

CABINET

**Monday, 22nd November, 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)

Contacts

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Development
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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 (£500,000 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 25th October 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 SEPTEMBER 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 2nd financial quarter of 2010 and highlighting any key issues by Portfolio which need to be brought to the attention of Cabinet, attached.

9 SECOND QUARTER PERFORMANCE MONITORING FOR 2010/11 CORPORATE PLAN

The report of the Executive Director for Corporate Policy and Economic Development outlining the progress made at the end of September 2010 (Quarter 2) against the targets and commitments contained within the 2010/11 Corporate Plan, attached.

ITEMS FOR DECISION BY CABINET

10 SOUTHAMPTON LOCAL ECONOMIC ASSESSMENT

Report of Leader of the Council summarising the draft Local Economic Assessment for Southampton and seeking agreement to consult on its content, attached.

11 COURT LEET PRESENTMENTS 2010

Report of the Solicitor to the Council setting out Presentments accepted by Court Leet, the action taken to date and identifying Lead Members and Officers for future actions, attached.

12 PRIMARY SCHOOL REVIEW: PHASE 2 STATUTORY CONSULTATION

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

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

To move that 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 to item no:14

Confidential appendix 7 contains information deemed to be exempt from general publication based on Category 3 of paragraph 10.4 of the Council's Access to Information Procedure Rules. It is not in the public interest to disclose this because doing so would prejudice the commercial confidentiality of the bidders and selection process.

14 ESTATE REGENERATION PROGRAMME

Report of the Cabinet Member for Housing, to approve the preferred bidder(s) and seeking approval to undertake the redevelopment of the sites comprised within Phase 2 of the Estate Regeneration Programme (i.e. Cumbrian Way Shopping Parade, Exford Shopping Parade, 5-92 Laxton Close and 222-252 Meggeson Avenue), attached.

NOTE: There is a confidential appendix attached to this item that is not for general publication.

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

To move that 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 to item no:16

Confidential appendix 3 contains information deemed to be exempt from general publication based on Category 3 of paragraph 10.4 of the Council's Access to Information Procedure Rules. It is not in the public interest to publish this information as publication could influence bids made on the Authority's other property transactions which maybe financially detrimental to the Council.

16 THE DISPOSAL OF LAND AT BROADLANDS ROAD AND RE-PROVISION OF ALLOTMENTS AT BRICKFIELD ROAD

Report of the Cabinet Member for Resources and Workforce Planning seeking authority to dispose of land at Broadlands Road and provide allotments in Brickfield Road, attached.

NOTE:

- (i) This report is presented as a general exception item in accordance with paragraph 15 of the Access to Information Procedure Rules of Part 4 of the Council's Constitution
- (ii) There is a confidential appendix attached to this item that is not for general publication.

FRIDAY, 12 NOVEMBER 2010

SOLICITOR TO THE COUNCIL

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Agenda Item 4

EXECUTIVE DECISION MAKING

RECORD OF THE DECISION MAKING HELD ON 25 OCTOBER 2010

Present:

| | | |
|-----------------------|---|--|
| 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 |

39. PROPOSAL TO INTRODUCE NO WAITING AT ANY TIME RESTRICTIONS IN THE VICINITY OF THE JUNCTION OF BASSETT GREEN CLOSE AND BASSETT GREEN ROAD (TRO)

DECISION MADE: (Ref: CAB 10/11 4298)

On consideration of the report of the Head of Highways and Parking Services and having received representations concerning objections received during public consultations on proposals for introducing no waiting at any time parking restrictions in the vicinity of the junction of Bassett Green Road and Bassett Green Close, Cabinet made the following decision:-

- (i) To approve the revised scheme set out in Appendix 2 of the report with an amendment that the second bay outside 57/59 Bassett Green Close is removed from the scheme and replaced with no waiting at any time. The operation of the scheme to be reviewed no later than end of the Academic year 2010/11.

40. RECORD OF THE PREVIOUS DECISION MAKING

The record of the Executive decision making held on 6 September 2010 were received and noted as a correct record.

41. REPORTS FROM OVERVIEW AND SCRUTINY COMMITTEES (IF ANY)

Cabinet received the Highway's Approach to Asset Management Inquiry report from Scrutiny Panel A.

AGREED to accept and implement fully the recommendations set out in Appendix 1 of the report and thereby eliminating the need to formally respond to these recommendations in order to meet the requirements in the Council's Constitution.

