

SOUTHAMPTON CITY COUNCIL
EXECUTIVE DECISION MAKING

RECORD OF THE DECISION MAKING HELD ON 4 FEBRUARY 2014

Present:

Councillor Letts	Leader of the Council
Councillor Barnes-Andrews	Cabinet Member for Resources
Councillor Jeffery	Cabinet Member for Education and Change
Councillor Kaur	Cabinet Member for Communities
Councillor Tucker	Cabinet Member for Economic Development and Leisure
Councillor Rayment	Cabinet Member for Environment and Transport
Councillor Payne	Cabinet Member for Housing and Sustainability
Councillor Chaloner	Cabinet Member for Children's Safeguarding

Apologies: Councillor Shields

86. CORPORATE REVENUE FINANCIAL MONITORING FOR THE PERIOD TO THE END OF DECEMBER 2013

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

- i) To note the current General Fund revenue position for 2013/14 as at Month 9 (December), which is a forecast under spend at year end of almost £3.0M against the budget approved by Council on 13 February 2013, as outlined in paragraph 4. This can be compared against the forecast under spend at Month 6 of £1.2M which is an improvement of approaching £1.8M.
- ii) Note that the baseline forecast over spend for portfolios is just over £3.7M.
- iii) Note that portfolios plan to take remedial action to manage a number of the corporate and key issues highlighted in this report and that the financial impact is reflected in the forecast position.
- iv) Note that further remedial action has been maintained to rigorously control staff resource costs and to continue the moratorium on all non essential expenditure for the remainder of the financial year.
- v) Note that the Risk Fund includes £4.7M to cover further service related risks, (following the allocation of £1.0M to portfolios), and that the estimated draw at Month 9 is £3.9M to cover expenditure which is included within the baseline forecast portfolio over spend of £3.7M. The portfolio position after the draw from the Risk Fund is an under spend of £159,800.
- vi) Note that the Risk Fund has been reviewed and it has been assumed that £301,600 of the Fund will not be required in 2013/14.
- vii) Note that it has been assumed that the remaining contingency, which stands at £410,700, will be fully utilised by the end of 2013/14.
- viii) Note the forecast includes an approved carry forward of £200,000 for Central Repairs & Maintenance as agreed by Full Council.

- ix) Note the forecast does not include the impact of potential carry forwards which at Month 9 total £308,000 and which, if approved by Full Council as part of the Outturn report to be presented in July 2014, would be a draw on balances.
- x) Note the forecast level of balances, which will not fall below the revised minimum level of £5.5M in the medium term based on the current forecast.
- xi) Note the performance to date with regard to the delivery of the agreed savings proposals approved for 2013/14 as detailed in Appendix 10.
- xii) Note the performance against the financial health indicators detailed in Appendix 11.
- xiii) Note the performance outlined in the Quarterly Treasury Management Report attached as Appendix 12.
- xiv) Note the current HRA budget monitoring position for 2013/14, as at Month 9 (December) which is a forecast over spend at year end of £246,800 against the budget approved by Council on 13 February 2013, as outlined in paragraph 46. This can be compared against the forecast over spend at Month 6 of £384,500 which is an improvement of £137,700.

87. GENERAL FUND REVENUE BUDGET 2014/15 TO 2016/17

DECISION MADE: (Ref: CAB 13/14 12036)

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

- a) To note the position on the estimated outturn and revised budget for 2013/14 as set out in paragraphs 28 to 43.
- b) To note the position on the forecast roll forward budget for 2014/15 as set out in paragraphs 44 to 72.
- c) To note and approve the arrangements made by the Leader, in accordance with the Local Government Act 2000, for the Cabinet Member for Resources to have responsibility for financial management and budgetary policies and strategies, and that the Cabinet Member for Resources will, in accordance with the Budget & Policy Framework Rules as set out in the Council's Constitution, be authorised to finalise the Executive's proposals in respect of the Budget for 2014/15, in consultation with the Leader, for submission to Full Council on 12 February 2014.
- d) Recommends that Full Council:
 - i) Notes the budget consultation process that was followed as outlined in Appendix 1 and notes that this year's process took into consideration feedback from last year on how to improve the process.
 - ii) Notes that the consultation feedback has been taken into consideration by the Cabinet and has informed their final budget proposals.
 - iii) Notes the Equality and Safety Impact Assessment process that was followed as set out in paragraphs 25 to 27 and the details contained in Appendix 2 which reflect the feedback received through the consultation process.
 - iv) Approves the revised estimate for 2013/14 as set out in Appendix 3.
 - v) Accepts grants which total £3.6M (£3.35M from the Cabinet Office and £250,000 from the Department for Work & Pensions) to support unemployed adults and young people into employment as part of the

