) of the Act), as the basic amount of Council Tax for the year.		£1,535.52
e)	Precepting Authority – Southampton City Council	Valuation Band	Amount
		A	£1,023.68
		B	£1,194.29
		C	£1,364.91
		D	£1,535.52
		E	£1,876.74
		F	£2,217.98
		G	£2,559.19
		H	£3,071.04
	Being the amounts given by multiplying the amount of d) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in the proportion is applicable to dwellings listed in valuation band D, calculated by the Council, in accordance with Section 36(1) of the Act, as the amount to be taken into account for the year in respect of the dwellings listed in different valuation bands.		
f)	That it be noted for the year 2019/20 that the Police and Crime Commissioner for Hampshire has agreed the following amounts of precepts issued to the Council in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown in the following table:	Valuation Band	Amount
		A	£134.31
		B	£156.69
		C	£179.08
		D	£201.46
		E	£246.23
		F	£291.00
		G	£335.77
		H	£402.92
g)	That it be noted for the year 2019/20 that the Hampshire Fire and Rescue Authority is provisionally recommending the following amounts of precepts issued to the Council in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown in the following table:	Valuation Band	Amount
		A	£45.14
		B	£52.66
		C	£60.19

		D	£67.71
		E	£82.76
		F	£97.80
		G	£112.85
		H	£135.42
h)	That, having calculated the aggregate in each case of the amounts at e), f) and g) above, the Council in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby set the following amounts of the Council Tax for the year 2019/20 for each of the categories of dwellings shown below subject to final notification of the precepts for the Police and Crime Commissioner for Hampshire and the Hampshire Fire and Rescue Authority:	Valuation Band	Amount
		A	£1,203.13
		B	£1,403.64
		C	£1,604.18
		D	£1,804.69
		E	£2,205.73
		F	£2,606.78
		G	£3,007.81
		H	£3,609.38