

CABINET

**Monday, 6th September, 2010
at 5.00 pm
Council Chamber**

This meeting is open to the public

Members

Councillor Smith, Leader of the Council
Councillor Moulton, Cabinet Member for
Resources and Workforce Planning
Councillor Baillie, Cabinet Member for Housing
Councillor Dean, Cabinet Member for Environment
and Transport
Councillor Hannides, Cabinet Member for Leisure,
Culture and Heritage
Councillor Holmes, Cabinet Member for Children's
Services and Learning
Councillor White, Cabinet Member for Adult Social
Care and Health
Councillor P Williams, Cabinet Member for Local
Services and Community Safety

(QUORUM – 3)

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BACKGROUND AND RELEVANT INFORMATION

The Role of the Executive

The Cabinet and individual Cabinet Members make executive decisions relating to services provided by the Council, except for those matters which are reserved for decision by the full Council and planning and licensing matters which are dealt with by specialist regulatory panels.

Executive Functions

The specific functions for which the Cabinet and individual Cabinet Members are responsible are contained in Part 3 of the Council's Constitution. Copies of the Constitution are available on request or from the City Council website, www.southampton.gov.uk

The Forward Plan

The Forward Plan is published on a monthly basis and provides details of all the key executive decisions to be made in the four month period following its publication. The Forward Plan is available on request or on the Southampton City Council website, www.southampton.gov.uk

Key Decisions

A Key Decision is an Executive Decision that is likely to have a significant

- financial impact (£200,000 or more)
- impact on two or more wards
- impact on an identifiable community

Decisions to be discussed or taken that are key

Implementation of Decisions

Any Executive Decision may be "called-in" as part of the Council's Overview and Scrutiny function for review and scrutiny. The relevant Overview and Scrutiny Panel may ask the Executive to reconsider a decision, but does not have the power to change the decision themselves.

Southampton City Council's Six Priorities

- Providing good value, high quality services
- Getting the City working
- Investing in education and training
- Keeping people safe
- Keeping the City clean and green
- Looking after people

Procedure / Public Representations

Reports for decision by the Cabinet (Part A of the agenda) or by individual Cabinet Members (Part B of the agenda). Interested members of the public may, with the consent of the Cabinet Chair or the individual Cabinet Member as appropriate, make representations thereon.

Smoking policy – The Council operates a no-smoking policy in all civic buildings.

Mobile Telephones – Please turn off your mobile telephone whilst in the meeting.

Fire Procedure – In the event of a fire or other emergency, a continuous alarm will sound and you will be advised, by officers of the Council, of what action to take.

Access – Access is available for disabled people. Please contact the Cabinet Administrator who will help to make any necessary arrangements.

Municipal Year Dates (Mondays)

2010	2011
7 June	17 January
21 June	7 February
5 July	14 February
2 August	14 March
6 September	11 April
27 September	
25 October	
22 November	
20 December	

CONDUCT OF MEETING

TERMS OF REFERENCE

The terms of reference of the Cabinet, and its Executive Members, are set out in Part 3 of the Council's Constitution.

BUSINESS TO BE DISCUSSED

Only those items listed on the attached agenda may be considered at this meeting.

RULES OF PROCEDURE

The meeting is governed by the Executive Procedure Rules as set out in Part 4 of the Council's Constitution.

QUORUM

The minimum number of appointed Members required to be in attendance to hold the meeting is 3.

DISCLOSURE OF INTERESTS

Members are required to disclose, in accordance with the Members' Code of Conduct, **both** the existence **and** nature of any "personal" or "prejudicial" interests they may have in relation to matters for consideration on this Agenda.

PERSONAL INTERESTS

A Member must regard himself or herself as having a personal interest in any matter:

- (i) if the matter relates to an interest in the Member's register of interests; or
- (ii) if a decision upon a matter might reasonably be regarded as affecting to a greater extent than other Council Tax payers, ratepayers and inhabitants of the District, the wellbeing or financial position of himself or herself, a relative or a friend or:-
 - (a) any employment or business carried on by such person;
 - (b) any person who employs or has appointed such a person, any firm in which such a person is a partner, or any company of which such a person is a director;
 - (c) any corporate body in which such a person has a beneficial interest in a class of securities exceeding the nominal value of £5,000; or
 - (d) any body listed in Article 14(a) to (e) in which such a person holds a position of general control or management.

A Member must disclose a personal interest.

Cont/...

Prejudicial Interests

Having identified a personal interest, a Member must consider whether a member of the public with knowledge of the relevant facts would reasonably think that the interest was so significant and particular that it could prejudice that Member's judgement of the public interest. If that is the case, the interest must be regarded as "prejudicial" and the Member must disclose the interest and withdraw from the meeting room during discussion on the item.

It should be noted that a prejudicial interest may apply to part or the whole of an item.

Where there are a series of inter-related financial or resource matters, with a limited resource available, under consideration a prejudicial interest in one matter relating to that resource may lead to a member being excluded from considering the other matters relating to that same limited resource.

There are some limited exceptions.

Note: Members are encouraged to seek advice from the Monitoring Officer or his staff in Democratic Services if they have any problems or concerns in relation to the above.

Principles of Decision Making

All decisions of the Council will be made in accordance with the following principles:-

- proportionality (i.e. the action must be proportionate to the desired outcome);
- due consultation and the taking of professional advice from officers;
- respect for human rights;
- a presumption in favour of openness, accountability and transparency;
- setting out what options have been considered;
- setting out reasons for the decision; and
- clarity of aims and desired outcomes.

In exercising discretion, the decision maker must:

- understand the law that regulates the decision making power and gives effect to it. The decision-maker must direct itself properly in law;
- take into account all relevant matters (those matters which the law requires the authority as a matter of legal obligation to take into account);
- leave out of account irrelevant considerations;
- act for a proper purpose, exercising its powers for the public good;
- not reach a decision which no authority acting reasonably could reach, (also known as the "rationality" or "taking leave of your senses" principle);
- comply with the rule that local government finance is to be conducted on an annual basis. Save to the extent authorised by Parliament, 'live now, pay later' and forward funding are unlawful; and
- act with procedural propriety in accordance with the rules of fairness.

AGENDA

Agendas and papers are now available via the Council's Website

1 APOLOGIES

To receive any apologies.

2 DISCLOSURE OF PERSONAL AND PREJUDICIAL INTERESTS

In accordance with the Local Government Act, 2000, and the Council's Code of Conduct adopted on 16th May, 2007, Members to disclose any personal or prejudicial interests in any matter included on the agenda for this meeting.

NOTE: Members are reminded that, where applicable, they must complete the appropriate form recording details of any such interests and hand it to the Democratic Support Officer

3 STATEMENT FROM THE LEADER

4 RECORD OF THE PREVIOUS DECISION MAKING

Record of the decision making held on 2 August 2010, attached.

5 MATTERS REFERRED BY THE COUNCIL OR BY THE OVERVIEW AND SCRUTINY COMMITTEE FOR RECONSIDERATION (IF ANY)

There are no matters referred for reconsideration.

6 REPORTS FROM OVERVIEW AND SCRUTINY COMMITTEES (IF ANY)

There are no items for consideration

7 EXECUTIVE APPOINTMENTS

To deal with any executive appointments, as required.

MONITORING REPORTS

8 CORPORATE FINANCIAL MONITORING FOR THE PERIOD TO THE END OF JUNE 2010

Report of the Cabinet Member for Resources and Workforce Planning summarising the General Fund Revenue financial position for the Authority for the 3 months to the end of the 1st financial quarter of 2010 and highlighting any key issues by Portfolio which need to be brought to the attention of Cabinet, attached.

9 FIRST QUARTER PERFORMANCE MONITORING FOR 2010/11

The report of the Executive Director for Corporate Policy and Economic Development outlining the progress made at the end of June 2010 (Quarter 1) against the targets and commitments contained within the 2010/11 Corporate Plan, attached.

ITEMS FOR DECISION BY CABINET

10 PRIMARY REVIEW PHASE 2 - PRE-STATUTORY CONSULTATION

Report of the Cabinet Member for Children's Services and Learning, seeking approval for pre-statutory consultation on proposals relating to the future provision of primary school places throughout the City from September 2011, attached.

11 WESSEX YOUTH OFFENDING TEAM (YOT) ANNUAL YOUTH JUSTICE PLAN 2010/11

Report of the Cabinet Member for Children's Services and Learning, detailing the Wessex Youth Offending Team Annual Youth Justice Plan, attached.

12 RESPONSE TO THE SCRUTINY INQUIRY REPORT ON THE NIGHT TIME ECONOMY

Report of the Leader of the Council, seeking approval for the Cabinet's response to the scrutiny inquiry report on the City's night time economy, attached.

13 PARTNERSHIP FOR URBAN SOUTH HAMPSHIRE (PUSH): CONSTITUTIONAL ARRANGEMENTS AND BUSINESS PLAN 2010-12

Report of the Solicitor to the Council, setting the PUSH Business Plan 2010-2012 and changes to constitutional arrangements for approval, attached.

14 NEPTUNE COURT AND ROZEL COURT LIFT REPLACEMENT

Report of the Cabinet Member for Housing, seeking approval for expenditure for various projects within the approved Capital Programme, attached.

15 LEASE SURRENDER AND RENEWAL: SCOUT HUTS AT CANFORD CLOSE AND TICKLEFORD DRIVE, SOUTHAMPTON

Report of the Cabinet Member for Resources and Workforce Planning, seeking approval to surrender and renew the leases on premises in Tickleford Drive and Canford Close, attached.

THURSDAY, 26 AUGUST 2010

SOLICITOR TO THE COUNCIL

EXECUTIVE DECISION MAKING
RECORD OF THE DECISION MAKING HELD ON 2 AUGUST 2010

Present:

Councillor Smith	-	Leader of the Council
Councillor Moulton	-	Cabinet Member for Resources and Workforce Planning
Councillor Hannides	-	Cabinet Member for Leisure, Culture and Heritage
Councillor Holmes	-	Cabinet Member for Children Services and Learning
Councillor White	-	Cabinet Member for Adult Social Care and Health
Councillor P Williams	-	Cabinet Member for Local Services and Community Safety

Apologies: Councillors Baillie and Dean

24. RECORD OF THE PREVIOUS DECISION MAKING

The record of the Executive decision making held on 5th July 2010 were received and noted as a correct record.

25. WORKFORCE AND OTHER RELATED ISSUES

DECISION MADE: (Ref: CAB 09/10 3932)

On consideration of the report of the Solicitor to the Council, Cabinet agreed the following:

- (i) That the Chief Executive (Head of Paid Service) be given delegated authority, following consultation with the Solicitor to the Council (Monitoring Officer), Executive Director of Resources (Chief Financial Officer) and the Cabinet Member for Resources and Workforce Planning to take any action necessary (including defend, settle or in any other way take action) in relation to any Equal Pay Claims or other linked or associated matters currently made or in future made against the Council.
- (ii) That the Chief Executive (Head of Paid Service), Solicitor to the Council (Monitoring Officer), Executive Director of Resources (Chief Financial Officer) and Head of Organisational Development be given delegated authority to take any further action necessary to give effect to the content of this report; and
- (iii) To approve an amount of up to £200,000 to fund further legal and other associated costs of defending the Equal Pay Claims, to be met from the Organisational Development Reserve.

26. CAPITAL REPAIRS TO NON-HOUSING PROPERTY

DECISION MADE: (Ref: CAB 09/10 3931)

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

- (i) To approve in accordance with Financial Procedure Rules capital expenditure of £1.936M phased £968,000 in 2010/11 and £968,000 in 2011/12.
- (ii) That the Head of Property and Procurement is granted Delegated Powers to vary the scope and programme of the work following consultation with the Cabinet Member for Resources and Workforce Planning.

27. EXCLUSION OF THE PRESS AND PUBLIC - CONFIDENTIAL PAPERS INCLUDED IN THE FOLLOWING ITEM

In accordance with the Council's Constitution, specifically the Access to Information procedure Rules contained within the Constitution, the press and public be excluded from the meeting in respect of any consideration of the confidential appendix 1 to (item no:11)

Confidential appendix 1 contains information deemed to be exempt from general publication based by virtue of Categories 3 and 4 of paragraph 10.4 of the Council's Access to Information Procedure Rules as contained in the Council's Constitution. It is not considered to be in the public interest to disclose this information because the Appendix contains confidential and commercially sensitive information which would impact on the integrity of a commercial procurement process and the Council's ability to achieve 'Best Value' in line with its statutory duties.

28. SEA CITY MUSEUM SCHEME APPROVAL

DECISION MADE: (Ref: CAB 09/10 3876)

On consideration of the report of the Cabinet Member for Leisure, Culture and Heritage and having received representations from a local resident and Members of the Council, Cabinet agreed the following:

- (i) That, in accordance with Finance Procedure Rules, to approve the transfer of a ringfenced capped sum of £1.283m from the Resources portfolio into the Leisure and Culture Capital Programme per the approval to carry our repairs to the fabric of the building, any underspends will be transferred back to the ASAP project.
- (i) That, in accordance with Finance Procedure Rules, to approve the increase in the total spend on the implementation of this scheme by £14,793,997 (to a total scheme value of £16,209,000) to be phased £4,185,565 in 2010/2011, £9,878,424 in 2011/2012 and £452,168 in 2012/2013 and £277,840 in 2013/2014;

- (ii) To note that the additional capital financing costs in 2010/11 of £40,000 can be met from existing capital financing budgets but that a sum to cover the additional capital financing costs in subsequent years will need to be allocated from the £2M allowance made for additional pressures that was included in the high level General Fund forecast reported to Cabinet on 5 July and that this may need to be increased if the circumstances set out in the report to Council in February materialise;
- (iii) To approve the implementation of a procurement exercise to identify a management partner for Sea City Museum, with the option of including other heritage venues, subject to an economic assessment of the costs and benefits being completed in accordance with the councils approved project appraisal process and, on the basis that the procurement proceeds:
- Agrees to draw up to £150,000 from contingencies to fund the procurement exercise in 2010/11 and
 - Delegate authority to the Executive Director of Neighbourhoods, following consultation with the Executive Director of Resources and the Solicitor to the Council, to do anything necessary to conclude the procurement including, but not limited to the evaluation of tenders, selection of the preferred bidder and contractual and financial close.
- (v) To delegate authority to the Executive Director for Neighbourhoods, following consultation with the Solicitor to the Council and the Executive Director of Resources, to enter into any agreements or undertake any other actions necessary to implement this project to completion.

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ITEM NO:8

DECISION-MAKER:	CABINET		
SUBJECT:	CORPORATE FINANCIAL MONITORING FOR THE PERIOD TO THE END OF JUNE 2010		
DATE OF DECISION:	6 SEPTEMBER 2010		
REPORT OF:	CABINET MEMBER FOR RESOURCES AND WORKFORCE PLANNING		
AUTHOR:	Name:	ANDREW LOWE	Tel: 023 8083 2049
	E-mail:	Andrew.Lowe@southampton.gov.uk	

STATEMENT OF CONFIDENTIALITY

NOT APPLICABLE

SUMMARY

This report summarises the General Fund revenue financial position for the Authority for the three months to the end of June 2010, and highlights any key issues by portfolio which need to be brought to the attention of the Cabinet.

RECOMMENDATIONS:

General Fund

It is recommended that Cabinet:

- (i) Note the current General Fund revenue budget monitoring position for the General Fund 2010/11 as at Month 3 (June), which is a forecast over spend at year end of £1,123,600 against the budget approved by Council on 17th February 2010, as outlined in paragraph 4.
- (ii) Note that the baseline forecast over spend for portfolios is £8,443,400.
- (iii) Note that the impact of in year cuts announced by the Government on the City Council was in excess of £4.6M and that measures have been implemented to manage this and maintain a balanced budget, as outlined in the Mini Budget report approved by Council on 14th July.
- (iv) Note that action plans for remedial action have been requested from those areas with significant over spends; Adult Social Care & Health and Children's Services.
- (v) Note that the Risk Fund includes £5.9M to cover service related risks, and that the estimated draw at Month 3 is £6,971,100 to cover expenditure which is included within the baseline forecast portfolio over spend of £8,443,400. The Risk fund is therefore forecast to be in deficit by £1.1M against the £5.9M available, subject to recommendation (vi) below.
- (vi) Note that the Risk Fund also includes a separate amount of £1M as a pay award contingency to cover the yet to be finalised pay award, based on a 1% pay award. On the basis that there is a proposed public sector pay freeze in 2010/11, Cabinet is asked to agree that this £1M is added to the £5.9M available to cover service risk. This will increase the sum available within

the Risk Fund to cover service risk to £6.9M, and will therefore leave a small forecast deficit of £0.1M on the Risk Fund against the forecast draw of £7.0M

- (vii) Note that the Revenue Development Fund now totals £4.9M following the allocation of a further £1.0M so far in 2010/11 to portfolios. At this stage of the year it has been prudently assumed that the remainder of the Fund will be fully utilised, with the exception of £450,000. This was earmarked for the Building Schools for the Future Programme which has been halted by the Government.
- (viii) Note that it has been assumed that the contingency of £250,000 will be fully utilised by the end of 2010/11.
- (ix) Note the performance to date with regard to the delivery of the agreed savings proposals approved for 2010/11
- (x) Note the performance against the financial health indicators detailed in Appendix 10.
- (xi) Note the performance outlined in the Quarterly Treasury Management Report attached as Appendix 11 and specifically that the indicator relating to the ratio of financing costs to the net revenue stream will be reviewed and any amendments will be reported as part of quarterly financial and performance monitoring and in revisions to the Treasury Management Strategy.

