

SOUTHAMPTON CITY COUNCIL
EXECUTIVE DECISION MAKING

RECORD OF THE DECISION MAKING HELD ON 21 FEBRUARY 2022

Present:

Councillor Fitzhenry	-	Leader of the Council
Councillor Moulton	-	Cabinet Member for Growth
Councillor Hannides	-	Cabinet Member for Capital Assets and Finance
Councillor Vassiliou	-	Cabinet Member for Communities, Culture and Heritage
Councillor White	-	Cabinet Member for Health and Adult Social Care
Councillor J Baillie	-	Cabinet Member for Education
Councillor Harwood	-	Cabinet Member for Customer Service and Transformation

Apologies: Councillors S Galton and P Baillie

56. ST MARY'S LEISURE CENTRE

DECISION MADE: (CAB 21/22 33197)

On consideration of the report of the Cabinet Member for Finance and Capital Assets, Cabinet agreed the following:

- (i) Having had regard to representations received to date and the Equality and Safety Impact Assessment, to permanently cease leisure services at SMLC and approve in principle the disposal of the site on the basis set out in recommendation (ii) below.
- (ii) To delegate authority to the Executive Director, Place to, explore the option of restricting the disposal of the building to residential and wholly affordable housing or mixed use with affordable housing in accordance with planning policy. A further decision, in accordance with the Council's Constitution, would be brought forward if this option was to be determined to be viable. If the Executive Director, Place, following consultation with the Cabinet Member for Finance and Capital Assets and the Executive Director for Finance, Commercialisation, determines this option not to be commercially viable, to proceed to disposal of the site on the open market.
- (iii) In accordance with the Council's Financial Procedure Rules, and subject to the anticipated proceeds, explore options for investing a proportion or all of a sum equivalent to the capital receipt arising from the disposal of the building to enhance, improve or supplement facilities and places for people (especially young people) within the community for leisure and recreation.
- (iv) If the outcome of recommendation (ii) is to dispose of the building without restriction, to delegate authority to the Executive Director, Place to take all necessary action to dispose of the site on the open market, including but not limited to selection of a preferred bidder and undertaking all associated arrangements to conclude the sale of the premises.

NOTE: Cabinet rejected the recommendation from Overview and Scrutiny Management Committee meeting held on 17th February, 2022, that Cabinet does not close St Marys Leisure Centre at this time and seeks to find a partner to keep it open for community use.

57. FINANCIAL MONITORING FOR THE PERIOD TO THE END OF DECEMBER 2021

DECISION MADE: (CAB 21/22 33113)

On consideration of the report of the Cabinet Member for Finance and Capital Assets, Cabinet noted the following:

General Revenue Fund

It is recommended that Cabinet:

- i) Notes the forecast outturn position for business as usual activities is a £7.48M deficit, as outlined in paragraph 4 and in paragraph 1 of appendix 1.
- ii) Notes the financial position arising from COVID-19 is a deficit of £0.72M, as outlined in paragraph 5 and in paragraph 4 of appendix 1.
- iii) Notes that £6.75M will be drawn down from the Social Care Demand Reserve and £1.45M released from centrally held contingency to meet the forecast General Fund deficit. A further £1.14M will be drawn down from the Social Care Demand Reserve to meet additional staffing costs in Health & Social Care, as outlined in paragraph 6.
- iv) Notes the performance of treasury management, and financial outlook in paragraphs 9 to 12 of appendix 1.
- v) Notes the forecast year end position for reserves and balances as detailed in paragraphs 13 and 14 of appendix 1.
- vi) Notes the Key Financial Risk Register as detailed in paragraph 15 of appendix 1.
- vii) Notes the performance against the financial health indicators detailed in paragraphs 19 and 20 of appendix 1.
- viii) Notes the forecast outturn position outlined in the Collection Fund Statement detailed in paragraphs 24 to 27 of appendix 1.

Housing Revenue Account

It is recommended that Cabinet:

- ix) Notes the forecast outturn position on business as usual activities is a surplus of £0.92M as outlined in paragraph 6 and paragraph 21 of appendix 1.
- x) Notes that a break even position is forecast arising from COVID-19, as outlined in paragraph 6 and paragraph 22 of Appendix 1.

Capital Programme

It is recommended that Cabinet:

- xi) Notes the revised General Fund Capital Programme, which totals £428.21M as detailed in paragraph 1 of appendix 2.
- xii) Notes the HRA Capital Programme is £340.81M as detailed in paragraph 1 of appendix 2.

- xiii) Notes that the overall forecast position for 2021/22 at quarter 3 is £125.83M, resulting in a potential surplus of £41.32M, as detailed in paragraphs 4 and 5 of appendix 2.
- xiv) Notes that the capital programme remains fully funded up to 2025/26 based on the latest forecast of available resources although the forecast can be subject to change; most notably regarding the value and timing of anticipated capital receipts and the use of prudent assumptions of future government grants to be received.
- xv) Notes slippage and rephasing of £59.09M (£59.82M of General Fund net slippage and £0.74M of HRA net rephasing) as detailed in paragraph 5 and 7 of appendix 2. Noting that the movement has zero net movement over the 5-year programme.
- xvi) Notes that £1M surplus is forecast arising from COVID-19 as detailed in paragraph 8 of appendix 2.