42. EXECUTIVE APPOINTMENTS

Cabinet agreed to the following appointments:

To appoint Councillors Smith and Hannides to the Spitfire Tribute Foundation.
To replace Councillor Samuels with Councillor Smith on Cities in the South Group, Eurocities and South East England Councils.
To appoint Councillor Fitzgerald to Fostering Panel II.

43. APPROVAL OF THE NORTH SOLENT SHORELINE MANAGEMENT PLAN

DECISION MADE: (Ref: CAB 10/11 4036)

On consideration of the report of the Cabinet Member for Environment and Transport Cabinet agreed the following modified decision:

- (i) To adopt the North Solent Shoreline Management Plan.
- (ii) To endorse the action plan that will need to be taken forward over the duration of the plan period.
- (iii) To delegate powers to the Head of Planning and Sustainability to approve, subject to the Financial Procedure Rules, any changes to the action plan affecting Southampton arising out of consultation and decisions of the Shoreline Management Plan Client Steering Group.
- (iv) To delegate to the Head of Planning and Sustainability to prepare and approve any regional and local coastal strategies intended to address the risk of coastal flooding and erosion that any subordinate to and provide additional details guidance on the shoreline Management Plan.

44. HMS ARTFUL

DECISION MADE: (Ref: CAB 10/11 4716)

On consideration of the report of the Leader of the Council and having received representations from interested parties and a Member of the Council, Cabinet agreed to approve the City Council entering into an affiliation with HMS Artful.

45. QE2 MILE PROGRAMME RE-PRIORITISATION

DECISION MADE: (Ref: CAB 10/11 4209)

On consideration of the report of the Leader of the Council, Cabinet agreed the following:

- (i) Approve the reprioritised programme for the QE2 Mile as detailed in paragraph 12 and Appendix 1 of the report.

- (ii) Approve in accordance with financial procedure rules the transfer of £190,000 in 2010/11 from the QE2 Mile Programme to the Guildhall Square scheme within the Leaders Capital Programme to provide for additional costs which have been incurred.
- (iii) Approve in accordance with financial procedure rules the transfer of £420,000 in 2012/13 from the QE2 Mile Programme to the scheme to redevelop the former Tyrrell and Green site for an arts complex and enabling development within the Leaders Capital Programme.
- (iv) Delegate authority to the Head of City Development following consultation with the Leader of the Council to approve future projects within existing financial rescopes that complement the QE2 Mile Programme, in line with the Financial Procedure Rules.

46. 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 to item no: 13.

Confidential appendix 1 contains information deemed to be exempt from general publication based on Category 3 of paragraph 10.4 of the Council's Access to Information Procedure Rules. In applying the public interest test it is not considered appropriate to make public offers received as this could lead to a revision of bids and, in the event of the transaction failing to complete, prejudice re-marketing of the property, therefore reducing the amount receivable by the Council.

47. SALE OF LAND AT PARKVILLE ROAD, SWAYTHLING

DECISION MADE: (Ref: CAB 10/11 4297)

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

- (i) To approve the revised terms to the sale of the land as summarised in this report and delegate authority to the Head of Property and Procurement to negotiate any other changes to the terms necessary and to undertake such ancillary action in order to achieve the variation to the terms of the sale.
- (ii) To authorise the Solicitor to the Council to enter in to any legal documentation necessary in respect to the revised terms of the land sale and undertake any necessary ancillary action to enable the sale.

48. 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 to item no: 15.

Confidential Appendix 1 contains information deemed to be exempt from general publication based on Category 3 of Paragraph 10.4 of the Council's Access to Information Procedure Rules - Information relating to the financial or business affairs of any particular person (including the Authority holding that information).

In applying the public interest test it is not considered appropriate to make the agreed lease terms public as, if disclosed prior to entering into a contract, this could put the Council at a commercial disadvantage

49. MERIDIANS HOUSE, OCEAN VILLAGE - RENEWAL OF LEASE TO THE COUNCIL

DECISION MADE (CAB 10/11 4560)

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

- (i) To approve the renewal of the lease at Meridians House on the terms set out in the confidential appendix to this report; and
- (ii) That the Head of Property and Procurement be given authority to finalise lease terms, any minor revisions and to take all appropriate steps in consultation with the Solicitor to the Council to complete the lease.