Housing Revenue Account

It is recommended that Cabinet:

- (xii) Note the current Housing Revenue Account budget monitoring position for 2010/11 as at Month 3 (June), which is a forecast over spend at year end of £154,200 against the budget approved by Council on 17th February 2010, as outlined in paragraph 16.

REASONS FOR REPORT RECOMMENDATIONS

1. To ensure that Cabinet fulfils its responsibilities for the overall financial management of the Council's resources.

CONSULTATION

2. Heads of Service and Budget Holders and Executive Directors have been consulted in preparing the reasons for variations contained in the appendices.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

3. Not applicable.

DETAIL

Financial Summary

4. Appendix 1 sets out a high level financial summary for the General Fund, and shows that the overall forecast outturn position for the Council is an over spend of **£1,123,600**, as shown below:

	Forecast Outturn Variance £000's	Forecast Outturn Variance %
Baseline Portfolio Total	8,443.4 A	5.2 A
Draw From Risk Fund	6,971.1 F	
Portfolio Total	1,472.3 A	0.8 A
Risk Fund	101.3 A	
Revenue Development Fund	450.0 F	
Net Total General Fund	1,123.6 A	0.6 A

As shown in the above table, the forecast portfolio revenue outturn on net controllable spend for the end of the year compared to the working budget is an over spend of £1,472,300 and this is analysed below:

Portfolio	Baseline Forecast Outturn Variance £000's	Remedial Portfolio Action £000's	Risk Fund Items £000's	Forecast Outturn Variance		See Appendix
				£000's	%	
Adult Social Care & Health	2,719.9 A	0.0	2325.0 F	394.9 A	0.8	2
Children's Services	3220.2 A	0.0	2,092.1 F	1,128.1 A	4.2	3
Economic Development	14.1 A	0.0	0.0	14.1 A	0.4	4
Environment & Transport	2438.2 A	0.0	2,554.0 F	115.8 F	0.5	5
Housing & Local Services	2.0 F	0.0	0.0	2.0 F	0.0	6
Leader's Portfolio	51.9 F	0.0	0.0	51.9 F	0.9	7
Leisure Culture & Heritage	48.5 A	0.0	0.0	48.5 A	0.7	8
Resources & Workforce Planning	56.4 A	0.0	0.0	56.4 A	0.1	9
Portfolio Total	8,443.4 A	0.0	6,971.1 F	1,472.3 A	0.9	

This information is presented based on the portfolio responsibilities as at the end of June and will be updated as required to reflect the new Constitutional arrangements which have been subsequently approved. The corporate and key issues affecting each portfolio are set out in Appendices 2 - 9, as per the previous table.

Mini Budget

5. This report outlines the financial position at the end of Month 3 since when the Government has announced £6.2 billion of in year cuts to begin to tackle the significant level of national debt, of which £1.166 billion were targeted at Local Government. The current assessment of the impact of these cuts on the City Council to date is a loss of grants in excess of £4.6M. In response to this immediate action was taken and a Mini Budget report was approved by Council on 14th July which set out proposals to ensure that the operating budget for 2010/11 remained in balance whilst still reflecting the priorities of the Executive.

Remedial Portfolio Action

6. Having managed the impact of the in year cuts announced by Government to ensure that the operating budget for 2010/11 remains in balance, it is anticipated that Portfolios will now take remedial action to manage a number of the corporate and key issues highlighted in this report. Specific action plans have been requested from Adult Social Care and Health and Children's Services.

Risk Fund

7. As last year, potential pressures that may arise during 2010/11 relating to volatile areas of expenditure and income, are being managed through the Risk Fund. A sum of £5.9M was initially included in the budget to cover these pressures and will be taken into account during the year as evidence is provided to substantiate the additional expenditure against the specific items identified.

At Month 3, it is estimated that pressures within portfolios will require the allocation of £6,971,100 from the Risk Fund, as shown in the table below:

Portfolio	Service Activity	£000's
Adult Social Care & Health	Adult Disability – increasing elderly population	350.0
Adult Social Care & Health	Adult Disability – in-house home closures	200.0
Adult Social Care & Health	Learning Disability – increased numbers due to ageing population	490.0
Adult Social Care & Health	Learning Disability – client transfers	1,285.0
Children's Services	Tier 4 Services	1,932.1
Children's Services	Disability	160.0
Environment & Transport	Income – Off Street Car Parking	1,300.0
Environment & Transport	Income – Bereavement Services	535.0
Environment & Transport	Income – Development Control	389.0
Environment & Transport	Income – Bus Shelter Contract	330.0
Portfolio Draw From Risk Fund		6,971.1

This allocation is £1.1M in excess of the initial provision allowed. However, in accordance with recommendation (vi), the sum of £1.0M set aside in the Risk Fund as a pay contingency of 1% for the yet to be finalised pay aware, is to be made available to cover service related risks on the basis that there is a proposed public sector pay freeze which would negate the need to hold the pay contingency. On that basis the available Risk Fund to cover service related risks is increased to £6.9M. This reduces the net draw on the Risk Fund from £1.1M in excess of the initial provision to £101,300.

Revenue Development Fund

8. The majority of the revenue developments are complex strategic projects around which there are uncertainties in relation to timing and speed of progress. Consequently, it was agreed that funding for revenue developments be placed into a Revenue Development Fund to enable the Council to retain flexibility in funding. Further, it was agreed that approval to release this funding, making adjustments between schemes and in the timing as required, be delegated to the Executive Director of Resources following consultation with the Cabinet Member for Resources and Workforce Planning.

The Revenue Development Fund, which originally stood at £5.9M, now totals £4.9M following the allocation of £1.0M. The funding allocated is shown below:

Portfolio	Service Activity	£000's
Environment & Transport	Highways Improvements	800.0
Environment & Transport	Highways Partnership Procurement	211.5
Funding Allocated From the Revenue Development Fund		1,011.5

At this stage of the year it has been prudently assumed that the remainder of the Fund will be fully utilised, with the exception of £450,000. This was earmarked for the Building Schools for the Future Programme which has been halted by the Government.

Contingency

9. The contingency was originally set at £250,000 and it is anticipated that this will be fully utilised by the end of the year.

Approved Carry Forward Requests

10. Full Council has agreed to automatically carry forward any surplus/deficit on Central Repairs and Maintenance at year-end subject to the overall financial position of the Authority. Furthermore, Cabinet has approved the delegation of authority to the Executive Director of Resources following consultation with the Cabinet Member for Resources and Workforce Planning to allocate premises related resources (revenue and capital) in order to maximise the efficient use of resources in respect of general repairs and maintenance, major works to civic buildings and the implementation of the accommodation strategy.

At this stage of the year no variance to planned spend is anticipated and this will be actively monitored each month.

Potential Carry Forward Requests

11. Portfolios have not highlighted any potential carry forwards for submission which is as to be expected at this early stage of the year.

Forecast Employee Expenditure

12. Included within the baseline forecast portfolio over spend of £8,443,400, is a forecast over spend on employees of £241,300. The position by portfolio is as follows:

Portfolio - Employee Costs	Variance to June £000's	Forecast Outturn Variance £000's	Forecast Outturn Variance %
Adult Social Care & Health	244.7 F	656.1 F	2.8 F
Children's Services	202.0 A	1,060.3 A	2.9 A
Economic Development	10.6 A	37.3 F	1.1 F
Environment & Transport	96.9 A	84.3 F	0.5 F
Housing & Local Services	38.4 F	19.0 F	0.2 F
Leader's Portfolio	82.8 F	51.9 F	0.8 F
Leisure Culture & Heritage	30.0 A	90.3 F	1.0 F
Resources & Workforce Planning	169.3 A	119.8 A	0.9 A
Total General Fund	143.0 A	241.3 A	0.2 A

Historically the forecast in the early months of the year presents a prudent picture and the final position at outturn is generally more favourable. However, it is recognised that the economic situation this year will impact on turnover and consequently on the ability of services to achieve what are in some areas challenging vacancy management factors. Taking these factors into account, it is considered that a realistic forecast for 2010/11 would be an overall nil variance at the end of the year. More work will be undertaken in the coming months to review employee spend and ensure that consistent and appropriate assumptions are being applied.

Key Portfolio Issues

13. The corporate and other key issues for each portfolio are detailed in Appendices 2 to 9.

It is good practice to recognise that any forecast is based on assumptions about key variables and to undertake an assessment of the risk surrounding these assumptions. Having done this a forecast range has been produced for each corporate and key issue, where applicable, which represents the pessimistic and optimistic forecast outturn position. This range is included within the detail contained in Appendices 2 to 9.

There are, however, certain corporate issues which are highlighted in the tables below as being the most significant for Cabinet to note. The adverse variances are noted in the first table, with any significant favourable variances detailed in the second table:

Corporate Adverse Variances

Portfolio	Corporate Issue	Adverse Forecast £000's	See Appendix & Reference
Adult Social Care & Health	Adult Disability Care	1,143.9	App 2 – ASCH 1
Adult Social Care & Health	Learning Disabilities	2,022.9	App 2 – ASCH 2
Children's Services	Tier 4 Services	2,138.5	App 3 – CS 1
Children's Services	Disability and Inclusion Services	253.0	App 3 – CS 2
Children's Services	Tier 3 Locality Teams & Safeguarding Mgt	892.4	App 3 – CS 3
Environment & Transport	Off Street Parking	1,295.8	App 5 – E&T 1
Environment & Transport	Bereavement Services	573.0	App 5 – E&T 2
Environment & Transport	Development Control	400.6	App 5 – E&T 3
Environment & Transport	Public Transport - Bus Shelters	330.0	App 5 – E&T 4

Corporate Favourable Variances

Portfolio	Corporate Issue	Favourable Forecast £000's	See Appendix & Reference
Environment & Transport	Waste Disposal	353.7	App 5 – E&T 5

Financial Health Indicators

14. In order to make an overall assessment of the financial performance of the authority it is necessary to look beyond pure financial monitoring and take account of the progress against defined indicators of financial health. Appendix 10 outlines the performance to date, and in some cases the forecast, against a range of financial indicators which will help to highlight any potential areas of concern where further action may be required.

Quarterly Treasury Management Report

15. The Council approved a number of indicators at its meeting of the 17th February 2010 and Appendix 11 outlines current performance against these indicators in more detail. One of these relates to the ratio of financing costs to the net revenue stream and this is an indicator of affordability, highlighting the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet borrowing costs. The estimate approved by Council for 2010/11 was 5.55% and at the end of Quarter 1 the actual figure stood at 6.11%. Authority was delegated to the Executive Director of Resources following consultation with the Cabinet Member for Resources and Workforce Planning to approve any changes to the Prudential Indicators or borrowing limits that will aid good treasury management. A review of this ratio will therefore be undertaken and any amendments will be reported as part of quarterly financial and performance monitoring and in revisions to the Treasury Management Strategy.

Housing Revenue Account

16. The expenditure budget for the HRA is £60,237,500 and the income budget is £60,237,500, giving an overall balanced budget. The overall forecast position for the year end is an over spend of £154,200 (0.26%).

The key variances are as set below, with the detail set out in Appendix 12:

	Forecast Outturn Variance £000's
Supervision & Management – Housing Management	40.3 A
Supervision & Management – Directors Office	22.1 A
Dwelling Rents	154.2 A
Tenants Service Charges	61.3 F

FINANCIAL/RESOURCE IMPLICATIONS

Capital

17. None.

Revenue

18. Contained in the report.

Property

19. Not applicable.

Other

20. Not applicable.

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

21. Financial reporting is consistent with the Chief Financial Officer's duty to ensure good financial administration within the Council.

Other Legal Implications:

22. Not applicable.

POLICY FRAMEWORK IMPLICATIONS

23. Not applicable.

SUPPORTING DOCUMENTATION

Appendices

1.	General Fund Summary
2.	Adult Social Care & Health Portfolio
3.	Children's Services Portfolio
4.	Economic Development Portfolio
5.	Environment & Transport Portfolio
6.	Housing & Local Services Portfolio
7.	Leader's Portfolio
8.	Leisure, Culture & Heritage Portfolio
9.	Resources & Workforce Planning Portfolio
10	Financial Health Indicators
11	Quarterly Treasury Management Report
12.	Housing Revenue Account

Documents In Members' Rooms

1.	None
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Background Documents

Title of Background Paper(s) Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)

1.	General Fund Revenue Budget Report 2010/11 to 2012/13(Approved by Council on 17 th February 2010)	
2.	Changes to Existing Revenue And Capital Budgets (Approved by Council on 14 th July 2010)	

Background documents available for inspection at: On the City's internet site

KEY DECISION? N/A

WARDS/COMMUNITIES AFFECTED:	N/A
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APPENDIX 1

GENERAL FUND 2010/11 - OVERALL SUMMARY

June 2010	Working Budget £000's	Forecast Outturn £000's	Forecast Variance £000's
Portfolios (Net Controllable Spend)			
Adult Social Care & Health	48,914	51,634	2,720 A
Childrens Services	26,631	29,851	3,220 A
Economic Development	3,316	3,330	14 A
Environment & Transport	22,291	24,729	2,438 A
Housing & Local Services	11,654	11,652	2 F
Leader's Portfolio	5,639	5,587	52 F
Leisure Culture & Heritage	6,786	6,835	48 A
Resources & Workforce Planning	38,656	38,712	56 A
Baseline for Portfolios	163,887	172,330	8,443 A
Net Draw From Risk Fund	6,971	0	6,971 F
Sub-total (Net Controllable Spend) for Portfolios	170,858	172,330	1,472 A
Non-Controllable Portfolio Costs	21,639	21,639	0
Portfolio Total	192,497	193,969	1,472 A
Levies & Contributions			
Southern Seas Fisheries Levy	44	44	0
Flood Defence Levy	44	44	0
Coroners Service	441	441	0
	529	529	0
Capital Asset Management			
Capital Financing Charges	11,800	11,800	0
Capital Asset Management Account	(23,652)	(23,652)	0
	(11,852)	(11,852)	0
Other Expenditure & Income			
Direct Revenue Financing of capital	720	720	0
Net Housing Benefit Payments	(882)	(882)	0
Revenue Development Fund	4,879	4,429	450 F
Open Space and HRA	536	536	0
Risk Fund	(1,101)	(1,000)	101 A
Contingencies	250	250	0
Surplus/Deficit on Trading Areas	58	58	0
	4,460	4,111	349 F
NET GF SPENDING	185,633	186,756	1,124 A
Draw from Balances:			
To fund the Capital Programme	(720)	(720)	0
Draw from Strategic Reserve (Pensions/Reds)	(152)	(152)	0
Draw from Balances (General)	(1,491)	(2,614)	1,124 A
	(2,363)	(3,486)	1,124 A
BUDGET REQUIREMENT	183,270	183,270	0

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ADULT SOCIAL CARE AND HEALTH PORTFOLIO**KEY ISSUES – MONTH 3**

The Portfolio is currently forecast to over spend by **£394,900** at year-end, which represents a percentage over spend against budget of **0.8%**. This forecast takes into account the wider Portfolio and corporate view, adjusting the baseline forecast constructed from the bottom up through discussions with individual budget holders, as shown below:

	£000's	%
Baseline Portfolio Forecast	2,719.9 A	5.6
Remedial Portfolio Action	0.0	
Risk Fund Items	2,325.0 F	
Portfolio Forecast	394.9 A	0.8
Potential Carry Forward Requests	0.0	

The **CORPORATE** issues for the Portfolio are:

ASCH 1 – Adult Disability Care Services (forecast adverse variance £1,143,900)

There is a significant projected over spend of £536,400 on Residential Care, £454,800 on Domiciliary and £159,300 on Nursing Care which includes the loss of income in respect of agreements for the provision of Nursing services with the PCT, £120,000.

Forecast Range not applicable.

