

SOUTHAMPTON CITY COUNCIL
EXECUTIVE DECISION MAKING

RECORD OF THE DECISION MAKING HELD ON 20 FEBRUARY 2024

Present:

Councillor Fielker	-	Leader
Councillor Letts	-	Deputy Leader and Cabinet Member for Finance and Change
Councillor Bogle	-	Cabinet Member for Economic Development
Councillor Finn	-	Cabinet Member for Adults and Health
Councillor A Frampton	-	Cabinet Member for Housing
Councillor Kataria	-	Cabinet Member for Communities and Leisure
Councillor Keogh	-	Cabinet Member for Environment and Transport
Councillor Renyard	-	Cabinet Member for Safer City
Councillor Winning	-	Cabinet Member for Children and Learning

44. SOUTHAMPTON HEALTHY HOMES - PROCUREMENT OF A NEW CONTRACT FOR PROVIDING AN AFFORDABLE WARMTH PROGRAMME 2024-2029

DECISION MADE: (CAB 23/24 43682)

On consideration of the report of the Cabinet Member for Housing, Cabinet approved the following:

- (i) To approve the procurement of an affordable warmth service contract (Southampton Healthy Homes) to start in April 2024 until April 2027 or as soon thereafter.
- (ii) To delegate to the Executive Director for Place to select the most appropriate tender that represents Best Value and to enter into appropriate contractual arrangements
- (iii) To approve the addition and spend of £2.20M to the Warm Homes project in the Wellbeing & Housing capital programme.

45. CAPITAL FINANCIAL MONITORING FOR THE PERIOD TO THE END OF DECEMBER 2023

DECISION MADE: (CAB 23/24 43655)

On consideration of the report of the Cabinet Member for Finance and Change, Cabinet approved the following:

- (i) Note the revised General Fund Capital Programme, which totals £235.70M as detailed in paragraph 3.
- (ii) Note the HRA Capital Programme is £255.70M as detailed in paragraph 3.

- (iii) Approve the virement of £0.11M in the Place programme in 2023/24, as detailed in paragraph 7 and Appendix 1.
- (iv) Approve the addition and spend of £0.08M to the Place programme in 2023/24 and 2024/26, as detailed in paragraph 8 and Appendix 1.
- (v) Approve slippage of £14.31M within the General Fund programme, as detailed in paragraphs 9 to 11 and Appendix 3.
- (vi) Approve slippage of £2.56M within the HRA programme, as detailed in paragraphs 9 to 12 and Appendix 3.
- (vii) Note that the overall forecast position for 2023/24 at quarter 3 is £128.45M, resulting in a potential overspend of £1.52M, as detailed in paragraphs 13 to 16 and Appendix 2.
- (viii) Note that the capital programme remains fully funded up to 2027/28 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. It is also important to note that in times of rising interest rates, inflationary pressures and future budget shortfalls the capital programme needs to be kept under review.

46. REVENUE FINANCIAL MONITORING REPORT FOR THE PERIOD TO THE END OF DECEMBER 2023

DECISION MADE: (CAB 23/24 43653)

On consideration of the report of the Cabinet Member for Finance and Change, Cabinet approved the following:

General Revenue Fund

- (i) Note the forecast outturn position is a £11.83M deficit, after taking account of £23.97M agreed in-year cost control measures and savings, as outlined in paragraphs 3 to 11.
- (ii) Note the performance in delivering agreed savings plans and in-year cost control measures for 2023/24 as detailed in paragraph 12.
- (iii) Note the performance of treasury management, and financial outlook in paragraphs 13 to 17.
- (iv) Note the performance against prudential indicators in paragraphs 18 and 19.
- (v) Note the forecast year end position for reserves and balances as detailed in paragraphs 20 to 22.
- (vi) Note the Key Financial Risk Register as detailed in paragraph 23.
- (vii) Note the improvement in the Dedicated Schools Grant cumulative deficit detailed in paragraph 27.
- (viii) Note the performance indicators detailed in paragraphs 30 to 31.
- (ix) Note the forecast outturn position outlined in the Collection Fund Statement detailed in paragraphs 35 to 40.

Housing Revenue Account

- (x) Note the forecast outturn position is a surplus of £0.59M as outlined in paragraphs 32 to 34.

47. THE HRA BUDGET 2024/25 AND CAPITAL PROGRAMME 2023/24 TO 2028/29

DECISION MADE: (CAB 23/24 43657)

On consideration of the report of the Cabinet Member for Finance and Change, Cabinet approved the following:

- (i) Propose to Council from 1 April 2024, an average rent increase will be applied to dwelling rents of 7.7% in line with the rent increase guidance set by Government, as detailed in paragraph 14, equivalent to an average increase of £7.15 per week in the current average weekly dwelling rent figure of £92.75 for Social rent, and £10.58 per week in the current average weekly rent for affordable rent of £151.16. Rents for Shared Ownership rents will also increase by 7.7%.
- (ii) Propose to Council that there will be no increase in weekly service charges applied from 1 April 2024, as detailed in paragraph 21, pending further work on service charges in 2024/25.
- (iii) Propose to Council the Housing Revenue Account revenue estimates as set out in Appendix 4.
- (iv) Propose to Council the 40-year Business Plan for revenue and capital expenditure set out in Appendix 1 and confidential Appendix 5 respectively, that based on current assumptions are sustainable, maintaining a minimum HRA balance increasing from £2.0M in 2023/24 to £7.0M by 2027/28, following a review of policy undertaken in 2023/24 for future budgets to provide a sufficient and necessary buffer against financial risks.
- (v) Propose to Council the increase in landlord-controlled heating charges set out in paragraph 25, which represent a 5% increase (reduced from the 10% increase previously anticipated in the MTFS update in July 2023)
- (vi) Propose to Council the revised Housing Revenue Account (HRA) capital programme, which totals £280.01M (as detailed in paragraph 60 & 61 and the associated use of resources.
- (vii) Propose to Council the capital projections in the HRA Capital Programme for 2023/24 to 2028/29 as detailed from paragraph 60, and that spend between 2023/24 and 2027/28 has been increased following the decision of Cabinet on 6 February 2024 on the future delivery of Plots 2,9 and 10 Townhill Park, to deliver plots 2 and 9 through the Affordable Homes Framework and adjusted for known slippages at Quarter 3.
- (viii) Propose to Council an increase in the HRA working balance from the current £2m, to £7m by 2027/28