Agenda Item 8

| | | | |
|--------------------------|--|--------------------------------|--------------------|
| DECISION-MAKER: | CABINET | | |
| SUBJECT: | CORPORATE FINANCIAL MONITORING FOR THE PERIOD TO THE END OF SEPTEMBER 2010 | | |
| DATE OF DECISION: | 22 NOVEMBER 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 and Housing Revenue Account (HRA) revenue financial position for the Authority for the six months to the end of September 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 6 (September), which is a forecast over spend at year end of **£293,900** against the budget approved by Council on 17th February 2010, as outlined in paragraph 4. This can be compared against the reported over spend at Month 3 of £1,123,600; an improvement of £829,700.
- (ii) Note that the baseline forecast over spend for portfolios is £4,302,200.
- (iii) Note that portfolios continue to take remedial action to manage a number of the corporate and key issues highlighted in this report and that the financial impact is reflected in the forecast position..
- (iv) Note that the Risk Fund includes £3.3M to cover service related risks, and that the estimated draw at Month 6 is £3.0M to cover expenditure which is included within the baseline forecast portfolio over spend of £4.3M. At this stage of the year, it has been prudently assumed that a further draw of £365,500 may be required in 2010/11 and consequently that the Risk Fund will be fully utilised.

- (v) Note that the Revenue Development Fund now totals £3.6M following the allocation of a further £1.3M 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.
- (vi) Note that it has been assumed that the contingency of £250,000 will be fully utilised by the end of 2010/11.
- (vii) Note the forecast includes an approved carry forward for Central Repairs & Maintenance as agreed by Full Council.
- (viii) Note the performance to date with regard to the delivery of the agreed savings proposals approved for 2010/11 as detailed in Appendix 10.
- (ix) Note the performance against the financial health indicators detailed in Appendix 11.
- (x) Note the performance outlined in the Quarterly Treasury Management Report attached as Appendix 12 and specifically that the indicator relating to the ratio of financing costs to the net revenue stream has been reviewed and amended to 10.0% as outlined in paragraph 16. This amendment will be reflected in the next revision to the Treasury Management Strategy.

Housing Revenue Account

It is recommended that Cabinet:

- (xi) Note the current HRA budget monitoring position for 2010/11 as at Month 6 (September), which is a forecast under spend at year end of **£1,300** against the budget approved by Council on 17th February 2010, as outlined in paragraph 17. This can be compared against the reported over spend at Month 3 of £154,200; an improvement of £152,900.

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, 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

4. Financial Summary

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 **£293,900**, as shown below:

| | Forecast Outturn Variance £000's | Forecast Outturn Variance % |
|---------------------------------|---|--|
| Baseline Portfolio Total | 4,302.0 A | 2.5 A |
| Draw From Risk Fund | 2,958.1 F | |
| Portfolio Total | 1,343.9 A | 0.7 A |
| Approved Carry Forwards | 150.0 A | |
| Other General Fund Expenditure | 750.0 F | |
| Revenue Development Fund | 450.0 F | |
| Net Total General Fund | 293.9 A | 0.2 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 £1,343,900 and this is analysed below:

| Portfolio | Baseline Forecast Outturn Variance £000's | Risk Fund Items £000's | Forecast Outturn Variance | | See Appendix |
|--------------------------------------|--|---------------------------------------|--|------------|-------------------------|
| | | | £000's | % | |
| Adult Social Care & Health | 496.8 A | 0.0 | 496.8 A | 1.0 | 2 |
| Children's Services | 1571.3 A | 0.0 | 1571.3 A | 5.2 | 3 |
| Environment & Transport | 2499.3 A | 2,911.0 F | 411.7 F | 1.8 | 4 |
| Housing Portfolio | 147.0 F | 0.0 | 147.0 F | 7.9 | 5 |
| Leader's Portfolio | 129.2 F | 0.0 | 129.2 F | 1.7 | 6 |
| Leisure Culture & Heritage | 72.8 A | 0.0 | 72.8 A | 0.9 | 7 |
| Local Services & Community Safety | 91.9 A | 47.1 F | 44.8 A | 0.4 | 8 |
| Resources & Workforce Planning | 153.9 F | 0.0 | 153.9 A | 0.4 | 9 |
| Portfolio Total | 4,302.0 A | 2,958.1 F | 1,343.9 A | 0.7 | |

The corporate and key issues affecting each portfolio are set out in Appendices 2 to 9, as per the previous table.