Residential care is forecast to over spend by £536,400. This is mainly due to:

- The transfer of eight unbudgeted clients, over the age of 65, currently being paid for within mental health community care at a forecast cost of £50,300.
- Additional costs of £500,000 are expected in relation to clients that have already transferred to Adult Disability Care Services pending the planned closure of two SCC homes.

It should be noted that there is provision within the Risk Fund to help meet this over spend.

Domiciliary Care is forecast to over spend by £454,800. This is in part due to an increase in the number of clients which is linked to an increase in acute activity arising from the risk in potential delayed transfer fines. This issue is anticipated to cost an additional £188,300. In addition, following the migration to framework agreements for the 'spot' purchase of domiciliary care, it was agreed that £80,000 TUPE costs would be payable in 2010/11 for staff that transferred under these agreements.

A forecast to meet these costs has now been included and work is in place to clarify the actual cost in year. Extra care provided under contract with Southampton Care Association is forecast to cost an additional £186,500. This was assumed to be funded by a matched reduction in general domiciliary care provision, however year to date figures do not indicate that this will be achieved.

Nursing is forecast to over spend by £159,300. This is mainly due to new client packages (£39,300) and a net loss in SCPCT income (£120,000). SCPCT closed a hospital ward of 26 beds at the Tom Rudd Unit located in the grounds of Moorgreen Hospital. This resulted in a net saving to SCPCT but increased the community care costs of the Council and SCPCT therefore agreed to transfer funds for the provision of ten nursing home beds in the community. The initial agreement covered the three year period of 2006/07 to 2008/09 for which the monies were paid. However, it was assumed by SCC Managers that the agreement would continue beyond this period and after considerable discussions with SCPCT colleagues it is clear that they do not intend to renew the agreement which leaves a shortfall in budgeted income of £200,000.

This has been offset in part by additional funds being received for the provision of Older Persons Mental Health Respite Services. Following the closure of a hospital based mental health ward (Bartley Ward) three years ago, the PCT have agreed to enter into a contract, initially for five years (2009/10 to 2013/14) to pay a contribution of £80,000 per annum to the Council for the provision of Older Person Mental Health Respite Services. The agreement is in the process of being signed but the PCT have re affirmed their intention to meet this cost. The sum of £80,000 was accrued in the 2009/10 accounts and an adjustment has been made to the current year forecast to reflect this increase in income.

The following table demonstrates the effect of these forecast changes on the equivalent number of units:

	10/11 Net Budget	10/11 Unit Prices	10/11 Budgeted Units	10/11 Forecast	10/11 Forecast Units	Difference (units)	Variance to Budget
Day Care	236,900	£57 Per Day	4,156	231,200	4,056	(100)	(5,700)
Direct Payments	2,536,200	£9.47 Per Hour	267,814	2,535,300	267,719	(95)	(900)
Domiciliary	3,900,500	£12.85 Per Hour	303,541	4,355,300	338,934	35,393	454,800
Nursing	4,592,500	£46.26 Per Day	99,276	4,751,800	102,719	3,443	159,300
Residential	4,915,900	£36.86 Per Day	133,367	5,452,300	147,919	14,552	536,400
Total	16,182,000			17,325,900			1,143,900

ASCH 2 – Learning Disabilities (forecast adverse variance £2,022,900)

This variance was predicted and relates to a number of issues including; increases in the cost of existing client packages, and the rising needs or unavoidable contractual cost increases, a net increase in demand and thus packages during the year, the full year effect in 2010/11 of new packages during 2009/10, and a withdrawal in funding by Southampton Primary Care Trust, (SCPCT) for clients previously assessed to have a Continuing Health Care need.

Forecast Range £2,700,000 adverse to £2,000,000 adverse.

Based on current forecasts it is anticipated that there will be an adverse variance of £296,300 for clients transferring into this client group from Children's Services.

In addition, the cost in 2010/11 for new clients at the end of the previous year and new clients in 2010/11, including clients previously recorded as transition clients, is £500,500, whilst savings from clients no longer receiving a service is £84,100. This generates a net pressure in the year of £416,400.

During 2009/10 the SCPCT reduced funding for clients after a determination about the levels of care and needs that should be categorised as Health. In 2009/10 23 clients were transferred to SCC without funding. The original 16 clients that transferred during 2009/10 were anticipated to create a full year cost pressure of £600,000 but are now forecast to cost £800,000 in 2010/11. In addition, provision has not been made in the current year's budget for the seven client transfers agreed at the end of 2009/10. The forecast has been amended for the anticipated full year cost of £580,000. Progress is now being made on agreeing the basis for joint commissioning of services, with pooled budgets, for LD clients with the SCPCT which will address the risk of this issue occurring again in the future.

Offsetting the pressures there are a number of other minor efficiencies within the Service Activity totalling £69,800.

It is intended that this forecast over spend will be met in part from the allocation within the Risk Fund for Learning Disabilities which does not allow for £200,000 of the cost of former SCPCT clients as stated above.

The OTHER KEY issues for the Portfolio are:

ASCH 3 – Mental Health and Substance Misuse (forecast favourable variance £48,000)

New clients and increased costs of existing client packages £221,000 offset by efficiency savings in provision of Mental Health Services £120,000.

Forecast Range £50,000 adverse to £100,000 favourable.

There is a general upward trend in demand for care packages within this service activity. This is evidenced by six new residential mental health clients with a forecast cost of £144,800. This has been offset in part by minor savings on Day Care Services and further efficiency savings of £120,000 which have been achieved as the result of the transfer of three staff members under TUPE to the Hampshire Partnership Foundation Trust following a successful bid by them for the provision of Harm Reduction Services.

ASCH 4 – Adult Social Care Learning and Development (forecast favourable variance £100,000)

A new and additional saving target has been set for the Training Budget to deliver in order to help offset other forecast pressures on the Portfolio.

Forecast Range not applicable.

The Head of Service has agreed to set a target saving of £100,000 within the staff development training budget to offset pressures within other services within the Portfolio.

ASCH 5 – In House Care Services (forecast favourable variance £157,300)

Staff vacancy savings and savings on the running costs of two in house care homes which are likely to close earlier than expected.

Forecast Range nil to £250,000 favourable.

A savings proposal was approved in February 2010 which identified an approach in which domiciliary care is accessed. The new refocused service provides short term enabling and crisis support which aims to enable clients to care for themselves at home as part of reducing ongoing requirements for care and support packages. Posts were held vacant in 2009/10 within the city care teams to help facilitate the movement to a new staffing structure being adopted to implement this saving. The plan was for the structure to be fully staffed by 1st April 2010 but there has been a planned delay whereby the remaining vacancies will be filled by September 2010 giving a forecast saving of £86,000 to offset the pressures in the Portfolio.

In addition, there have been further minor staff vacancy savings (£18,700) and due to an anticipated earlier closure of Whitehaven and Birch Lawn in house care homes than planned, there is an expected saving on running costs of £55,300.

Summary of Risk Fund Items

Service Activity	£000's
Adult Disability Services – Increasing Elderly Population	350.0
Adult Disability Services – Impact of In-house home closures	200.0
Learning Disability Services – Increase in client numbers and aging population	490.0
Learning Disability Services – Client Transfers	1,285.0
Risk Fund Items	2,325.0

CHILDREN'S SERVICES PORTFOLIO

KEY ISSUES – MONTH 3

The Portfolio is currently forecast to over spend by **£1,128,100** at year-end, which represents a percentage overspend against net budget of **4.2%**. This forecast takes into account the wider Portfolio and corporate view, adjusting the baseline forecast constructed from the bottom up through discussions with individual budget holders, as shown below:

	£000's	%
Baseline Portfolio Forecast	3,220.2 A	12.1
Remedial Portfolio Action	0.0	
Risk Fund Items	2,092.1 F	
Portfolio Forecast	1,128.1 A	4.2
Potential Carry Forward Requests	0.0	

Although no remedial action is indicated in this report, it should be noted that the Mini Budget includes proposals for 2010/11 put forward by Children's Services which total savings of £1.2M.

The CORPORATE issues for the Portfolio are:

CS 1 – Tier 4 Services (forecast adverse variance £2,138,500)

The numbers of children looked after have increased from 320 in September 2009 to 382 in May 2010. This has led to a forecast over spend of £2,143,900 within Tier 4 Services, of which £1,932,100 relates to items included within the Risk Fund. The costs of Tier 4 services are in the main expensive, and due to the demand led nature of the service these can be difficult to predict with certainty.

Forecast Range £3,000,000 adverse to £1,500,000 adverse

The forecast variance is summarised by activity in the table below:

Service Area	Previous Months Variance £000's	Forecast Variance £000's	Increase/ (Decrease) £000's
Independent Fostering Agencies	1,016.7 A	1,017.1 A	0.4
Foster Care Services	83.8 A	248.1 A	164.3
Independent Sector Residential Social Care Placements	904.0 A	789.6 A	(114.4)
Civil Secure Accommodation	141.9 A	125.4 A	(16.5)
Other Tier 4 Services	45.3 F	41.7 F	3.6
Total	2,101.1 A	2,138.5 A	37.4

Independent Fostering Agency (IFA) Placements

Expenditure on Independent Fostering Agency placements is forecast to over spend by £1,017,100 during 2010/11. The current climate has resulted in an increase in the numbers of children entering care, which has meant that there has been a continued need for external placements.

Foster Care Services

The numbers of children placed with an SCC foster carer has increased from an estimated 200 to the current level of 241 in June 2010. This has led to an adverse forecast variance in foster care services of £248,100.

Independent Sector Residential Social Care Placements

Expenditure on independent sector residential social care placements is forecast to over spend by £789,600, due to an increase in the numbers of children requiring expensive placements over and above the estimated position. The original estimate allowed for three long term placements and four short term placements in independent residential social care provision. However, the forecast incorporates the cost of seven long term placements, at an average cost of £3,250 per week, plus nine short term placements. .

Civil Secure Accommodation

The need for civil secure placements has proved higher than the level anticipated within the budget. Civil secure accommodation is only used as a last resort measure if it is considered that the child poses a serious risk to him/herself or others by remaining within the community. The budget for civil secure accommodation allows for one six month placement per year. However, there has been the need for three placements to date, one of which is current. The forecast includes provision of £128,000 for two possible further placements in the future.

The table below compares the current forecast numbers of children requiring support reflected in the budget, compared with the actual position at the end of June and the current forecast for the year.

Annual Cost Band £		0 to 999	1,000 to 9,999	10,000 to 59,999	60,000 to 99,999	Over 100,000
<u>Civil Secure Placements</u>	Budget	0	0	0	0	1
	Actual	0	0	0	1	0
	Forecast	0	0	2	3	0
<u>Independent Sector Residential Social Care Placements</u>	Budget	0	0	5	1	1
	Actual	0	0	2	2	5
	Forecast	0	1	7	2	6
<u>IFA Social Care Placements</u>	Budget	0	0	19	0	0
	Actual	0	0	37	3	0
	Year End	0	0	36	1	0

It should be noted that the longer term aim of the Tier 3 and 4 Strategy is to reduce the numbers of children in care from 382 down to 300 in 2014/15, with a corresponding reduction in costs. However, this assumes continued investment in preventative services at the earlier Tiers 1 and 2. If capacity is not at least maintained at this level, if not enhanced, the prospect of achieving the Tier 3 and 4 reductions is severely compromised.

CS 2 – Disability and Inclusion Services (forecast adverse variance £253,000)

An increase in both the numbers and cost of care packages compared with the estimated position has led to a forecast over spend of £160,000.

Forecast Range not applicable.

Provision has been made in the Risk Fund for the pressure in respect of packages of care for disabled children and their families which totals £160,000.

There are also further adverse variances on this area of £50,900 in respect of staffing costs within the Jigsaw Team. The variance on the Jigsaw team has arisen from the need to recruit expensive agency staffing, (including one senior practitioner and social workers). In addition, maternity cover has led to increased staffing costs

The anticipated over spend of £35,400 for Early Years SEN Centres is associated with additional pre-school places being sought by parents for children with special educational needs over and above anticipated levels.

CS 3 – Tier 3 Locality Teams and Safeguarding Management (forecast adverse variance £892,400)

The resulting need for agency staffing and additional temporary staff has led to a forecast over spend of £892,400.

Forecast Range £1,500,000 adverse to £500,000 adverse

Current market conditions are such that the supply of social workers is insufficient to meet demand and there is significant competition between authorities to recruit Social Work staff. This has led to the need for agency staffing and the additional cost of agency social workers over and above the cost of permanent staff is forecast to be £253,000 during 2010/11. A further £118,000 is required to pay for the recruitment and relocation costs of Social Workers from the United States, and will now be funded from the Children's Services Portfolio.

The Tier 3 & 4 Strategy has identified a need for 3.5 additional senior practitioners during 2010/11. As a result, senior practitioners have been recruited from a recruitment agency on a temporary basis at an additional cost of £279,200 for the year.

The remaining £241,200 adverse variance reflects the additional cost of employing team managers from external agencies, sickness cover arrangements, handover arrangements for new staff, and the need for temporary social service assistant posts on a short term basis.

There are no OTHER KEY issues for the Portfolio at this stage.

Summary of Risk Fund Items

Service Activity	£000's
Tier 4 Services	1,932.1
Disability	160.0
Risk Fund Items	2,092.1

ECONOMIC DEVELOPMENT PORTFOLIO**KEY ISSUES – MONTH 3**

The Portfolio is currently forecast to over spend by **£14,100** at year-end, which represents a percentage over spend against budget of **0.4%**. This forecast takes into account the wider Portfolio and corporate view, adjusting the baseline forecast constructed from the bottom up through discussions with individual budget holders, as shown below:

	£000's	%
Baseline Portfolio Forecast	14.1 A	0.4
Remedial Portfolio Action	0.0	
Risk Fund Items	0.0	
Portfolio Forecast	14.1 A	0.4
Potential Carry Forward Requests	0.0	

There are no CORPORATE issues for the Portfolio at this stage.

There are no OTHER KEY issues for the Portfolio at this stage.

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ENVIRONMENT & TRANSPORT PORTFOLIO**KEY ISSUES – MONTH 3**

The Portfolio is currently forecast to under spend by **£115,800** at year-end, which represents a percentage under spend against budget of **0.5%**. The forecast takes into account the wider Portfolio and corporate view, adjusting the baseline forecast constructed from the bottom up through discussions with individual budget holders, as shown below:

	£000's	%
Baseline Portfolio Forecast	2,438.2 A	10.9
Remedial Portfolio Action	0.0	
Risk Fund Items	2,554.0 F	
Portfolio Forecast	115.8 F	0.5
Potential Carry Forward Requests	0.0	

The **CORPORATE** issues for the Portfolio are:

E&T 1 – Off Street Car Parking (forecast adverse variance £1,295,800)

Parking pressures have been identified relating to reduced income of £1,300,000, which will need to be met from the Risk Fund.

Forecast Range £1,400,000 adverse to £1,200,000 adverse

There is an adverse forecast variance in car parking income, due to a number of factors. The most significant factor being that ticket machine income and season ticket sales continue to fall short of the challenging target. Another factor is the loss of Harbour Parade car park in September 2010, as part of the transfer of leisure facilities management to Active Nation. This car park had generated in the region of £80,000 per year and the part year income loss to the Portfolio is estimated at £47,000. Also, Government have announced that, as of January 2011, the rate of VAT will increase and it is estimated that an additional £27,000 in VAT will be due this year. This cannot be passed on to customers, due to the political decision to freeze car parking charges for a year.

All marketing and commercial opportunities are being explored, as part of a three year strategy to maximise income. A sum has been added to the Risk Fund for the effects of the economic downturn and the current assumption is that a draw on the Risk Fund of approximately £1,300,000 will be required for off street car parking.

E&T 2 – Bereavement Services (forecast adverse variance £573,000)

There is a forecast income shortfall on cremation fees of £570,000. Following the introduction of differential pricing, as a remedial action, the draw on the Risk Fund is estimated at £535,000.

Forecast Range £750,000 adverse to £450,000 adverse

A sum was included in the Risk Fund for the effects of a reduction in crematorium fee income due to fewer numbers of cremations. During the first quarter there were 212 fewer cremations than last year and an 8% reduction in death registrations. A reduction in numbers was also reported by all neighbouring crematorium facilities and is part of a national downturn in the death rate. However, it should also be noted that the new independent Wessex Vale crematorium in Hedge End is now fully operational. Although the effects of this are difficult to measure, a resultant reduction in income is also reflected in the forecast figures.

