

SOUTHAMPTON CITY COUNCIL  
EXECUTIVE DECISION MAKING

RECORD OF THE DECISION MAKING HELD ON 25 FEBRUARY 2020

Present:

Councillor Hammond	-	Leader of the Council, Clean Growth and Development
Councillor Rayment	-	Cabinet Member for Place and Transport
Councillor Fielker	-	Cabinet Member for Adult Care
Councillor Kaur	-	Cabinet Member for Homes and Culture
Councillor Leggett	-	Cabinet Member for Green City and Environment
Councillor Dr Paffey	-	Cabinet Member for Aspiration, Children and Lifelong Learning
Councillor Shields	-	Cabinet Member for Healthier and Safer City
Councillor Barnes-Andrews	-	Cabinet Member for Resources

58. FINANCIAL MONITORING FOR THE PERIOD TO THE END OF DECEMBER 2019

DECISION MADE: (CAB 19/20 26118)

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

General Revenue Fund:

- (i) Note the forecast outturn position is a balanced position overall, as outlined in paragraph 4 and in paragraph 1 of appendix 1.
- (ii) Note the performance of treasury management, and financial outlook in paragraphs 6 to 9 of appendix 1.
- (iii) Note the Key Financial Risk Register as detailed in paragraph 12 of appendix 1.
- (iv) Note the performance against the financial health indicators detailed in paragraphs 15 and 16 of appendix 1
- (v) Note the performance outlined in the Collection Fund Statement detailed in paragraphs 19 to 20 of appendix 1.

Housing Revenue Account:

- vi) Note the forecast outturn position is an underspend of £1.89M as outlined in paragraph 5 and paragraphs 17 and 18 of appendix 1.

Capital Programme:

- vii) Notes the revised General Fund Capital Programme, which totals £394.51M as detailed in paragraph 2, tables 2 and 6, and the associated use of resources in table 7 of Appendix 2.

- viii) Notes the revised HRA Capital Programme, which totals £178.26M as detailed in paragraph 2, tables 2 and 6 and the associated use of resources in table 7 of Appendix 2.
- ix) Notes that the overall forecast position for 2019/20 at quarter 3 is £134.96M, resulting in a potential underspend of £0.48M, as detailed in table 4 of Appendix 2.
- x) Notes that the capital programme remains fully funded up to 2023/24 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.
- xi) Approves slippage and rephasing as detailed in paragraph 6 & 7 of Appendix 2. Noting that the movement has zero net movement over the 5 year programme.
- xii) Notes forecast slippage of £180.00M within the Resources portfolio to be approved as part of outturn in July 2020, reflecting the anticipated phasing of the continuation of the property investment fund which the council agreed in November 2019 and included in the capital programme for 2019/20, with £200M added to the capital programme for this purpose.

59. THE MEDIUM TERM FINANCIAL STRATEGY, BUDGET AND CAPITAL PROGRAMME 2020/21 TO 2022/23

DECISION MADE: (CAB 19/20 26135)

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

General Fund

- i) Note the position on the forecast outturn position for 2019/20 as set out in paragraphs 30 to 33 of Appendix 1.
- ii) Note the revised Medium Term Financial Strategy 2020/21 to 2022/23 as detailed in paragraphs 72 to 77 of Appendix 1 and Annex 1.1 to Appendix 1.
- iii) Note the aims and objectives of the Medium Term Financial Strategy which will be presented to council for approval on 26th February 2020 as set out in paragraphs 24 to 26 of Appendix 1.
- iv) Note that formal budget consultation began on 16th October 2019 and ended on 7th January 2020. The outcome of the consultation is outlined in paragraphs 37 to 42, with no changes to amounts put forward as savings proposals in October.
- v) Note that the Executive's budget proposals are expected to lead to an overall investment in staffing within the council. Where staffing levels are impacted consultation will be undertaken in line with legislation and the Council's agreed processes before proposals are implemented.
- vi) Note that the Executive's budget proposals are based on the assumptions detailed within the MTFS and that this includes an increase in the Adult Social Care precept of just under 2.00% and no increase in the general council tax, allowable under general powers to increase council tax without a referendum.

- vii) Accept the award of £0.765M Access Fund Extension grant for 2020/21 as set out in paragraph 43 of Appendix 1.
- viii) To note that the report identifies additional general fund pressures totalling £7.22M in 2020/21, rising to £9.82M in 2022/23, as detailed in paragraphs 47 to 51 of Appendix 1.
- ix) To note that savings proposals totalling £7.61M are included in the 2020/21 General Fund Revenue Budget, rising to £11.42M in 2022/23, as detailed in paragraphs 52 to 55 of Appendix 1.
- x) To note that investment proposals totalling £4.25M are included in the 2020/21 General Fund Revenue Budget, rising to £6.10M in 2022/23, as detailed in paragraphs 56 to 58 of Appendix 1.
- xi) To note that further proposals will need to be considered to address the 2021/22 and future years budget gap.
- xii) Notes and recommends to Council where appropriate, the MTFS and General Fund Revenue Budget changes as set out in Council recommendations i) to xv).

#### General Fund Capital Programme

- xiii) Notes the revised General Fund Capital Programme, which totals £728.77M (as detailed in paragraphs 5 & 39 of Appendix 2) and the associated use of resources.
- xiv) Notes that a further £320.46M has been added to the General Fund programme, requiring approval to spend, by Cabinet/Council subject to the relevant financial limits. These additions are detailed in paragraphs 9 of Appendix 2 and Annex 2.1.
- xv) Notes the addition of £29.48M to the General Fund capital programme and the request for approval to spend £29.48M as detailed in paragraph 10 of Appendix 2 and Annex 2.1.
- xvi) Notes the removal of schemes from the capital programme totalling £15.68M as set out in paragraph 11 of Appendix 2 and detailed in Annex 2.1.
- xvii) Notes that the capital programme remains fully funded up to 2024/25 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.
- xviii) Notes that a review of the Council's capital strategy has been undertaken as detailed in Annex 2.3.
- xix) Notes that a review of the Council's MRP strategy has been undertaken as detailed in Annex 2.3(a).
- xx) Notes that a review of the Council's investment strategy has been undertaken as detailed in Annex 2.3(b).

#### Housing Revenue Account

- xxi) To note that, from 1st April 2020, a standard increase be applied to all dwelling rents of 2.7%, as set out in paragraph 10 of Appendix 3, equivalent to an average increase of £2.26 per week in the current average weekly dwelling rent figure of £83.46.
- xxii) To note an increase in a number of weekly service charges, whilst others remain unchanged, as detailed in paragraph 11 of Appendix 3 from 1st

April 2020 (including supported accommodation). This approach was previously agreed by Council at its meeting in February 2019.

- xxiii) To note and recommend the Housing Revenue Account Revenue Estimates as set out in Appendix 3.
- xxiv) To note the 40 year Business Plan for revenue and capital expenditure set out in Annexes 3.1 and 3.2 of Appendix 3 respectively, that based on current assumptions are sustainable and maintain a minimum HRA balance of £2.0M in every financial year.
- xxv) To note that from 2020/21 onwards, following consultation, rents will now be charged on a weekly basis throughout the year, thus reducing the weekly payment and removing the four “rent-free” weeks.
- xxvi) Notes the revised Housing Revenue Account (HRA) Capital Programme, which totals £251.97M (as detailed in paragraph 22 & 31 of Appendix 3) and the associated use of resources.
- xxvii) Notes the addition of £73.71M to the HRA Capital Programme and the request for approval to spend £73.71M as detailed in paragraph 30 of Appendix 3.