5. Remedial Portfolio Action

Having managed the impact of the in year cuts announced by Government to ensure that the operating budget for 2010/11 remains in balance, Portfolios continue to take remedial action to manage a number of the corporate and key issues highlighted in this report. Specific actions are included within Appendices 2 to 9 where applicable and the financial impact is reflected in the forecast position.

6. Other General Fund Expenditure

The favourable variance of £750,000 is due to a reduction in net interest payable resulting from lower than anticipated borrowing costs. This has been as a consequence of lower borrowing levels due to slippage in the Capital Programme and also the fact that we have borrowed at lower rates than originally estimated. Lower rates have been achieved through a conscious decision to switch to short term debt which is currently available at lower rates than long term debt due to the depressed market.

7. Risk Fund

As last year, potential pressures that may arise during 2010/11 relating to volatile areas of both expenditure and income, are being managed through the Risk Fund. A sum of £3.3M is now 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 6, it is estimated that pressures within portfolios will require the allocation of £2,958,100 from the Risk Fund, as shown in the table below:

| Portfolio | Service Activity | £000's |
|--------------------------------------|---------------------------------|----------------|
| Environment & Transport | Income – Off Street Car Parking | 1,545.0 |
| Environment & Transport | Income – Bereavement Services | 647.0 |
| Environment & Transport | Income – Development Control | 389.0 |
| Environment & Transport | Income – Bus Shelter Contract | 330.0 |
| Local Services & Community Safety | Fuel Inflation - Open Spaces | 47.1 |
| Portfolio Draw From Risk Fund | | 2,958.1 |

At this stage of the year it has been prudently assumed that the remainder of the Fund will be fully utilised.

The Risk Fund, which previously stood at £5.9M now totals £3.3M following the allocation of £2.6M. The funding allocated is shown below:

| Portfolio | Service Activity | £000's |
|---|--------------------------|----------------|
| Children's Services | Safeguarding Children | 2,249.3 |
| Adult Social Care & Health | Adult Disability | 550.0 |
| Adult Social Care & Health | Learning Disability | 1,775.0 |
| Corporate | Net Pay Award Adjustment | (2,000.0) |
| Funding Allocated From the Risk Fund | | 2,574.3 |

8. **Revenue Development Fund**

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 previously stood at £4.9M, now totals £3.6M following a further allocation of £1.3M. The funding allocated is shown below:

| Portfolio | Service Activity | £000's |
|--|-------------------------|----------------|
| Children's Services | Safeguarding Children | 1,227.7 |
| Environment & Transport | Highways Improvements | 110.0 |
| Funding Allocated From the Revenue Development Fund | | 1,327.7 |

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.

9. **Contingency**

The contingency was originally set at £250,000 and it is anticipated that this will be fully utilised by the end of the year. To date £150,000 has been approved to fund the procurement exercise to identify a management partner for the Sea City Museum, with the option of including other heritage venues.

10. **Approved Carry Forward Requests**

Currently there is a forecast under spend of £150,000 on Central Repairs and Maintenance. Full Council has agreed to automatically carry forward any surplus/deficit 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.

11. **Potential Carry Forward Requests**

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

12. **Forecast Employee Expenditure**

Included within the baseline forecast portfolio over spend of £4,302,200, is a forecast under spend on employees of £299,800. The position by portfolio is as follows:

| Portfolio - Employee Costs | Variance to Sept £000's | Forecast Outturn Variance £000's | Forecast Outturn Variance % |
|-----------------------------------|------------------------------------|---|--|
| Adult Social Care & Health | 454.9 F | 821.4 F | 3.6 F |
| Children's Services | 506.1 A | 653.4 A | 1.8 A |
| Environment & Transport | 89.9 A | 7.8 A | 0.0 a |
| Housing Portfolio | 94.3 F | 146.8 F | 5.1 F |
| Leader's Portfolio | 250.8 F | 146.8 F | 1.8 F |
| Leisure Culture & Heritage | 126.4 F | 60.2 F | 0.6 F |
| Local Services & Community Safety | 88.5 A | 84.0 A | 1.0 A |
| Resources & Workforce Planning | 105.1 A | 130.2 A | 1.0 A |
| Total General Fund | 136.8 F | 299.8 F | 0.3 F |