The budgeted increase in the cremation fee by £50 in April 2010 was not implemented, in an attempt to minimise the draw on the Risk Fund, as market conditions would not support the additional rise in fees. As a further remedial action, there will be a reduction in the cremation fee, from £600 to £399, for the under utilised slots at less popular times of the day, which is estimated to increase income by £35,000 over the remainder of the year.

Plans are in place to increase income from increasing the sale of memorials. However, the current assumption is that a draw on the Risk Fund of approximately £535,000 will be required for crematorium income this year.

E&T 3 – Development Control (forecast adverse variance £400,600)

There is a projected income shortfall on planning application fees of £389,000, which will need to be met from the Risk Fund.

Forecast Range £500,000 adverse to £300,000 adverse

Last financial year planning application income was £398,000 lower than was estimated, as the market conditions were unfavourable. Planning application income is showing the same trend this year, with a shortfall of £128,000 to date. A sum was included in the Risk Fund for the effects of the economic downturn, and the current assumption is that a draw on the Risk Fund of £389,000 will be required this year for planning application income and section 106 fees in respect of administration costs.

E&T 4 – Public Transport – Bus Shelters (forecast adverse variance £330,000)

There is a forecast variance for this service in relation to a new bus shelters contract, which will need to be met from the Risk Fund.

Forecast Range £350,000 adverse to £300,000 adverse

There is an income estimate of £350,000 for increased sponsorship income from a new bus shelters contract. A twenty year contract is currently being tendered, for implementation in January 2011, which will pass over the maintenance liability to the contractor and require a minimum income contribution to the Council of £80,000 per annum. This is expected to rise as the market in advertising picks up. Part year income of £20,000 has, therefore, been included and the forecast draw on the Risk Fund this year is now £330,000.

E&T 5 – Waste Disposal (forecast favourable variance £353,700)

A reduction in the amount of waste has reduced disposal costs, which, together with further savings from contract negotiations and lower staffing costs, has generated total savings of approximately £350,000.

Forecast Range £250,000 favourable to £450,000 favourable

The Council is currently processing less Civic Amenity, Dry Recyclable and Household waste through the waste disposal contract than was budgeted for. This is anticipated to save £166,000 on haulage charges for waste going to landfill over the course of the year. In addition, tonnage is still reducing, due to the successful implementation of Trade Waste controls, resulting in a forecast favourable variance of £30,000. The general collected household and garden waste tonnage is also low, resulting in forecast savings of £90,000 over the course of the year. There is a forecast favourable variance of £18,000 due to borrowing costs for works on an access road at Marchwood incinerator, which were paid off in full at the end of 2009/10. Additionally there are currently 3 vacancies within the service, which are forecast to save £41,000 by the end of the year.

There are no OTHER KEY issues for the Portfolio at this stage.

Summary of Risk Fund Items

Service Activity	£000's
Off Street Car Parking	1,300.0
Bereavement Services	535.0
Development Control	389.0
Bus Shelter Contract	330.0
Risk Fund Items	2,554.0

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HOUSING & LOCAL SERVICES PORTFOLIO

KEY ISSUES – MONTH 3

The Portfolio is currently forecast to under spend by **£2,000** at year-end, which represents a percentage under spend against budget of **0.0%**. This forecast takes into account the wider Portfolio and corporate view, adjusting the baseline forecast constructed from the bottom up through discussions with individual budget holders, as shown below:

	£000's	%
Baseline Portfolio Forecast	2.0 F	0.0
Remedial Portfolio Action	0.0	
Risk Fund Items	0.0	
Portfolio Forecast	2.0 F	0.0
Potential Carry Forward Requests	0.0	

There are no CORPORATE key issues for the Portfolio at this stage.

There are no OTHER KEY issues for the Portfolio at this stage.

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LEADER'S PORTFOLIO

KEY ISSUES – MONTH 3

The Portfolio is currently forecast to under spend by **£51,900** at year end, which represents a percentage over spend against budget of **0.9%**. This forecast takes into account the wider Portfolio and corporate view, adjusting the baseline forecast constructed from the bottom up through discussions with individual budget holders, as shown below:

	£000's	%
Baseline Portfolio Forecast	51.9 F	0.9
Remedial Portfolio Action	0.0	
Risk Fund Items	0.0	
Portfolio Forecast	51.9 F	0.9
Potential Carry Forward Requests	0.0	

There are no CORPORATE issues for the Portfolio at this stage.

The OTHER KEY issues for the Portfolio are:

LEAD 1 – Legal Services (adverse forecast variance £48,100)

Reduced number of staff vacancies has resulted in an adverse variance within Salaries and Wages.

Forecast Range £48,100 adverse to nil.

Due to the current low number of staff vacancies within the Legal Division, the forecast reflects the anticipated difficulties in achieving vacancy factors in the current financial year.

LEAD 2 – Corporate Performance & Best Value (favourable forecast variance £100,000)

Under spends within Salaries and Wages

Forecast Range nil to £100,000 favourable.

The variance is primarily due to vacancies within the new Corporate Policy and Performance structure.

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LEISURE, CULTURE & HERITAGE PORTFOLIO**KEY ISSUES – MONTH 3**

The Portfolio is currently forecast to over spend by **£48,500** at year-end, which represents a percentage over spend against budget of **0.7%**. This forecast takes into account the wider Portfolio and corporate view, adjusting the baseline forecast constructed from the bottom up through discussions with individual budget holders, as shown below:

	£000's	%
Baseline Portfolio Forecast	48.5 A	0.7
Remedial Portfolio Action	0.0	
Risk Fund Items	0.0	
Portfolio Forecast	48.5 A	0.7
Potential Carry Forward Requests	0.0	

There are no CORPORATE key issues for the Portfolio at this stage.

There are no OTHER KEY issues for the Portfolio at this stage.

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RESOURCES AND WORKFORCE PLANNING PORTFOLIO**KEY ISSUES – MONTH 3**

The Portfolio is currently forecast to over spend by **£56,400** at year-end, which represents a percentage over spend against budget of **0.1%**. This forecast takes into account the wider Portfolio and corporate view, adjusting the baseline forecast constructed from the bottom up through discussions with individual budget holders, as shown below:

	£000's	%
Baseline Portfolio Forecast	56.4 A	0.1
Remedial Portfolio Action	0.0	
Risk Fund Items	0.0	
Portfolio Forecast	56.4 A	0.1
Potential Carry Forward Requests	0.0	

There are no CORPORATE issues for the Portfolio at this stage.

The OTHER KEY issues for the Portfolio are:

RES 1 – Various (forecast adverse variance £56,400)

Reduced number of staff vacancies has resulted in an adverse variance within Salaries and Wages.

Forecast Range £56,400 adverse to nil

Due to the current low number of staff vacancies across the Portfolio, the forecast reflects the anticipated difficulties in achieving vacancy factors during the current financial year

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FINANCIAL HEALTH INDICATORS – MONTH 3

Prudential Indicators Relating to Borrowing

	<u>Maximum</u>	<u>Forecast</u>	<u>Status</u>
Maximum Level of External Debt £M	£459M	£303M	Green
As % of Authorised Limit	100%	66%	Green
	<u>Target</u>	<u>Actual YTD</u>	<u>Status</u>
Average % Rate New Borrowing	5.0%	4.62%	Green
Average % Rate Existing Long Term Borrowing	5.0%	3.22%	Green
Average Short Term Investment Rate	0.50%	0.50%	Green

Minimum Level of General Fund Balances

		<u>Status</u>
Minimum General Fund Balance	£4.5M	
Forecast Year End General Fund balance	£10.4M	Green

Income Collection

	<u>2009/10</u>	<u>Actual YTD</u>	<u>Status</u>
Outstanding Debt:			
More Than 12 Months Old	30%	30%	Green
Less Than 12 Months But More Than 6 Months Old	8%	8%	Green
Less Than 6 Months But More Than 60 Days Old	13%	8%	Green
Less Than 60 Days Old	49%	54%	Green

Creditor Payments

		<u>Status</u>
Target Payment Days	30	
Actual Current Average Payment Days	20	Green
Target % of undisputed invoices paid within 30 days	95.0%	
Actual % of undisputed invoices paid within 30 days	88.9%	Amber

Tax Collection rate

	<u>Target Collection Rate</u>	<u>Month 3 Collection Rate Last Year</u>	<u>This Year</u>	<u>Status</u>
Council Tax	96.20%	28.46%	28.41%	Amber
National Non Domestic Rates	99.20%	31.40%	34.60%	Green

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QUARTERLY TREASURY MANAGEMENT REPORT – MONTH 3

Treasury Management is a complex subject but in summary the core elements of the strategy for 2010/11 are:

- To make use of short term variable rate debt to take advantage of the current market conditions of low interest rates.
- To constantly review longer term forecasts and to lock in to longer term rates through a variety of instruments as appropriate during the year, in order to provide a balanced portfolio against interest rate risk.
- To secure the best short term rates for borrowing and investments consistent with maintaining flexibility and liquidity within the portfolio.
- To invest surplus funds prudently, the Council's priorities being:
 - Security of invested capital
 - Liquidity of invested capital
 - An optimum yield which is commensurate with security and liquidity.
- To approve borrowing limits that provide for debt restructuring opportunities and to pursue debt restructuring where appropriate and within the Council's risk boundaries.

In essence treasury management can always be seen in the context of the classic 'risk and reward' scenario and following this strategy will contribute to the Council's wider Treasury Management objective which is to minimise net borrowing cost short term without exposing the Council to undue risk either now or in the longer in the term.

The main activities undertaken during 2010/11 to date are summarised below:

- Investment returns are expected to decrease from £1M in 2009/10 to an estimated £750,000 in current year as a result of the continued low interest rates and the fact that income earned in 2009/10 included deals arranged before the decline in the markets which have since matured. The average rate achieved to date (0.5%) is inline with the performance indicator of the average 7 day LIBID rate (0.5%).
- In order to balance the fall in investment income we have switched to short term debt which is currently available at lower rates than long term debt due to the depressed market. As a result the average rate for repayment of debt, (the Consolidated Interest Rate – CRI), at 3.24% is lower than that budgeted for but slightly higher than that reported at 31st March 2010 (3.10%) which is in line with reported strategy. It should be noted that the forecast for longer term debt is a steady increase in rates over the next few years, so new long term borrowing will be taken out above the current CRI and therefore an increase in the CRI should be expected.

1. Summary of the Economy and Events in Quarter 1

- The UK continued to emerge from recession but the level of activity remained well below pre-crisis levels. The recovery is as yet fragile; with GDP registering just 0.3% growth in the first calendar quarter of the year. The final revision for 2010 Q1 GDP has been delayed by the ONS due to worries about data accuracy.

- Consumer price inflation remained well above the Bank of England's 2% target level, with a peak of 3.7% being reached in April. Year-on-year CPI for May 2010 was 3.4% and RPI was 5.1%. Temporary effects are thought to lie behind the elevated rate and inflation is expected to fall over the year due to downward pressure from spare capacity. The measure of inflation excluding indirect taxes (CPIY) came down to 1.6% year-on-year. Arguably this is a much more relevant measure of inflationary pressure for forward thinking policy makers, as it excludes changes in the VAT rate and so represents the pressure on the use of resources in the economy more accurately,
- The Bank of England's Monetary Policy Committee maintained the Bank Rate at 0.5% and Quantitative Easing at £200 billion.
- The successful formation of a coalition government dispelled uncertainty surrounding a hung parliament result in May's General Election. The new government's Emergency Budget laid out tough action to address the UK's budget deficit, aiming to eliminate the structural deficit by 2014/15. This is to be achieved through austerity measures – £32 billion of spending cuts and £8 billion of net tax increases. Gilts have benefitted from this decisive plan as well as expected reductions in supply for each year of the forecast. The expected level of spending cuts and tax rises looks to be enough to extinguish the recent concern about inflation expectations. Therefore, rates 'lower for much longer' remained a relevant message.
- The US Federal Reserve kept rates on hold at 0.25% and the European Central Bank maintained rates at 1%. The major ongoing worries in Europe extended from sovereign weakness in the 'PIIGS' nations (Portugal, Italy, Ireland, Greece and Spain), the exposure of the continent's banking sector to the sovereign and corporate debt of these nations and the risk of contagion extending to other countries.

2. Debt Management Quarter 1

Activity within the debt portfolio during the quarter is summarised below, the main change being the addition of £25M new debt being taken out with the PWLB at an interest rate of 4.62% over 40 years:

Capital Expenditure	Balance on 01/04/2010	Debt Maturing or Repaid	New Borrowing	Balance on 30/06/2010	Increase/ (Decrease) in borrowing for Q1
	£000's	£000's	£000's	£000's	£000's
Short Term Borrowing	31,529	(46,715)	46,780	31,594	65
Long Term Borrowing	123,664	(12)	25,000	148,652	24,988
Total Borrowing	155,193	(46,727)	71,780	180,246	25,053

3. Investment Activity Quarter 1

The Guidance on Local Government Investments in England gives priority to security and liquidity and the Council's aim is to achieve a yield commensurate with these principles. The table below summarises activity during the quarter:

Capital Expenditure	Balance on 01/04/2010	Investments Repaid	New Investments	Balance on 30/06/2010	Increase/ (Decrease) in borrowing for Q1
	£000's	£000's	£000's	£000's	£000's
Short Term Investments	29,580	(69,755)	100,805	60,630	31,050
Money Market Funds	10,645	(2,160)	3,195	11,680	1,035
EIB Bonds	6,000			6,000	0
Long Term Investments	36			36	0
Total Investments	46,261	(71,915)	104,000	78,346	32,085

Counterparty Update

- Following the challenging economic conditions facing Spain, the fiscal challenges ahead for the country, concerns over the effect of rising debt funding costs, and the downgrade of Spain's sovereign rating to AA by Standard and Poor's, the Council has suspended deposits with Spanish banks in Quarter 1 2010 (BBVA and Banco Santander).
- Deposits with Santander UK Plc (a wholly owned subsidiary of Banco Santander) have been restricted to one month as a consequence of the factors outlined above.

The table below summarises the maturity profile of the Council's short term investments together with the long and short term credit ratings of the institutions with which funds have been deposited. The authority does not expect any losses from non-performance by any of its counterparties in relation to its investments.

Country	Current Long Term rating (LCD approach)	Original Long Term rating	Sovereign Rating (LCD approach)	Maturity Profile					Total
				Under 1 Month	1-3 Months	3-6 Months	6-9 Months	Months	
UK									
Bank Deposits *	A+	AA+	AAA	29,500	0	2,750	2,000		34,250
Bank Deposits *	A+	AA-	AAA	5,055	2,900	1,000	0		8,955
Bank Deposits *	AA-	AA-	AAA	0	0	0	0		0
Building Societies *	A+	AA-	AAA	5,000	2,000	3,000	0		10,000
Gov't & Local Authority Deposits	AAA	AAA	AAA	7,425	0	0	0		7,425
Money Market Funds	AAA	AAA	AAA	11,680	0	0	0		11,680
Total Investments				58,660	4,900	6,750	2,000		72,310

* Institutions which have access to the UK Government Credit Guarantee Scheme

4. Compliance with Prudential Indicators

The Council approved a number of indicators at its meeting of the 17th February 2010. These have been reviewed for 2010/11 as detailed below and are reported in accordance with best practice contained in the CIPFA code of practice on Treasury Management and in line with the approved Treasury Management Strategy.

4.1. Authorised Limit and Operational Boundary for External Debt

The Local Government Act 2003 requires the Council to set an Affordable Borrowing Limit, irrespective of their indebted status. This is a statutory limit which should not be breached. The Council's Affordable Borrowing Limit was set at £459M for 2010/11.

The Operational Boundary is based on the same estimates as the Authorised limit but reflects the most likely, prudent but not worst case scenario without the additional headroom included within the Authorised Limit. The Operational Boundary for 2010/11 was set at £444M. The Chief Financial Officer confirms that there were no breaches to the Authorised Limit and the Operational Boundary during the period to 30th June 2010 and borrowing at its peak was £257M.

4.2. Upper Limits for Fixed Interest Rate Exposure and Variable Interest Rate Exposure

These indicators allow the Council to manage the extent to which it is exposed to changes in interest rates. The upper limit for variable rate exposure allows for the use of variable rate debt to offset exposure to changes in short-term rates on our portfolio of investments.

	Limits for 2010/11
	%
Upper Limit for Fixed Rate Exposure	100
Compliance with Limits:	Yes
Upper Limit for Variable Rate Exposure	50
Compliance with Limits:	Yes

4.3. Maturity Structure of Fixed Rate Borrowing

This indicator is to limit large concentrations of fixed rate debt needing to be replaced at times of uncertainty over interest rates.