- City Deal and approves in accordance with financial procedure rules revenue expenditure for the delivery of the programme over a period of three years.
- vi) Approves the Council to act as Lead Accountable Body for the administration of the grant funding which totals £3.6M across the Solent LEP area.
 - vii) Delegates authority to the Assistant Chief Executive to undertake such actions necessary to enable the successful delivery of the programme.
 - viii) Notes the position on the forecast roll forward budget for 2014/15 as set out in paragraphs 44 to 72.
 - ix) Approves the revenue pressures and bids as set out in set out in Appendix 4 and 5 respectively.
 - x) Approves the efficiencies, income and service reductions as set out in Appendix 6.
 - xi) Approves the General Fund Revenue Budget as set out in Appendix 7, which assumes a council tax increase of 2.0%.
 - xii) Delegates authority to the Chief Financial Officer to action all budget changes arising from the approved pressures, bids, efficiencies, income and service reductions and incorporate any other approved amendments into the General Fund estimates.
 - xiii) Approves the allocation of up to £500,000 from the Organisational Development Fund which is part of the Strategic Reserve to fund the resourcing requirements to complete the Pay & Allowances Review.
 - xiv) Notes that after taking these items into account, there is an estimated General Fund balance of £6.5M at the end of 2017/18 as detailed in paragraph 106.
 - xv) Delegates authority to the Chief Financial Officer, in consultation with the Director of Corporate Services, to do anything necessary to give effect to the recommendations in this report.
 - xvi) Sets the Council Tax Requirement for 2014/15 at £73,472,200.
 - xvii) Notes the estimates of precepts on the Council Tax collection fund for 2014/15 as set out in Appendix 9.
 - xviii) Delegates authority to the Chief Financial Officer to implement any variation to the overall level of Council Tax arising from the final notification of the Hampshire Fire and Rescue Authority precept and the Police and Crime Commissioner for Hampshire precept.
 - xix) Notes the Medium Term Forecast as set out in Appendix 10.
 - xx) Authorises the Chief Executive and Chief Officers to pursue the development of the options for efficiencies, income and service reductions as set out in Appendix 6 for the financial years 2015/16 and 2016/17 and continue to develop options to close the remaining projected gaps in those years.

88. THE GENERAL FUND CAPITAL PROGRAMME 2013/14 TO 2016/17

DECISION MADE: (Ref: CAB 13/14 12262)

On consideration of the report of the Cabinet Member for Resources, Cabinet agreed to recommend the following to Council:

- i) To approve the revised General Fund Capital Programme, which totals £132.5M (as detailed in paragraph 4) and the associated use of resources.

- ii) To note the changes to the programme as summarised in Appendix 2 and described in detail in Appendix 3.
- iii) To note the slippage and re-phasing as described in detail in Appendix 3.
- iv) To add £2,652,000 to the Environment & Transport Capital Programme in 2014/15 for the Roads Programme, funded by direct revenue financing.
- v) To add £350,000 to the Environment & Transport Capital Programme in 2014/15 for the purchase of compact sweepers, funded by Council Resources.
- vi) To note that the revised General Fund Capital Programme is based on prudent assumptions of future Government Grants to be received, and that announcements made as part of the Comprehensive Spending Review for 2015/16 and the provisional local government finance settlement have been appropriately reflected in the proposed programme presented for approval.
- vii) To note that additional temporary borrowing taken out in 2010/11 and 2011/12 due to cash flow issues, now totalling £9.4M, is expected to be repaid by the end of 2014/15 when anticipated capital receipts are finally forecast to be received.
- viii) To note that in addition to the forecast capital receipts that are assumed as a key element of funding the capital programme presented for approval, there may be additional receipts which will flow from the sale of assets. It was anticipated that towards the end of 2013/14 it would be possible to better estimate the amount and timing of any forecast additional receipts but this cannot be completed until the disposal programme which is currently under review is finalised.
- ix) To note the financial and project issues which are set out in paragraphs 29 to 34 and detailed in Appendix 3 for each Portfolio.

89. HOUSING REVENUE ACCOUNT BUDGET REPORT AND BUSINESS PLAN
 DECISION MADE: (Ref: CAB 13/14 12033)

On consideration of the report of the Cabinet Member for Resources, Cabinet agreed to recommend the following to Council:

- i) To thank the Tenant Resource Group for their input to the capital and revenue budget setting process and to note their endorsement of the recommendations set out in this report and also the broad support for the proposals received at the Tenants' Winter Conference.
- ii) To approve the following to calculate the dwelling rent increase from 1 April 2014:
 - That the standard increase applied to all dwelling rents should be 3.7% (RPI plus 0.5% as set out in paragraph 9), equivalent to an average increase of £2.91 per week; and
 - That dwelling specific rent restructuring adjustments should be made to give an additional increase in average rent levels of 3.25% (£2.55 per week), subject to the total increase from both elements not exceeding £10.00 per week for any individual property (as set out in paragraph 16).
- iii) To approve, based on the calculation set out in recommendation (ii) above, that with effect from the 1 April 2014, the current average weekly dwelling rent

figure of £78.53 should increase by 6.95%, which will equate to an average increase of £5.46 per week.

- iv) To note that the actual total increase in individual rents will vary by property as explained in paragraph 17.
- v) To note the following weekly service charges from 1 April 2014 based on a full cost recovery approach:
 - Digital TV £0.42 (unchanged from 2013/14)
 - Concierge £1.20 (unchanged from 2013/14)
 - Tower Block Warden charge £4.97 (unchanged from 2013/14)
- vi) To approve that the proposed service charges for supported accommodation, as set out in paragraph 33 of this report, should be used as the basis for consultation with tenants.
- vii) To note that a new cleaning charge for walk up blocks of £0.91 per week, approved in the February 2013 budget report, will be introduced from 1 April 2014.
- viii) To note that the charges for garages and parking spaces for 2014/15 will be increased by 3.2% in line with the increase in RPI used in the calculation of the increase in average rents.
- ix) To approve the Housing Revenue Account Revenue Estimates as set out in the attached Appendix 1.
- x) To approve the principle that the HRA Business Plan should have minimum 'borrowing headroom' of £6M, at the time of its annual approval by Council, as detailed in paragraph 8 of this report.
- xi) To approve the revised Housing Revenue Account Capital Programme set out in Appendix 2 and to note the key variances and issues in Appendix 3.
- xii) To approve the 30 year Business Plans for revenue and capital expenditure set out in Appendices 4 and 5 respectively.
- xiii) To note the HRA Business Plan assumptions set out in Appendix 6.
- xiv) To note that rental income and service charge payments will continue to be paid by tenants over a 48 week period.