13. **Key Portfolio Issues**

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 | 1,174.2 | App 2 – ASCH 1 |
| Adult Social Care & Health | Learning Disabilities | 82.1 | App 2 - ASCH 2 |
| Children's Services | Tier 4 Services | 454.9 | App 3 – CSL 1 |
| Children's Services | Tier 3 Services | 1,137.9 | App 3 – CSL 2 |
| Environment & Transport | Off Street Parking | 1,555.5 | App 4 – E&T 1 |
| Environment & Transport | Bereavement Services | 679.7 | App 4 – E&T 2 |
| Environment & Transport | Development Control | 407.5 | App 4 – E&T 3 |
| Environment & Transport | Public Transport – Bus Shelters | 330.0 | App 4 – E&T 4 |

Corporate Favourable Variances

| Portfolio | Corporate Issue | Favourable Forecast £000's | See Appendix & Reference |
|----------------------------|------------------------|---------------------------------------|---|
| Adult Social Care & Health | Complex Care | 393.6 | App 2 – ASCH 3 |
| Adult Social Care & Health | In House Care Services | 199.0 | App 2 – ASCH 4 |
| Environment & Transport | Waste Disposal | 512.8 | App 4 – E&T 5 |

14 Implementation of Savings Proposals

Savings proposals of £8.1M were approved by Council in February 2010 as part of the overall budget package for 2010/11. The delivery of these savings is key to the financial position of the authority and below is a summary of the progress as at the end of the second quarter:

| Portfolio | Implemented and Saving Achieved | Not Yet Fully Implemented and Achieved But Broadly on Track | Not on Track to be Implemented |
|-----------------------------------|--|--|---------------------------------------|
| | % | % | % |
| Adult Social Care & Health | 69.3% | 0.0% | 30.7% |
| Children's Services | 89.9% | 10.1% | 0.0% |
| Environment & Transport | 82.2% | 11.5% | 6.3% |
| Housing | 63.4% | 6.9% | 29.7% |
| Leader's Portfolio | 85.9% | 14.1% | 0.0% |
| Leisure Culture & Heritage | 69.2% | 29.3% | 1.5% |
| Local Services & Community Safety | 47.9% | 32.9% | 19.2% |
| Resources & Workforce Planning | 100.0% | 0.0% | 0.0% |
| Total General Fund | 78.7% | 10.4% | 10.9% |

The overall shortfall in the delivery of the savings proposals is currently forecast as £855,000 or 10.6% as for some of the proposals, whilst the saving may not be on track to be fully implemented, progress has been made towards delivery of the financial outcomes.

The progress made in implementing and delivering the savings proposals has been reviewed by the Chief Officers Management Team and Appendix 10 contains further details. The financial implications of the delivery of these proposals are reflected in the current forecast position and areas of ongoing concern have been fully reviewed and appropriate action plans put into place. In addition, any implications for the budget for 2011/12 and future years will be addressed

15. **Financial Health Indicators**

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 11 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.

16. Quarterly Treasury Management Report

The Council approved a number of indicators at its meeting of the 17th February 2010 and Appendix 12 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 has been undertaken and it has been amended to 10.0%. This amendment will be included in the next revision to the Treasury Management Strategy.

17. Housing Revenue Account

The expenditure budget for the HRA is £60.6M, which includes additional balance bought forward of £388,900. The income budget is £60.2M resulting in a working balance of £1.2M. The overall forecast position for the year end shows an adverse variance of £1,300 (0.0%) which leaves the working balance materially unchanged at £1.2M

The corporate variances are shown below, with the detail set out in Appendix 13:

| | Forecast Outturn Variance £000's | See Appendix & Reference |
|---|---|---|
| Supervision & Management - Housing Management | 121.5 A | App 13 – HRA 1 |
| Contingency | 258.2 F | App 13 – HRA 2 |
| Dwelling Rents | 154.2 A | App 13 – HRA 3 |

FINANCIAL/RESOURCE IMPLICATIONS

Capital

18. None.

Revenue

19. Contained in the report.

Property

20. Not applicable.

Other

21. Not applicable.

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

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

Other Legal Implications:

23. Not applicable.

POLICY FRAMEWORK IMPLICATIONS

24. Not applicable.

SUPPORTING DOCUMENTATION

Appendices

| | |
|-----|--|
| 1. | General Fund Summary |
| 2. | Adult Social Care & Health Portfolio |
| 3. | Children's Services Portfolio |
| 4. | Environment & Transport Portfolio |
| 5. | Housing Portfolio |
| 6. | Leader's Portfolio |
| 7. | Leisure, Culture & Heritage Portfolio |
| 8. | Local Services & Community Safety |
| 9. | Resources & Workforce Planning Portfolio |
| 10. | Implementation of Savings Proposals |
| 11. | Financial Health Indicators |
| 12. | Quarterly Treasury Management Report |
| 13. | Housing Revenue Account |