	Lower Limit	Upper Limit	Actual Fixed Debt as at 30/06/10	Average Fixed Rate as at 30/06/10	Proportion of Fixed Rate as at 30/06/10	Compliance with set Limits?
	%	%	£000's	%	%	
Under 12 Months	0	45	15,504	1.96	13.78	Yes
12 months and Within 24 Months	0	45	5,000	3.72	4.44	Yes
24 Months and within 5 Years	0	50	17,000	3.11	15.11	Yes
5 Years and within 10 Years	0	50	20,000	3.05	17.78	Yes
10 Years and within 20 Years	0	50	0	0.00	0.00	Yes
20 Years and within 30 Years	0	75	10,000	4.68	8.89	Yes
30 Years and within 40 Years	0	75	30,000	4.62	26.67	Yes
40 Years and within 50 Years	0	75	15,000	3.88	13.33	Yes
50 Years and above	0	100	0	0.00	0.00	Yes
			112,504	3.44	100.00	

4.4. Total principal sums invested for periods longer than 364 days

This indicator allows the Council to manage the risk inherent in investments longer than 364 days. The limit for 2010/11 was set at £50M.

4.5. Ratio of Financing Costs to Net Revenue Stream

This is an indicator of affordability, highlighting the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet borrowing costs. The estimate approved by Council for 2010/11 was 5.55% and at the end of Quarter 1 the actual figure stood at 6.11%.

The following assumptions have been used in these forecasts:

- The recovery in growth is likely to be slow and uneven, more “W” than “V” shaped and the Bank of England will stick to its lower-for-longer stance on policy rates.
- Gilts will remain volatile, more so in the election’s aftermath.
- The path of base rates reflects the fragile state of the recovering economy and the significantly greater fiscal tightening of the emergency budget. With growth and underlying inflation likely to remain subdued, the Bank will stick to its lower for longer stance on policy rates.
- The potential for downgrades to sovereign ratings has receded, but the negative outlook (S&P) will remain for now.

The movement of interest rates will be closely monitored and Treasury Management activity will respond as required to achieve the core aims of the strategy with an updated report presented at the end of Quarter 2.

HOUSING REVENUE ACCOUNT

KEY ISSUES – MONTH 3

The Housing Revenue Account (HRA) is currently forecast to over spend by **£154,200** at year-end, which represents a percentage over spend against budget of **0.26%**.

The Key variances within the HRA are:

HRA 1 – Supervision & Management - Housing Management (forecast adverse variance £40,000)

As a result of payments for tenants that have been displaced by the balcony collapse at Weston there are additional costs of £19,500.

Due to the lead time in implementing the payment card system, expected savings have been reduced by £70,000. This has been partly offset by salary savings of £45,500 within the Receptionists Team.

HRA 2 – Supervision & Management - Directors Office (forecast adverse variance £22,100)

The costs of the annual maintenance contracts for the Housing systems have been reassessed now that the costs of the annual maintenance contracts are known. Additionally, a review of the Asset Management Database (which is essential for assessing future major works costs) is being undertaken and this is now included in the annual maintenance contract. The forecast for 2010/11 has been revised to reflect these changes.

HRA 3 – Dwelling Rents (forecast adverse variance £154,200)

Earlier than budgeted decanting of tenants within the Estate Regeneration project has led to a reduction in the dwellings rents to be received this year.

In addition, there has been rent loss as a result of tenants being required to vacate a number of properties within Shirley Towers.

HRA 4 – Tenants Service Charges (forecast favourable variance £61,300)

The operation of the Community Alarm Monitoring charge to certain tenants in sheltered housing schemes has now been finalised and this will increase the income received this year.

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DECISION-MAKER: CABINET
SUBJECT: FIRST QUARTER PERFORMANCE MONITORING FOR 2010/11
DATE OF DECISION: 6 SEPTEMBER 2010
REPORT OF: THE EXECUTIVE DIRECTOR OF CORPORATE POLICY AND ECONOMIC DEVELOPMENT
AUTHORS: Name: SUKI SITARAM Tel: 023 8083 4428
E-mail: Suki.sitaram@southampton.gov.uk

STATEMENT OF CONFIDENTIALITY

None.

SUMMARY

This report outlines the progress made at the end of June 2010 (Quarter 1) against the targets and commitments contained within the 2010/11 Corporate Plan. The analysis contained in this report has therefore been compiled on an exceptions basis. It only highlights variances at the end of June 2010 (Quarter 1) for the targets and commitments set out in the Corporate Plan (CP). Detailed National Indicator performance monitoring information for each Portfolio will be published on the council's website.

RECOMMENDATIONS:

The Cabinet is requested to:-

- (i) Note that 64% of Performance Indicators that are the responsibility of the Council and 97% of the Commitments set out in the 2010/11 Corporate Plan are reported to be on target at the end of June 2010.
- (ii) Ensure that appropriate actions are in place by the end of September 2010 for all areas where significant variances have been reported, where no targets have been set, or where monitoring information was not available at the end of June 2010.

REASONS FOR REPORT RECOMMENDATIONS

1. To provide an opportunity for Cabinet to collectively review the first quarter performance results for the targets and commitments contained within the 2010/11 Corporate Plan and to initiate further action where required.

CONSULTATION

2. The Chief Officers' Management Team considered the first quarter's performance monitoring information outlined in this report at its meeting on 3rd August 2010. The detailed performance monitoring information for each Portfolio summarised in this report will also be considered by the Overview and Scrutiny Management Committee.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

3. To not submit this report. This option was rejected, as it is inconsistent with good management practice.

DETAIL

Introduction

4. The Performance Management Framework of the council requires officers to present quarterly reports on an exceptions basis to the Cabinet regarding the progress made against the targets and commitments set out in the Corporate Plan to ensure that the Cabinet's objectives are being delivered. Any variations which are of concern relating to the Council's local performance or business indicators is escalated to the relevant Cabinet Member by Executive Directors and appropriate action is agreed.
5. The 2010/11 Corporate Plan (CP) contains the agreed targets and a number of service improvement actions (commitments) and projects with milestones due to be completed by the end of the financial year. The decision was taken to report on the most relevant indicators and commitments to support the key aims of each portfolio this is compared to the whole national indicator set that was reported on in the 2009/10 Corporate Improvement Plan. This means that the 2010/11 Corporate Plan contains 53 indicators and 100 commitments.
6. A top-level summary of all of the Performance Indicators (PIs) collected this quarter and progress against commitments indicates that **64%** of the PIs included within the CP were reported to be on target at the end of June, compared to 82% in 2009/10. The summary also indicates that **97%** of commitments were also reported to be on target, compared to 98% in 2009/10 and 96% in 2008/09

Key Achievements in the 1st quarter

7. Key achievements in the first quarter include:

Providing good value, high quality services

- Performance in the delivery of capital projects around Children's Services and schools continues, including projects that are ahead of schedule.
- The Southampton and Eastleigh Local Authority Building Control Partnership were finalists in this years Building Excellence Awards (Local Authority Building Control South East Region).
- A positive recommendation was made to the Arts Council by Arts Council South East in respect of the former T&G site (SNAC) and has since been approved.

Getting the city working

- Southampton's Future Jobs Fund programme exceeded the Round 1 target and delivered 108 job starts in the city.
- Work has begun on the £10M Conference and Community Centre in Thornhill being built by Kier Southern. A turf cutting ceremony on Friday 25th June signalled the start of works at Eastpoint Centre Burgoyne Road. The new centre will act as a hub for businesses and communities in Southampton.

Investing in education and training

- Targeted locality casework with young people has helped to reduce NEET levels from over 12% in Q1 2009/10 to under 10% in Q1 in 2010/11, despite the recession. NEET levels are generally seasonal, and have not been this low in the time performance has been measured in this area.

Keeping the city clean and green

- Southampton City Council has won an award for the London Road Improvement scheme at the Urban Transport Design Awards supported by the DfT, Transport Scotland and the Transport Planning Society. The scheme has also been chosen by the Department of Transport (DfT) as an example of best practice and will be included in their national design document 'Manual for Streets 2'.

Looking after people

- 6 LA new build schemes started on site as part of the project to build 53 new council homes in the City.
- Tenant eviction for rent arrears was down to 1 from 5 in the last quarter due to a new financial inclusion approach.
- Following the Review of Grants to Voluntary Organisations in 2009/10, awards were made under the new programme for different funding streams that were more widely advertised than in previous years and coupled with an extra one-off cash injection of £100,000. This meant that the council was able to award a greater number of grants to a broader range of organisations than in the past.
- City Care First Support re-ablement team was launched changing the way services are being delivered to help people remain independent.
- The new Director for Health and Adult Social Care, Penny Furness-Smith, took up her post. Recruitment to support the implementation of the new structure agreed by Cabinet has taken place and the three Heads of Service were appointed in June.

Keeping people safe

- Safeguarding - performance on the timeliness of Initial Assessment (75%) (NI 59) exceeded the target (70%) for the first time in over 2 years.
 - Safety in the Night Time Economy: The Yellow Card scheme was launched in June and the WOW campaign informing people that it is safer to enjoy nights out in Southampton had a positive reception across the city.
 - Following the council's decision, one residential home was closed and the last resident successfully placed.
8. It should be noted that to ensure a consistent means of determining good and poor performance, the same assessment criteria have been applied as in previous monitoring reports. An indicator is therefore deemed to be:
- On Target (Green) if performance is within 5% of the agreed target
 - Have a slight variance (Amber) if the variance is between 5 and 15%
 - Have a significant variance (Red) if the reported variance is more than 15% from the agreed target.
 - Data Unavailable (Grey).

Indicators

9. There are 53 indicators in the Corporate Plan, of which 45 are monitored in the 1st quarter. Details of significant variances are attached as Appendix 1.

10.

Portfolio	Total	Monitored 1 st Qtr	Progress at the end of the 1 st Quarter of 2010/11			
			Green	Amber	Red	Grey
Adult Social Care & Health	5	3	0	0	3	0
Children's Services & Learning	20	17	10	5	2	0
Environment & Transport	7	4	3	0	0	1
Housing	6	6	5	0	1	0
Leaders	0	0	0	0	0	0
Leisure, Culture & Heritage	3	3	1	1	1	0
Local Services & Community Safety	8	8	6	0	1	1
Resources & Workforce Planning	4	4	4	0	0	0
1 st Qtr Total 2010/11	53	45	29	6	8	2
		100	64%	13%	18%	4%
1 st Qtr Total 2009/10	285	196	161	5	18	12
		100	82%	3%	9%	6%
1 st Qtr Total 2008/09	453	249	148	18	26	57
		100	60%	7%	10%	23%

Commitments

11. There are 100 commitments contained within the Corporate Plan designed to improve the quality, performance and reach of council services by the end of the financial year 2010/11. Progress reported against these items at the end of June 2010 indicates that **97%** of these commitments are on target for completion by the year end. Details of slippage are attached as Appendix 2.

12. Portfolio	Total	Progress at the end of the 1 st Quarter of 2010/11		
		Green	Amber	Red
Adult Social Care & Health	7	7	0	0
Children's Services & Learning	14	12	2	0
Environment & Transport	8	7	1	0
Housing	13	13	0	0
Leaders	14	14	0	0
Leisure, Culture & Heritage	19	19	0	0
Local Services & Community Safety	10	10	0	0
Resources & Workforce Planning	15	15	0	0
1 st Qtr Total 2010/11	100	97	3	0
	100	97	3	0
1 st Qtr Total 2009/10	185	181	3	1
	100%	98%	2%	1%
1 st Qtr Total 2008/09	153	146	6	1
	100%	96%	3%	1%

Council Progress by Portfolio

Adult Social Care and Health Portfolio

13. At the end of June 2010 all of the commitments within the Adult Social Care and Health Portfolio are reported to be on target. However, the 3 national indicators reported this quarter are all reported to have significant variances from their 2010/11 target as follows:

- *National Indicator: NI 130 People receiving social care through direct payments.*
- *National Indicator: NI 145 Adults with learning disabilities in settled accommodation.*
- *National Indicator: NI146 Adults with learning disabilities in employment.*

Children's Services and Learning Portfolio

14. Of the 14 commitments relating to the Children's Services and Learning Portfolio 12 (86%) were reported to be on target at the end of June 2010, the remaining 2 commitments (14%) have slightly slipped (amber) from their planned timescales.

- *Remain ahead of schedule to deliver the BSF and Academies programmes and other capital and ICT projects*
 - *Ensure rigorous and timely care planning and reviews for children looked after.*
15. Of the 17 indicators in the Corporate Plan monitored during the first quarter, 10 (59%) were reported to be on target. The remaining 7 indicators (41%) consisted of 2 indicators showing significant variances in performance, 5 indicators showing a slight variance.
16. The 2 indicators reporting significant variances from their 2010/11 target are:
- *LAA Designated indicator: NI 60 Percentage of Core Assessments completed within timescales.*
 - *NI 78 Achievement of 5 or more A*-C grades at GCSE and equivalent including GCSEs in English and Maths*

Environment and Transport Portfolio

17. At the end of June 2010, 7 (88%) of the 8 commitments within the Corporate Plan relating to the Environment and Transport Portfolio were reported to be on target, the remaining commitment has slightly slipped (amber) from its planned timescale.
- *Minimise waste collected per head of population to 400 kg, increase recycling to 29% and reduce waste to landfill to 18.2 % of all domestic waste collected and maintain our position in the top quartile in reducing domestic waste to landfill.*
18. Of the 4 indicators within the Corporate Plan for this Portfolio, three (75%) were reported to be on target with one indicator for which data was not available:
- *NI 185 CO2 reduction from Local Authority operations*

Housing Portfolio

19. At the end of June 2010 all the commitments within the Housing Portfolio are reported to be on target. In addition 5 of the 6 indicators in the Corporate Plan monitored this quarter are reported to be on target with one exception which is reported to have a significant variance from its 2010/11 target as follows:
- *Designated LAA target Indicator NI 155 - the number of affordable homes delivered.*

Leader's Portfolio

20. At the end of June 2010 all of the commitments within the Corporate Plan relating to the Leader's Portfolio are reported to be on target. There are no indicators within the Corporate Plan for the Leader's Portfolio.

Leisure, Culture and Heritage Portfolio

21. At the end of June 2010 all 19 commitments within the Leisure, Culture and Heritage Portfolio are reported to be on target. In addition, there are 3 indicators reported this quarter of which one is reported to be on target and the remaining two are reported to have a significant and slight variances from their 2010/11 target as follows:

- *Designated LAA target Indicator NI 8 - Percentage of adult participating in sport & active recreation (Slight variance from target)*
- *LCDR 3 - Number of people visiting or using museums and galleries (significant variance)*

Local Services and Communities Portfolio

22. At the end of June 2010, all commitments within the Corporate Plan relating to the Local Services and Communities Portfolio were reported to be on target. In addition, 6 of the 8 indicators monitored in the 1st quarter are reported to be on target, with one indicator reported to have a significant variance from target and one indicator where data was unavailable this quarter:
- *LAA Designated Target: NI 32 Repeat incidents of domestic violence (Significant Variance)*
 - *LAA Stretch Target: Increase in the number of Green Flags (data unavailable at the end of 1st quarter)*

Resources and Workforce Planning Portfolio

23. At the end of June 2010, all commitments and performance indicators within the Corporate Plan relating to the Resources and Workforce Planning Portfolio due to be monitored at the end of the first quarter were reported to be on target.

FINANCIAL/RESOURCE IMPLICATIONS

Capital

24. None.

Revenue

25. Contained in the report and the attached Appendices.

Property

26. None.

Other

27. None.

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

28. Financial reporting is consistent with the Chief Financial Officer's (Executive Director or Resources) duty to ensure good financial administration within the Council. In addition monitoring of the Council's performance against statutory and local performance indicators is in line with the Council's statutory duties under the Local Government Acts 1999, 2000 & 2003.

Other Legal Implications:

29. None.

POLICY FRAMEWORK IMPLICATIONS

30. The 2010/11 General Fund Budget and Corporate Plan form part of the Council's approved Budgetary and Policy Framework.

SUPPORTING DOCUMENTATION

Appendices

1.	Corporate Plan Indicators: significant variances
2.	Corporate Plan Commitments: variances

Documents In Members' Rooms

1.	None
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Background Documents

Title of Background Paper(s)

Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)

Background documents available for inspection at: Not Applicable

FORWARD PLAN No: N/A

KEY DECISION?

No

WARDS/COMMUNITIES AFFECTED:

All wards are affected but not so significantly for this to be a key decision.