58. THE REVENUE BUDGET 2022/23, MEDIUM TERM FINANCIAL STRATEGY AND CAPITAL PROGRAMME

DECISION MADE: (CAB 21/22 33092)

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

Cabinet is recommended to:

General Fund

- i) Note the forecast outturn position for 2021/22 as set out in paragraphs 25 to 30 of Appendix 1.
- ii) Note the revised Medium Term Financial Strategy 2022/23 to 2025/26 as detailed in paragraphs 69 to 75 of Appendix 1 and Annex 1.1.
- iii) Note the aims and objectives of the Medium Term Financial Strategy which will be presented to council for approval on 23 February 2022 as set out in paragraph 32 of Appendix 1.
- iv) Note that the Equality and Safety Impact Assessment process that was followed as set out in paragraphs 40 to 43. The updated ESIA's and Cumulative Impact Assessment are available documents in the Members' Room.
- v) Note that a consultation on the discontinuation of leisure services at St Mary's Leisure Centre is the subject of a separate report to Cabinet on 21 February 2022, as noted in paragraph 39.
- vi) Note that the Executive's budget proposals are based on the assumptions detailed within the MTF's and that this includes no increase in the 'core' council tax or Adult Social Care precept for 2022/23.
- vii) Note that Executive Commitments totalling £4.93M are included in the 2022/23 General Fund Revenue Budget, reducing to £4.50M in 2025/26, as detailed in paragraph 51 of Appendix 1.
- viii) Note that the report identifies general fund pressures totalling £14.83M in 2022/23, rising to £18.01M in 2025/26, as detailed in paragraph 54 of Appendix 1.
- ix) Note that savings proposals totalling £10.87M are included in the 2022/23 General Fund Revenue Budget, rising to £23.52M in 2025/26, as detailed in paragraph 59 of Appendix 1.

- x) Note that the budget sets the Band D Council Tax for Southampton City Council at £1,644.39 for 2022/23, a Net Budget Requirement of £193.05M and the Council Tax Requirement for 2022/23 at £108.77M as per Annex 1.2.
- xi) Note that further proposals will need to be considered to address the 2023/24 and future years budget shortfall.
- xii) Note and recommend to council where appropriate, the MTFs and General Fund Revenue Budget changes as set out in Council recommendations i) to xiv).
- xiii) Notes the Code of practice on financial management introduced by CIPFA and set out in paragraphs 33 to 36 and that good financial management is assigned to all senior management levels in the council as well as councillors.

General Fund Capital Programme

- xiv) Note the revised General Fund Capital Programme, which totals £426.20M (as detailed in paragraphs 2 to 6 of Appendix 2) and the associated use of resources.
- xv) Note that £30.35M has been added to the General Fund programme, with approval to spend. These additions are detailed in paragraphs 13 to 38 of Appendix 2 and Annex 2.1.
- xvi) Note that a further £58.44M 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 13 to 38 of Appendix 2 and Annex 2.1.
- xvii) Note the request for approval to spend a further £2.75M relating to the SEND (Special Educational Needs and Disabilities) programme as detailed in paragraph 10 of Appendix 2.
- xviii) Note the request for approval to spend £19.96M in 2022/23, £10.06M in 2023/24 and £0.95M in 2024/25 to deliver the Highways and Integrated Transport programmes and Future Transport Zone, as detailed in paragraph 11 of Appendix 2.
- xix) Note the removal of schemes from the capital programme totalling £90.80M as set out in paragraphs 13 to 38 of Appendix 2 and detailed in Annex 2.1.
- xx) Note that the capital programme remains fully funded up to 2026/27 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.
- xxi) Note that a review of the Council's Capital Strategy has been undertaken as detailed in Annex 2.3.
- xxii) Note that a review of the Council's MRP (Minimum Revenue Provision) Strategy has been undertaken as detailed in Annex 2.3(a).
- xxiii) Note that a review of the Council's Investment Strategy has been undertaken as detailed in Annex 2.3(b).

Housing Revenue Account

- xxiv) Note that no rent increase will be applied to dwelling rents from 1 April 2022, as set out in paragraph 8 of Appendix 3.

- xxv) Note that no increase will be applied to weekly service charges from 1 April 2022, as detailed in paragraphs 11 to 14 of Appendix 3.
- xxvi) Note and recommend to council the Housing Revenue Account Revenue Estimates as set out in Appendix 3.
- xxvii) Note the 40 year Business Plan for revenue and capital expenditure set out in Annexes 3.1 and 3.3 of Appendix 3 respectively, that based on current assumptions are sustainable and maintain a minimum HRA balance of £2.0M in every financial year.
- xxviii) Note the increase in heating charges set out in paragraph 15 of Appendix 3 and Annex 3.2.
- xxix) Note the revised Housing Revenue Account (HRA) Capital Programme, which totals £301.34M (as detailed in paragraph 30 & 40 of Appendix 3) and the associated use of resources.
- xxx) Note the reduction of £70.05M in the HRA Capital Programme as detailed in paragraph 31 of Appendix 3.