PI Description	Target	Qtr. 1	Current Status	Previous Year Outturn	National Indicator Quartile Position with All England Top Quartile Figure	Current Quarter Comments
Adult, Social Care & Health Portfolio						
Health & Community Care Division						
NI 130 Number of adults, older people and carers receiving self directed support as a percentage of clients receiving community based services and carers receiving carer's specific services aged 18 or over (LAA Designated Target)	30	5.62	Significant Variance	5.6	N/C	Although there is significant variance at the end of quarter one, performance is on track to meet the target by year end. Self Directed Support is being offered to all eligible new service users from 26 July 2010.
NI 145 Percentage of adults with learning disabilities in settled accommodation at the time of their assessment or review	73	48.75	Significant Variance	58.02	3rd (85.9%)	An action plan has been put in place to resolve the recording issues and this is now being implemented. Improvement is expected to before the end of the year.
NI 146 Percentage of adults with learning disabilities in employment at the time of their assessment or latest review	6	3.75	Significant Variance	3.42	4th (9.65%)	An action plan has been put in place to resolve the recording issues and this is now being implemented and data checking is currently taking place. Refresher staff training on recording for this indicator is due to be rolled out. Improvement is expected to before the end of the year.
Children's Services & Learning Portfolio						
Safeguarding Division						
NI 60 Percentage of core assessments that were carried out within 35 working days of the initial assessment end (LAA Designated Target)	90	53	Significant Variance	32	4th (86%)	There is an improvement programme in place to address IA (Initial Assessment) performance, but it is a challenge to maintain the quality and timeliness of assessments within the context of high numbers of referrals and an inexperienced work force. A targeted effort to close outstanding CAs (Core Assessment) is continuing to impact on the figures for CAs within timescales. We anticipate the backlog being cleared by end August 2010. The drop in performance can be explained by extra pressure on the front line teams who have dealt with a 50% increase in child protection enquiries and a large number of children coming into care.
Standards Division						
NI 78 The number of schools in the local education authority where the number of pupils achieving 5 or more A* - C grades or equivalent including English and Maths at KS4 is less than 30%	0	3	Significant Variance	3	3rd (1)	This is based upon revised data from the DfE (Dec 2009) and now includes Academies. It is anticipated that there will be a reduction in the number of schools below the floor target this summer, as a result of comprehensive programmes to improve attainment in each of the schools concerned. This has included partnership with outstanding schools in Hampshire.
Housing Portfolio						
Housing Solutions Division						
NI 155 Number of affordable homes delivered (gross)	460	87	Significant Variance	248	1st (225)	The actual number of new affordable homes provided is below the quarter 1 profile. This is because 2 schemes were delayed. One scheme of 31 homes has been delayed until mid July (ie. 2 week delay) due to cumulative snagging issues. The other scheme of 14 homes has been delayed until August due to the inclement weather earlier this year and some problems with off site construction of staircases. Neither of these delays will

PI Description	Target	Qtr. 1	Current Status	Previous Year Outturn	National Indicator Quartile Position with All England Top Quartile Figure	Current Quarter Comments
						affect the overall programme and the target of 460 new affordable homes remains achievable.
Leisure, Culture & Heritage Portfolio						
Leisure & Culture Division						
LCDR 3 - Number of people visiting or using museums and galleries	100000	20053	Significant Variance	86541	N/C	The main reason for the shortfall in visitor numbers is that the Gods House Tower Archaeology Museum has been closed for refurbishment during the first half of 2010, and re-opened on 23th June. Extremely good weather will also impact on visitors to indoor venues.
Local Services & Community Safety Portfolio						
Neighbourhood Services Division						
NI 32 Repeat incidents of domestic violence (LAA Designated Target)	30	36.9	Significant Variance	39.5	N/C	Although the performance status is red there has been a 3% reduction on the 2009/10 year end position. Southampton MARAC strategy group are aware of the ambitious target and continue to monitor the MARAC in Southampton seeking ways to reduce the number of repeat cases while not compromising on effectiveness.

Description	Current Quarter Comments	Quarter 1 Actual	Quarter 2 Actual	Quarter 3 Actual	Quarter 4 Actual
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Children's Services & Learning

BSF & Infrastructure

Deliver the Academies programmes and other capital and ICT projects	BSF has been stopped and the Academies programme is under review. All capital projects are now on PM Connect and most are on schedule. ICT projects are on target.	Slightly Slipped	N/A	N/A	N/A
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Safeguarding

Ensure rigorous and timely care planning and reviews for children looked after	Of all children looked after (416), 269 have a Care Plan – 65%. Of CLA excluding respite (386), 245 have a Care Plan – 63%.	Slightly Slipped	N/A	N/A	N/A
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Environment & Transport

Waste & Fleet Transport

Minimise waste collected per head of population to 400 kg, increase recycling to 29% and reduce waste to landfill to 18.2 % of all domestic waste collected and maintain our position in the top quartile in reducing domestic waste to landfill	On target to achieve kgs of waste per householder and % of domestic waste to landfill. Not on target to achieve recycling target. This is primarily due to the effects of the recession (this is a national trend).	Slightly Slipped	N/A	N/A	N/A
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DECISION-MAKER:	CABINET		
SUBJECT:	PRIMARY REVIEW PHASE 2 - PRE-STATUTORY CONSULTATION		
DATE OF DECISION:	6 SEPTEMBER 2010		
REPORT OF:	CABINET MEMBER FOR CHILDREN'S SERVICES AND LEARNING		
AUTHOR:	Name:	Kevin Verdon	Tel: 023 8091 7593
	E-mail:	kevin.verdon@southampton.gov.uk	

STATEMENT OF CONFIDENTIALITY

None

SUMMARY

Southampton's vision for Primary Children, Schools and Learning is to provide the best educational experience for children and their families. This ambition sits at the heart of the Primary Capital Programme (PCP) which is designed to provide school buildings that support the transformation of learning for children and young people.

This report sets out proposals for pre-statutory consultation in relation to the follow up to Phase 1 of the review of primary school places. Southampton, in conjunction with many other urban authorities, is experiencing an unprecedented demand for primary school places and needs to act to increase the capacity of its primary schools, if it is to meet this demand.

The proposals are informed by informal talks with headteachers and are in response to a forecast rise in the number of pupils demanding a school place in the foreseeable future.

RECOMMENDATIONS:

- (i) To add, in accordance with Financial Procedure Rules, a sum of £1 million to the Children's Services and Learning Capital Programme, £690,000 for Primary Review Phase 2, an additional £125,000 for Primary Review Phase 1 increased places at Foundry Lane Primary and an additional £185,000 for Primary Review Phase 1 increased places at St Mary's Church of England Primary school, funded from the Department for Education's Emergency Basic Need Safety Valve grant.
- (ii) To approve, in accordance with Financial Procedural Rules, capital expenditure in the sum of £1 million including fees from the Children's Services and Learning Capital Programme for the addition of Primary school places throughout the city.
- (iii) To authorise the Executive Director for Children's Services and Learning to conduct pre-statutory consultation on a range of school organisation and admissions options for primary education in the city including (but not limited to) those options set out in Appendix 1.

- (iv) To delegate authority to the Executive Director for Children's Services and Learning, following consultation with the Cabinet Member for Children's Services and Learning, to determine the final form of the consultation including the addition or deletion of such options as may be considered appropriate and to bring forward a further report on proposals arising out of these options for statutory notice and/or consideration in accordance with Admissions legislation as appropriate, including details of the costs and funding requirements of these proposals.
- (v) To delegate authority to the Executive Director for Children's Services and Learning, in consultation with the Solicitor to the Council and following consultation with the Executive Director of Resources, to do anything necessary to give effect to the recommendations in this report.

REASONS FOR REPORT RECOMMENDATIONS

1. Children's Services and Learning is aware that the demand for Primary school places has been increasing in recent years and continues to do so. Without increasing the capacity of our primary schools we would not be able to accommodate all the pupils for whom we have a statutory duty to provide a school place.
2. Last year, in Phase 1 of the Primary Schools Review, a number of extra places were provided in the city centre and Freemantle areas of the city. The expansion of places right across the city over the next two years will need to continue.
3. The impact of the increased birth rate, amongst other things, may require the potential addition of around 355 places, the equivalent of 11.8 extra forms of entry (12 FE), in Year R (reception class – the first year of initial admission to infant and primary schools) by September 2012, with a consequent growth in the size of other year groups, as the increase in numbers of pupils works its way through the years of primary schooling.
4. If the proposals in Appendix 1 are carried out, this would add about 355 Year R places or 11.8 FE by September 2012 and eventually around an extra 2,900 primary places by September 2018.
5. In order to formulate strategic proposals for change, the City Council must carry out a pre-statutory consultation exercise involving all stakeholders. Once proposals have been formulated statutory proposals may be published and determined, so that any change can be implemented before the number of pupils exceeds the number of available places.

CONSULTATION

6. Visits to all Headteachers cluster group meetings were carried out in January this year, where heads were made aware of the impending increase in numbers and an outline of our, the LA's, suggestions of how we needed to amend Published Admission Numbers (PANs) for September 2011 for some schools. Site visits were also made to the schools named in Appendix 1 to explore the possibility of expansion or re-claiming non-teaching spaces in school buildings.

7. Schools were asked for their thoughts on a permanent solution to the issue of increasing demand for school places.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

8. The City Council could decide not to make changes to primary school provision. If this were to happen, it is likely that there would be insufficient places for Year R children in the city from 2011 with a significant shortfall in 2012 sustained until at least 2014/15 and probably well beyond. The City Council would be failing in its statutory duty to provide every child in the city with a school place.

Consideration was also given to the building of brand new schools in various parts of the city. However, this was also rejected on two grounds;

- The location of suitable sites were not in suitable locations to satisfy the demand for school places
- The recent cuts in public spending announced by central government makes it unlikely that this option could be funded

DETAIL

9. Southampton, like many other urban authorities, has experienced a significant increase in its birth rate over the last few years. Coupled with a reduction in families leaving the city for the suburbs and a reduction in parents opting for private schools this has led to a surge in demand for primary school places.
10. In summary, the options for expansion outlined in this report are to add:
 - 160 places in Year R for September 2011 against a predicted shortfall of around 22 places – which would leave 138 surplus places in Year R, or around 5%.
 - An additional 195 places in Year R for September 2012 against a predicted shortfall of around 289 places – which would leave us with 66 surplus places in Year R, or around 2%
11. Some surplus places are needed in the system in order to:
 - allow a degree of flexibility for parents to express a preference,
 - ensure there are places in the city for families who wish to move here and
 - ensure that should actual pupils exceed forecast pupils, there would still be able accommodation for the extra pupils.
12. There is always a risk that putting in too many extra places or putting them in too early or in the wrong place, might result in one or two less popular schools suffering a significant drop in numbers. Alternatively, not putting in enough extra places would result in pupils not being offered a school place leading to a breach of statutory duties.

Primary Review Phase 1

13. Work to implement Phase 1 City Centre proposals, approved by Cabinet in July 2009, is progressing well. However, two projects require additional funding to enable the preferred options to be delivered.

14. At Foundry Lane Primary it is recommended that a seven classroom block be provided together with an extension to the hall through remodelling plus additional toilets. This is estimated to cost £1.6 million including fees against a budget of £1.475 million including a £100,000 contribution from the school. The shortfall is therefore £125,000.
15. At St Mary's C of E (VC) Primary, work to provide three additional classrooms by internal remodelling is currently on site and due for completion by the end of August 2010. Three more classrooms are required from September 2013. The total estimated cost for both phases is £800,000 against a budget of £615,000 leaving a shortfall of £185,000.

FINANCIAL/RESOURCE IMPLICATIONS

Capital

16. More detailed costs of implementing recommended changes will be produced for the next stage of the process once pre-statutory consultation has been completed. Some of the work, and therefore some of the costs, could be phased in over a number of years.
17. The corresponding funding requirements will also be finalised in the next report to Cabinet. However, it is likely that the following resources would be drawn upon.
18. In November 2009, the City Council received £1 million from the Department for Education's Emergency Basic Need Safety Valve grant. This funding was distributed to Local Authorities who were experiencing a large increase in pupils applying for a school place in Reception and although some will be needed to meet shortfalls in funding in Phase 1 of the Primary Review (see below), the balance can be used to help fund Phase 2.
19. The City Council receives other capital grants from the DCSF in relation to the school estate. Funding for 2011/12 will not be announced until the end of the year, and is obviously subject to change bearing in mind the current economic situation. If funding continues at current levels over £9 million per year could be available to help fund Primary Review Phase 2. The table below shows the predicted grants available should funding continue at 2010/11 levels:

	2011-12 Forecast £000s
Primary Capital Programme	5,619.0
Modernisation	2,228.2
Basic Need	1,297.1
TOTAL	9,144.1

Primary Review Phase 1

20. The table below shows the two projects within Primary Review Phase 1 that require additional funding.

Scheme	Approval Budget £000s	Estimated Cost £000s	Shortfall £000s
Foundry land Primary	1,475.0	1,600.0	125.0
St Mary's C of E (VC) Primary	615.0	800.0	185.0
Total	2,090.0	2,400.0	310.0

It is recommended that the shortfall of £310,000 be met from the Additional Basic Need Safety Valve Funding.

Revenue

21. The costs of pre statutory consultation will be met from the Children's Services and Learning revenue budget.
22. The revenue costs of all schools are met from the Individual Schools Budget Funded by the Dedicated Schools Grant. The amount of Dedicated Schools Grant that the authority receives each year is based on the number of Children in the city. If the city's overall numbers grow, this will result in an increase in the amount of grant received which can be passed onto schools via budget shares calculated using Southampton's Fair Funding Formula.

Property

23. Some schools may require that formerly 'redundant' classrooms which have been let to other agencies, e.g. Pre-school Playgroups, Archives, Intercultural centre etc., are taken back into school use. Should this be the case, these groups will need to be re-housed into other suitable buildings.
24. Furthermore, a separate feasibility study/project would need to be commissioned to establish notice period requirements as stated in lease and licence agreements and the level of compensation due if relevant to any of these occupiers. This would ensure timely notice is given to fit in with a programme for bringing former class rooms back into use. Dilapidation schedules may also be required in some instances to ensure that the Council receives money due to it on the termination of some agreements. Decisions would also be required as to the level of relocation support to be given to non SCC occupiers along with budget provisions. Budgets will also need to be identified to meet relocation costs for SCC occupiers who need to be accommodated else where.
25. We may deploy modular buildings in schools that are suitable and may need to build extensions to other schools where it is more appropriate.

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

26. Local Authorities have a statutory duty to ensure that there are sufficient school places in their area, promote high educational standards, ensure fair access to educational opportunity and promote the fulfilment of every child's educational potential. LA's must also ensure that there are sufficient schools in their area and promote diversity and parental preference.
27. Alterations, changes, creation or removal of primary provision across the city is subject to the statutory processes contained in the School Standards and Framework Act 1998 as amended by the Education & Inspections Act 2006. Proposals for change are required to follow the processes set out in the School Organisation (Prescribed Alterations to Maintained Schools) Regulations 2007 as amended, together with the corresponding Admissions Regulations as appropriate. Statutory Guidance on bringing forward proposals applies, which requires a period of pre-statutory consultation (and additional rounds of pre-statutory consultation if further viable options are identified during initial consultation) followed by publications of statutory notices, representation periods and considerations of representations by Cabinet or considerations by the Admissions Forum and approval as part of the Admissions Process as required.
28. In parallel with the consultation which the Local Authority is organising, discussions are being held with Wordsworth Infant, which is a foundation school, regarding the possibility of increasing it's size by 1FE and converting from an Infant school to a Primary school so extending its age range from 4 - 7 to 4 – 11.

Other Legal Implications:

29. In bringing forward school organisation proposals the LA must have regard to the need to consult the community and users, the statutory duty to improve standards and access to educational opportunities and observe the rules of natural justice and the provisions of the Human Rights Act 1998, article 2 of the First Protocol (right to education) and equalities legislation.

POLICY FRAMEWORK IMPLICATIONS

30. The proposals outlined in this document will contribute directly to the achievement of the outcomes set out in the Children and Young Peoples Strategic Plan, the Primary Vision, the 14-19 Strategy and the Early Years Development Plan by providing improved buildings for primary pupils and communities in Southampton.

SUPPORTING DOCUMENTATION

Non-confidential appendices are in the Members' Rooms and can be accessed on-line

Appendices

- 1. Options Summary

Documents In Members' Rooms

1.	None
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Background Documents

Title of Background Paper(s)

Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)

1.	None	
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KEY DECISION YES

WARDS/COMMUNITIES AFFECTED:	ALL
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DECISION-MAKER:	CABINET COUNCIL		
SUBJECT:	WESSEX YOUTH OFFENDING TEAM (YOT) ANNUAL YOUTH JUSTICE PLAN 2010/11		
DATE OF DECISION:	6 SEPTEMBER 2010 15 SEPTEMBER 2010		
REPORT OF:	CABINET MEMBER FOR CHILDREN'S SERVICES AND LEARNING		
AUTHOR:	Name:	Ian Langley Denise Edghill	Tel: 01962 876100 Tel 023 8083 4095
	E-mail:	ian.langley@hants.gov.uk denise.edghill@southampton.gov.uk	

STATEMENT OF CONFIDENTIALITY

None

SUMMARY

The Crime and Disorder Act (1998) requires Youth Offending Teams to produce an annual Youth Justice Plan, which is approved by the Youth Justice Board (YJB) on behalf of the Government.

The Wessex Youth Offending Team covers the four Local Authority areas of Southampton, Hampshire, Portsmouth and the Isle of Wight, as well as the Primary Care Trusts, Hampshire Constabulary and Hampshire Probation Trust.

This paper seeks to give an overview of the Wessex Youth Justice Plan for 2010/11 with particular reference to youth offending issues affecting Southampton. Cabinet and Council are asked to approve the 2010/11 plan.

RECOMMENDATIONS**Cabinet**

- (i) To recommend the Wessex Youth Justice Plan 2010/11 to Council for adoption as part of the Policy Framework.

Council

- (i) To approve the Wessex Youth Justice Plan 2010/11 as part of the Council's Policy Framework.

REASONS FOR REPORT RECOMMENDATIONS

1. It is a requirement for every local authority to approve an annual youth justice plan. The strategic aims of the plan are to:
 - reduce offending,
 - reduce re-offending,
 - ensure the safe and effective use of custody; and
 - increase victim and public confidence.

This supports the City priority of 'keeping people safe', by reducing crime and anti social behaviour and improving the protection of residents from crime.

CONSULTATION

2. The Plan (Appendix 1) was approved by the Wessex Youth Offending Team Management Board meeting at its meeting on the 29 June 2010.
Southampton City Council is represented on the Wessex Youth Offending Team Management Board by the Assistant Director, Children's Services and Learning.
3. The substance of this report will be presented to Overview and Scrutiny Management Committee on 19 August 2010 and any comments will be reported to Cabinet at their meeting on 6 September 2010.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

4. The plan is a statutory framework plan and therefore it is not appropriate to consider alternatives.

DETAIL

5. In addition to the submission of an annual Youth Justice Plan, all YOTs were required by the Youth Justice Board to submit a Capacity and Capability Plan which includes details of National Indicator performance. This Plan was approved by the Management Board at their meeting on the 29 March 2010 and duly submitted to the Youth Justice Board prior to the deadline. An abridged version with commentary on Southampton performance only, can be found at Appendix 2. The data in the Capacity and Capability Plan was validated by the Youth Justice Board on the 18 May 2010 and an overall rating of 'adequate performance with good capacity and capability to sustain improvement' was given.
6. The Youth Justice Board assesses performance against a family group of YOT's which include West Sussex, Hertfordshire and Essex. Representations were made by the Wessex YOT Board to the Youth Justice Board regional manager who attended their meeting on the 29 June 2010, that the uniqueness and complexity of Wessex YOT make such comparisons unfair. Comparisons by Local Authority family groups (i.e. compare Southampton with Bristol) are much fairer. The Youth Justice Board have agreed to consider this method for next years Capacity and Capability Plan.

FINANCIAL/RESOURCE IMPLICATIONS

Capital

7. There are no capital implications.

Revenue

8. The Wessex Youth Offending Team is funded by a number of partner organisations including; Southampton City Council, Hampshire County Council, Portsmouth City Council, Isle of Wight Council, the Police, Probation Service and the four Primary Care Trusts. Hampshire County Council administers the funding on behalf of the partners.

9. In 2008/09 the four Local Authorities agreed to increase their year on year investment in real terms. The City Council's investment to the Wessex Youth Offending Team for 2010/11 is £726,600 which is within the Children's Services and Learning base budget.
10. In addition the City Council gives a further 'in-kind' contribution to the work of Southampton Youth Offending Team through the deployment of a Personal Advisor, specifically to give extra support to young people to re-engage with education, employment and training.
11. A Wessex wide review of YOT arrangements is currently underway, which will consider partnership working including funding for 2011/12 and beyond. Southampton City Council will be looking for a saving in the region of 10% in-line with broader Children's Services and Learning savings and to return investment levels to those of 2008/09.

Property

12. There are no specified property implications for the Southampton services within the Wessex Youth Justice plan.

Other

13. None.

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

14. Section 40 of the Crime and Disorder Act 1998 requires the Council and its partners to determine an annual Youth Justice Plan. The Plan is a Policy Framework Document by virtue of the Local Government Act 2000 and supporting Regulations.

Other Legal Implications:

15. The Plan is produced having regard to Section 17 of the Crime and Disorder Act 1998, the Human Rights Act 1998 and equalities legislation.

POLICY FRAMEWORK IMPLICATIONS

16. The Youth Justice Plan is part of the Council's Policy Framework.

SUPPORTING DOCUMENTATION

Non-confidential appendices are in the Members' Rooms and can be accessed on-line

- 1 Youth Justice Strategic Plan 2010/11
- 2. Progress Update 09/10 Southampton

Documents In Members' Rooms

- 1. None

1.	None
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Background Documents

Title of Background Paper(s)

Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)

1.	None	
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KEY DECISION

YES

WARDS/COMMUNITIES AFFECTED:	ALL
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DECISION-MAKER:	CABINET		
SUBJECT:	RESPONSE TO THE SCRUTINY INQUIRY ON THE NIGHT TIME ECONOMY		
DATE OF DECISION:	6 SEPTEMBER 2010		
REPORT OF:	LEADER OF THE COUNCIL		
AUTHOR:	Name:	Tim Levenson	Tel: 023 8083 2550
	E-mail:	tim.levenson@southampton.gov.uk	

STATEMENT OF CONFIDENTIALITY

None

SUMMARY

A report on Southampton's Night Time Economy (NTE) by the Environment and Sustainability Scrutiny Panel was presented to Cabinet in June 2010. This report sets out Cabinet's response to the 10 recommendations made.

RECOMMENDATIONS:

- (i) To approve the response to the 10 recommendations set out in Appendix 1.
- (ii) That the role of coordinating actions and liaising with various partnerships to implement proposed actions to be delegated to the Head of City Development and Economy.

REASONS FOR REPORT RECOMMENDATIONS

1. There is a need for increased focus and development of the significant role that the NTE plays in the growth and vibrancy of the city centre and enhancement of the local economy.
2. Economic Development has a key role in coordinating actions to ensure that the enhancement of the local economy is maximised.

CONSULTATION

3. Internal consultation has taken place with Legal and Democratic Services, Financial Services, Head of Organisational Development and Property and Procurement Services.
4. In addition consultation has taken place with Corporate Policy, Planning and Sustainability, Parks and Open Spaces, Safer Communities, Leisure Services, Communications, and Highways and Parking.
5. Consultation has taken place with the Chairs of the Southampton Thematic Partnerships which are the Economy and Enterprise Board, Safe City Partnership, Tackling Alcohol Partnership, Children and Young Peoples Trust, Health and Wellbeing Partnership, City Branding Group, SHAPe, Later Years Partnership. In addition consultation has been carried out with Streets Ahead Southampton.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

6. Do nothing – does not meet the aspiration of the City Council to enhance the role of the Night Time Economy in the growth and vibrancy of the City Centre and enhancement of the local economy.

DETAIL

7. A report of the Chair of the Environment and Sustainability Scrutiny Panel on the Night Time Economy Inquiry was considered at the 7 June 2010 Cabinet. Cabinet needs to formally response to these recommendations to meet the requirements in the Council's Constitution.
8. The response by the Leader of the Council to the recommendations by the Environment and Sustainability Scrutiny Panel and comment on action to be taken is set out in Appendix 1 attached to this report.

FINANCIAL/RESOURCE IMPLICATIONS

Capital

9. Whilst several of the recommendations can be integrated into existing programmes of work and budget streams there are others which will require varying levels of investment in order to be successful. The Council in conjunction with the Southampton Partnership will need to consider whether existing resources can be redirected in order to support the implementation of responses to the recommendations of the Scrutiny Panel.

Property

10. None.

Other

11. None.

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

12. The duty to undertake overview and scrutiny is set out in Section 21 of the Local Government Act 2000 and the Local Government and Public Involvement in Health Act 2007. This report is presented in accordance with section 7.1 of the Overview and Scrutiny Procedure Rules which required the Executive to submit its response to the inquiry recommendations.

Other Legal Implications:

13. None.

POLICY FRAMEWORK IMPLICATIONS

14. The responses contained within the appended report are in accordance with the Council's Framework.

SUPPORTING DOCUMENTATION

Non-confidential appendices are in the Members' Rooms and can be accessed on-line

Appendices

1.	Response to the Recommendations of the Environment and Sustainability Scrutiny Panel on the Night Time Economy (NTE)
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Documents In Members' Rooms

Background Documents

Title of Background Paper(s)

Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)

1.	Night Time Economy – final report of the Environment and Sustainability Scrutiny Panel	
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Background documents available for inspection at: Marland House

KEY DECISION? No

WARDS/COMMUNITIES AFFECTED:	All
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ITEM NO: 13

DECISION-MAKER:	CABINET		
SUBJECT:	PARTNERSHIP FOR URBAN SOUTH HAMPSHIRE (PUSH): CONSTITUTIONAL ARRANGEMENTS AND BUSINESS PLAN 2010-12		
DATE OF DECISION:	6 SEPTEMBER 2010		
REPORT OF:	SOLICITOR TO THE COUNCIL		
AUTHOR:	Name:	Mark Heath Solicitor to the Council	Tel: 023 8083 2371
	E-mail:	mark.heath@southampton.gov.uk	

STATEMENT OF CONFIDENTIALITY:

None

SUMMARY

The purpose of this paper is to seek approval for a change in the Constitutional arrangements relating to the Partnership for Urban South Hampshire (PUSH). This change has already been considered by the PUSH Joint Committee on 23rd June where it was approved. Each of the constituent local authorities will now be considering a report recommending that they support this change. The proposed change concerns the role of the lead authority when entering into contractual arrangements on behalf of the partnership as a whole.

RECOMMENDATIONS:

- (i) That a short supplementary legal agreement is entered into in accordance with Appendix 1 to this report.
- (ii) To approve the PUSH Business Plan 2010-12 in accordance with Appendix 2 of this report as a basis for the operations of the PUSH Joint Committee.

REASONS FOR REPORT RECOMMENDATIONS

1. This is to ensure that the constitutional arrangements are fit for purpose and the lead Authority entering into contractual arrangements on behalf of PUSH has appropriate indemnification protection.
2. PUSH is required to produce a Business Plan each year to set out its proposed actions and priorities, which in turn must be individually approved by the eleven Local Authority partners, to provide the mandate for the Joint Committee to take the necessary decisions and actions to implement the Business Plan.
3. This refresh of the PUSH business plan updates the previous plan (2009-11) incorporating the targets and actions arising from the South Hampshire Agreement signed in July 2008, the recent refresh and taking into account progress made and significant changes in circumstances over the last 12

months. It does not seek to be a comprehensive review of previous plans (which will be undertaken for the plan to be adopted in 2011). Prior to that review PUSH has not sought to revise its short term targets preferring instead to develop a sound evidence base for doing so. Nevertheless, we recognise that the current economic crisis will mean that a number of the current short term targets and outcomes are simply no longer valid or achievable (including a number set out in the South Hampshire Agreement).

4. Those targets considered to be unachievable as a result of the recession are highlighted in the Plan.

CONSULTATION

5. This report was shared and consulted upon with all the constituent local authorities contained in PUSH and was also considered by the PUSH Joint Committee which is constituted of all the Leaders of all the local authorities in PUSH. All endorsed the proposals set out in this report.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

6. None.

DETAIL

Background

7. The current partnership arrangements commenced in November 2007 with the confirmation of the Joint Committee as the decision making body. The PUSH Joint Agreement introducing this and other constitutional arrangements was completed on 15th August 2008 after it had been signed by all participating authorities.
8. The organisational structure of PUSH has developed further over time, in the light of experience in operating the Partnership, and evolving needs. PUSH governance arrangements were approved by Joint Committee on 18th November 2008 and revised Financial Protocols have improved the governance of budget and financial management and transactions.
9. As the aims of PUSH develop and extend from policy making to delivery, an increasing need to enter into contracts arises. Such contracts will normally set out responsibility for the receipt of funding, and for the distribution or investment of this in accordance with the prescribed terms of the contract. As PUSH is not a legal entity with ability to enter into contracts, one of the Partner authorities acts as "lead authority" in this regard. Thus, the lead authority incurs primary contractual responsibility to the funding agency for the use and application of the funds in accordance with the contract's terms. However, the lead authority will often be in a position where the use and application of the funds is not under its control, but that of another PUSH local authority. It is important, therefore, that should the lead authority incur any liability to the funding agency as a result of another authority's failure to comply with the contractual terms, the lead authority has recourse to a contractual indemnity from that authority.
10. The PUSH Joint Agreement acknowledges the principle that, in general, liabilities should be shared pro rata to the budget formulation. However, the current absence of a clear contractual indemnity to a lead authority, is an

inhibitor to a partner authority taking on that role, as it gives rise to an element of risk exposure that is unnecessary.

Risks

11. The risk arising from a lead authority contracting on behalf of the Partnership without an indemnity from its PUSH partners is that the lead authority alone is exposed to financial liability. This may be particularly onerous where the contract is to secure external funding for which the terms and conditions invariably contain stringent clawback arrangements. The lead authority could be faced with the liability to repay substantial sums without the legal right to recover contributions from the other authorities under a contractual indemnity.
12. It is also important that the lead authority's legal services team is involved from the outset in any new Partnership initiative that could result in the lead authority being asked to enter into contractual obligations on behalf of PUSH. Otherwise, unascertained risks may arise for the lead authority if it enters into contracts which have been negotiated or approved by others within PUSH, but which may be on terms where its interests, as the primary party to the contract, are not sufficiently protected.

Options

13. The Joint Agreement is working well and there is no need for any fundamental revision of it. The issue highlighted is one of a technical legal nature, but which nevertheless has an important impact in practice upon the delivery of business objectives through the securing of funds via contractual agreements.
14. It is proposed that the authorities in PUSH enter into a short supplementary legal agreement embodying the following principles:
 - the lead authority is indemnified against all liability it incurs in the course of performing its role by the other PUSH authorities on a pro rata basis according to the proportions of their respective financial obligations; and
 - the lead authority indemnifies the other PUSH authorities in respect of liabilities arising out of its own negligence.
15. Consideration has been given to inclusion of the above in the Partnership's financial protocols. However, as this would not have the legal status of a supplementary agreement, it would not address the risk exposure of the lead authority. To be legally enforceable, an indemnity needs to be by deed and a deed needs to be executed by all partner authorities.

Business Plan

16. The Business Plan follows the same broad style with separate chapters on the four main PUSH themes, a section on Financing the Strategy, which also covers the work of the new External Funding and Resources Theme, and a Transport Chapter summarising the priorities and overall approach of the Transport for South Hampshire Joint Committee, which leads on sub-regional transport matters in South Hampshire, working alongside PUSH.
17. It retains the three main purposes of the previous plan, i.e. to:
 - demonstrate the ambitious vision that PUSH has for South Hampshire

- and the steps being taken to deliver it in challenging circumstance;
 - demonstrate how PUSH is working with partners such as Government Agencies, the business community and others to delivery this vision; and
 - encourage investment in South Hampshire.
18. The Plan does not repeat the background material included in previous plans (unless there have been significant changes in the last 12 months). It sets out the key actions to deliver the South Hampshire Strategy to be undertaken over the next two years by PUSH, its constituent local authorities and its partners both individually and collaboratively. It does not set out to detail existing “mainstream activities” of partner organisations, such as the Skills Funding Agency, Jobcentre Plus, Business Link and local authorities which would take place regardless. Rather, it sets out the transformational, additional actions and opportunities to “re-shape” existing plans and programmes to support PUSH aims and deliver the step change. The high level action plans set out in this business plan stem from, and should be read in the context of, separate strategies for specific themes such as the Green Infrastructure Strategy, the HCA Local Investment Plan, the South Hampshire Transport Strategy developed by Transport for South Hampshire (TfSH) and the emerging Economic Development Strategy refresh.
 19. This plan also outlines the resources required to deliver the plan for 2010-11, where these resources have been secured, how further resources are to be secured and the ways in which PUSH conducts its business to support delivery of the plan. It is clear that the current level of resources committed to PUSH projects is substantially less than that which is required to deliver the strategy and therefore the plan also sets out the innovative mechanisms PUSH is exploring to secure additional resources. It is also recognised that further consideration may need to be given to the Government announcements of £6.2 bn of savings in 2010-11, and their potential impact, as well as the forthcoming spending review that will undoubtedly inform resource allocations for future years.
 20. In particular, it also addresses the key challenges and risks posed to delivery of the South Hampshire Strategy, including those arising from the economic recession, and details PUSH’s approach to adapting to those changes and mitigating/responding to those risks.
 21. Given the current economic uncertainty, now is not considered to be the right time for a comprehensive review of PUSH long term plans. Initial study work to inform a more comprehensive review will be initiated later in the summer to inform next year’s business plan and to feed into Government policy as articulated in Policy statements such as; The Coalition: our programme for government (May 2010) and Planning Policy Statement 3 (PPS3): Housing (June 2010). Equally the forthcoming Spending Review will also provide a platform on which to consider new and different approaches to public service provision. This will challenge Local Government and delivery partners to consider fundamental changes to the way we provide services, whilst ensuring that resources are prioritised within a tighter budgetary framework, whilst securing improvements in value for money.
 22. There is acknowledgement of the promotion of decentralisation by the new

Coalition Government, which will give new powers to local councils, including the intention to return decision-making powers on housing and planning to local councils and the intention to provide incentives for local authorities to deliver sustainable development. PUSH accepts the need to adapt to those changes and it welcomes the fact that the Government is seeking to support the creation of local enterprise partnerships that would enable the improved coordination of public and private investment in transport, housing, skills, regeneration and other areas of economic development.

23. Prior to consideration by the PUSH Joint Committee, the draft Plan was also considered by the PUSH (officer and partners) Programme Board, and the PUSH Chief Executives Group, with suggested changes arising from these discussions then incorporated into a revised draft plan. The changes were largely presentational, with particular emphasis on the need to give more prominence to the impact of the recession on Performance Targets and progress against MAA outcomes, to better identify cross cutting links between projects and themes, and to secure greater engagement at the delivery panels.

PUSH JOINT COMMITTEE

24. The Joint Committee met on 23rd June 2010. The Joint Committee is constituted of the Leaders of all the local authorities constituting PUSH, and they considered a report in identical terms to this report and endorsed and supported the proposed constitutional changes set out in this report. However, the constitution of PUSH requires that each of the individual local authorities give their approval to any change in the constitution before it can be given effect to.

FINANCIAL/RESOURCE IMPLICATIONS

Capital

25. The Report to the 7th July PUSH Joint Committee approved the Capital Programme for 2010/12. The projects directly applicable to the City Council are the Southampton Local Energy Network (£240,000 in 2009/10 and £200,000 in 2010/11) and Southampton Estate Regeneration (£1,45m in 2009/10 and £1,24m 000 in 2010/11).

Revenue

26. The City Council makes a contribution as a 'subscription' to PUSH of £72,493. Other partners also make contributions which are pro-rata to the population of the PUSH areas. In addition, the City Council contributes across all policy areas by way of officer time, recognising the importance of securing appropriate developments and interventions.

Property

27. None

Other

28. None

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

29. The Partnership for Urban South Hampshire is constituted under the Local Government Act 1972 and 2000, the joint arrangements entered into, which include the Terms of Reference for the Joint Committee as well as the Overview and Scrutiny Joint Committee will require proposed amendment by virtue of this report, if it is endorsed by the City Council and all the other Constituent Local Authorities comprising PUSH. That will be dealt with by a simple supplementary legal agreement which will be prepared by the Solicitor to the Council.
30. The new 2010-12 PUSH Business Plan is not currently one of the Council's Policy Framework documents. However, it is a major strategic document designed to ensure that local authorities and other agencies within the urban South Hampshire area are collectively engaged with, and benefit from, the delivery of the South East Plan and Regional Economic Strategy. The key aim of the PUSH Business Plan is to secure the delivery of sustainable economic growth in the sub region and its endorsement by partner authorities will therefore help to align the economic development, infrastructure, housing, transportation and cultural activities of individual local authorities to help secure this objective. The PUSH Business Plan will inform the development of relevant City Council's key Policy Framework Plans as well as Local Development Documents, the Local Transport Plan, Housing Strategy and will be reflected in council's overall business planning arrangements.

Other Legal Implications:

31. None.

POLICY FRAMEWORK IMPLICATIONS

32. None

SUPPORTING DOCUMENTATION

Non-confidential appendices are in the Members' Rooms and can be accessed on-line

Appendices

1.	Indemnity provisions for PUSH Joint Agreement
2.	Business Plan 2010-12

Documents In Members' Rooms

1.	None.
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Background Documents

Title of Background Paper(s)

Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)

1.	None	
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Background documents available for inspection at:

KEY DECISION? No

WARDS/COMMUNITIES AFFECTED:	All Wards
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DECISION-MAKER:	CABINET		
SUBJECT:	NEPTUNE COURT AND ROZEL COURT LIFT REPLACEMENT		
DATE OF DECISION:	6 SEPTEMBER 2010		
REPORT OF:	CABINET MEMBER FOR HOUSING		
AUTHOR:	Name:	GEOFF MILLER	Tel: 023 8083 4987
	E-mail:	Geoffrey.miller@southampton.gov.uk	

STATEMENT OF CONFIDENTIALITY

Not applicable

SUMMARY

This report seeks formal approval in accordance with Financial Procedures Rules for the preparation and execution of the replacement of Neptune Court and Rozel Court lifts.

RECOMMENDATIONS:

- (i) To approve, in accordance with Financial Procedure Rules, spending of £1,010,000 on replacing the lifts at Neptune Court and Rozel Court, provision for which exists in the Housing Revenue Account Capital programme for 2011/12.

REASONS FOR REPORT RECOMMENDATIONS

1. The lifts at Neptune Court and Rozel Court are over 40 years old and due to wear and tear they are now in need of replacement.
2. Including sums in a capital programme does not give authority to spend the money. This is done by a separate scheme approval process. Financial Procedure Rules require that all schemes with a total value of more than £500,000 be approved by Cabinet before they can proceed.

CONSULTATION

3. A key role in the development of the capital programme has been the involvement of "groups" such as the Tenants Focus Groups, Block Wardens, tenant representatives, leaseholders and staff. Tenants and leaseholders have been closely involved in the production of our long term business plan for future investment.
4. Consultation with residents of Neptune Court has taken place (two meetings the last one being on 15th June 2010), this consultation will continue throughout the duration of the contract. Consultation with residents of Rozel Court will commence at the end of the Summer/beginning of Autumn. Upon completion of individual lifts, customer satisfaction questionnaires will be submitted to every resident of both Courts.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

5. During consultation with tenants' groups and leaseholders over the Housing Revenue Account (HRA) Capital Programme and in the formation of the HRA Business Plan during the option appraisal process, all parties expressed support for schemes of work at this time.
6. The alternative option of not undertaking this work would leave the properties and surrounding areas in their present condition and would not accord with the views expressed during the consultation process.

DETAIL

7. This report seeks permission to proceed with the development, procurement and implementation of the replacement of Neptune Court and Rozel Court lifts as included within the Housing Revenue Account Capital Programme for 2011/12 approved by Council on 14 July 2010.
8. After close investigation of maintenance and call out records the 2 lifts at Neptune Court (1 in each block) and 1 lift at Rozel Court have been identified as being past their serviceable life and the most unreliable lifts across the remaining 8 supported housing blocks which require replacement.
9. In order to meet the latest requirements for DDA compliant lifts, we will be constructing new structures to house these lifts which will be next to the front entrances of each of the 3 blocks, these will be accessed once residents have entered the security of the building.
10. In line with requests from the emergency services these lifts will not only benefit the tenants, residents and visitors but will enable paramedics to use their stretcher facilities and not have to negotiate awkward stairwells.

FINANCIAL/RESOURCE IMPLICATIONS

Capital

11. The estimated capital expenditure arising from the approval of this project is £1.010M in 2011/12. Provision for this exists in the capital programme that was approved by council in July 2010.

Revenue

12. The capital financing costs of spending £1.010M in 2011/12 on the schemes recommended for approval in this report were allowed for in the revenue estimates that were approved by Council on 17th February 2010.

Property

13. The HRA capital programme is fully reflected in the Corporate Asset Management Plan.

Other

14. None.

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

15. There are no specific legal implications in connection with this report. The power to carry out the proposals is contained within Part 2 of the Housing Act 1985.

Other Legal Implications:

16. None

POLICY FRAMEWORK IMPLICATIONS

17. The proposed schemes set out in this report will contribute positively to the Council's objectives set out in the Housing Strategy and HRA Business Plan to maintain and improve the condition of the city's housing stock.

SUPPORTING DOCUMENTATION

Non-confidential appendices are in the Members' Rooms and can be accessed on-line

Appendices None

Documents In Members' Rooms

1.	Business case: 2 x Lift Refurbishments at Neptune Court and 1 x lift at Rozel Court
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Background Documents

Title of Background Paper(s) Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)

1.	None	
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Background documents available for inspection at:

KEY DECISION YES

WARDS/COMMUNITIES AFFECTED:	All wards in the city
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ITEM NO: 15

DECISION-MAKER:	CABINET MEMBER FOR RESOURCES AND WORKFORCE PLANNING		
SUBJECT:	LEASE SURRENDER AND RENEWAL:SCOUT HUTS AT CANFORD CLOSE AND TICKLEFORD DRIVE, SOUTHAMPTON		
DATE OF DECISION:	6 SEPTEMBER 2010		
REPORT OF:	HEAD OF PROPERTY AND PROCUREMENT		
AUTHOR:	Name:	Tina Wright	Tel: 023 8083 3403
	E-mail:	Tina.wright@southampton.gov.uk	

STATEMENT OF CONFIDENTIALITY

None.

SUMMARY

Scout Groups currently occupy premises in Canford Close and Tickleford Drive under Leases from the Council. These buildings have been identified as being in a suitable location to provide an Early Years setting in response to the Councils statutory duty under the Childcare Act 2006. The buildings will need to undergo some refurbishments in order to comply with registration by Ofsted. Cabinet have approved expenditure from the Early Years and Children's Centres Capital Improvement Programme towards this project, to enable a provider to offer early years education and childcare for children of 3 and 4 years of age. The alterations will enable the Council to fulfil its statutory duty to ensure that there are sufficient early years and childcare places in the City. The proposed alterations will also improve the buildings for future uses.

It is therefore proposed that the existing leases are surrendered and a new Lease is offered to each Scout Group for a term of 25 years at a rental of £1 per annum in respect of Canford Close and a new lease offered for a term of 15 years at £1 pa in respect of Tickleford Drive. These leases will require the Scouts to under-let to a nursery provider.

The properties are categorised as social property and managed by the Housing and Local Services Portfolio.

RECOMMENDATIONS:

- (i) To authorise the surrender and re-grant of new leases at £1pa to the Scout Groups occupying premises at Canford Close and Tickleford Drive requiring the Scouts to underlet to a nursery provider.
- (ii) To delegate authority to the Head of Property and Procurement to authorise any similar future proposals for lease renewals to Scout or Guide groups or other community or charitable organisations which include any underlet for any purpose authorised by s.2 Local

Government Act 2000 at rents less than best consideration where it is proposed to underlet to a nursery provider or similar community use.

REASONS FOR REPORT RECOMMENDATIONS

1. There are currently insufficient Early Years places for children of 3 and 4 years of age within many areas of Southampton. The Childcare Act 2006 creates a duty for the Local Authority to ensure there are sufficient early years places in response to demand. The proposal will enhance the existing asset, improve the facilities for the Scouts and assist the Council in carrying out its statutory duty. The proposals in the report represent value for money as if other facilities were needed to be found to house the nursery an open market rental would need to be paid.
2. There are no delegated powers to grant a lease at less than best consideration.

CONSULTATION

3. The report has been produced following internal consultation with Children's Services and Learning.
4. The Scouts have confirmed they are happy with the proposals following initial discussions. No other external consultation has been undertaken.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

5. To not grant new leases but continue with existing lease terms. This will not allow the Scouts to underlet to a nursery provider which would create a shortfall in nursery places in the Millbrook and Weston area of the City.

DETAIL

6. The Canford Close property comprises a single storey building of brick construction on a site of 0.1 hectares adjoining Mansel Infant School. The building is currently occupied by the Scout Association under the terms of a Lease for a term of 21 years from 23 May 1995 on a full repairing and insuring basis at a rental of £1 per annum. This Lease is due to expire on 22 May 2016. The Lease is protected by the Landlord and Tenant Act giving the tenant security of tenure and a right to a new lease at the end of the term in normal circumstances.
7. The Tickleford Road Scout site is held under a 21 year lease at £1 pa which expires in 2012. This lease is also protected by the Landlord and Tenant Act.
8. The DfE capital funding invested within these premises as part of the refurbishment works requires the Council to have a 25 year (*Canford Close*) and 15 year (*Tickleford Close*) agreement in place to safeguard the delivery of nursery provision, subject to local demand. The Early Years Capital Programme was approved by Cabinet on 27/10/2008. The approval included delegated authority for the Executive Director for Children's Services and Learning to finalise the programme in consultation with the lead member which was approved at the Children's Services and Learning Capital Board 25/01/2010. The refurbishment works to ensure the venue is registered by Ofsted include the provision of a secure outdoor play space, canopy, new secure entrance lobby, external storage and minor associated refurbishment

works to comply with registration by Ofsted.

9. To facilitate the above it is proposed to surrender the existing leases and simultaneously grant to the Scouts new leases at a rental of £1 per annum on a full repairing and insuring basis. A photographic Schedule will be attached to the Leases recording the improvements to the building and placing the onus on the Scouts to maintain in a similar condition and ensure no deterioration to the building. Under the terms of the Leases it is proposed that the Scouts will be required to underlet to the nursery provider, following completion of the works. There will be an express clause in the leases to the Scouts requiring them, on a specified number of days notice, to enter into and complete an under-lease to a nursery provider in a format pre-agreed and appended to the Leases. The Leases will stipulate that any rental payable by the nursery provider to the Scouts should be only on the basis of covering the costs of services such as electricity, water, cleaning etc.

FINANCIAL/RESOURCE IMPLICATIONS

Capital

10. The expenditure to undertake the works are being funded from the Early Years and Children's Centres Capital Improvement Programme approved by Cabinet 27/10/2008.

Revenue

11. If new leases are agreed at £1pa then the opportunity to obtain full market rental for the accommodation is lost. However, the open market opportunities for the buildings in their current state of repair are limited. In addition other potential uses are restricted in planning terms in view of the current community use.
12. The Council is reviewing the way it grant aids voluntary and community groups including Scouts. On 27 July 2009, Cabinet approved a report called Review of Grants to Voluntary Organisations. The report included some "in principle" recommendations which are subject to 12 weeks consultation. These included removing the "hidden subsidy" of a £1 rent and replacing this with a grant equating to an amount approximating to the 'market rent'. The outcome of this review may not be determined for some time. In view of the urgent need to provide nursery places it is not possible to wait until these reviews are completed before granting the leases. It is therefore intended to insert rent review clauses into the leases after every 5th year which will give the council the ability to review the rental to open market if so required.

Property

13. The assets will be enhanced with the proposed works. The Council's interests are protected by the inclusion of the rent review clause.

Other

14. None.

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

15. The Local Government Act 1972 – General Disposal Consent (England) 2003

provides power to let premises at less than best consideration. Section 2 of the Local Government Act 2000 provides powers to do anything which is likely to promote or improve the economic or social or environment well-being of the area.

Other Legal Implications:

- 16. Before deciding to Dispose at an Undervalue the Council must comply with a number of statutory and other obligations. It must :
 - Keep firmly in mind its` accountability and fiduciary duty to local people – Assisting with this proposal will assist in ensuring there are enough nursery places within the city.
 - Believe that it will help to secure promotion or improvement of the economic, social or environmental well-being of its area – This proposal will improve the Scouts facilities and assist with nursery provision in the city.
 - Ensure the Undervalue does not exceed £2M- the under value does not exceed this figure.
- 17. A State Aid issue on any price received under best consideration or by way of subsidy must be considered. However, in these circumstances, the issue is remote due to the market conditions and value.

POLICY FRAMEWORK IMPLICATIONS

- 18. The proposal is not contrary to the Policy Framework.

SUPPORTING DOCUMENTATION

Non-confidential appendices are in the Members’ Rooms and can be accessed on-line

Appendices

1.	Plan detailing the location of the Scout Hut at Canford Close.
2.	Plan detailing the location of the Scout Hut at Tickleford Drive.

Documents In Members’ Rooms

1.	None
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Background Documents

Title of Background Paper(s) Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)

1.	None	
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Background documents available for inspection at: N/A

KEY DECISION? No

WARDS/COMMUNITIES AFFECTED:	Redbridge and Woolston
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