Documents In Members' Rooms

| | |
|----|------|
| 1. | None |
|----|------|

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) | |
|----|---|--|

Background documents available for inspection at: Online

KEY DECISION? N/A **WARDS/COMMUNITIES AFFECTED:** N/A

GENERAL FUND 2010/11 - OVERALL SUMMARY

| September 2010 | Working Budget £000's | Forecast Outturn £000's | Forecast Variance £000's |
|--|-----------------------------|-------------------------------|--------------------------------|
| Portfolios (Net Controllable Spend) | | | |
| Adult Social Care & Health | 50,835 | 51,331 | 497 A |
| Childrens Services | 29,952 | 31,524 | 1,571 A |
| Environment & Transport | 23,204 | 25,703 | 2,499 A |
| Housing | 1,858 | 1,711 | 147 F |
| Leader's Portfolio | 7,465 | 7,336 | 129 F |
| Leisure Culture & Heritage | 8,099 | 8,172 | 73 A |
| Local Services & Community Safety | 10,990 | 11,082 | 92 A |
| Resources & Workforce Planning | 37,591 | 37,437 | 154 F |
| Baseline for Portfolios | 169,994 | 174,296 | 4,302 A |
| Net Draw From Risk Fund | 2,958 | 0 | 2,958 F |
| Sub-total (Net Controllable Spend) for Portfolios | 172,952 | 174,296 | 1,344 A |
| Non-Controllable Portfolio Costs | 21,639 | 21,639 | 0 |
| Portfolio Total | 194,591 | 195,935 | 1,344 A |
| Approved Carry Forwards | 0 | 150 | 150 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 | 11,050 | 750 F |
| Capital Asset Management Account | (23,652) | (23,652) | 0 |
| | (11,852) | (12,602) | 750 F |
| Other Expenditure & Income | | | |
| Direct Revenue Financing of capital | 913 | 913 | 0 |
| Net Housing Benefit Payments | (882) | (882) | 0 |
| Revenue Development Fund | 3,585 | 3,135 | 450 F |
| Open Space and HRA | 536 | 536 | 0 |
| Risk Fund | 366 | 366 | 0 |
| Contingencies | 250 | 250 | 0 |
| Surplus/Deficit on Trading Areas | 20 | 20 | 0 |
| | 4,787 | 4,337 | 450 F |
| NET GF SPENDING | 188,055 | 188,349 | 294 A |
| Draw from Balances: | | | |
| To fund the Capital Programme | (913) | (913) | 0 |
| Draw from Strategic Reserve (Pensions/Reds) | (442) | (442) | 0 |
| Draw from Balances (General) | (3,431) | (3,724) | 294 A |
| | (4,785) | (5,079) | 294 A |
| BUDGET REQUIREMENT | 183,270 | 183,270 | 0 |

ADULT SOCIAL CARE AND HEALTH PORTFOLIO**KEY ISSUES – MONTH 6**

The Portfolio is currently forecast to over spend by **£496,800** at year-end, which represents a percentage over spend against budget of **1.0%**. This forecast is constructed from the bottom up through discussions with individual budget holders and is then adjusted to take into account the wider Portfolio view and corporate items as shown below:

| | £000's | % |
|----------------------------------|----------------|------------|
| Baseline Portfolio Forecast | 496.8 A | 1.0 |
| Remedial Portfolio Action | 0.0 | |
| Risk Fund Items | 0.0 | |
| Portfolio Forecast | 496.8 A | 1.0 |
| Potential Carry Forward Requests | 0.0 | |

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

ASCH 1 – Adult Disability Care Services (forecast adverse variance £1,174,200)

There is a projected over spend of £81,800 on Residential Care and more significantly £322,200 on Domiciliary and £802,000 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 £81,800. 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 £360,000 are expected in relation to clients that have already transferred to Adult Disability Care Services pending the planned closure of two SCC homes.
- Further growth in client numbers totalling £221,500. This now includes £90,000 provision for two continuing health care clients whose needs are such that costs will now be met by SCC.

From Month 6 this has been offset by a £550,000 increase in budget provided from the Risk Fund.

Domiciliary Care is forecast to over spend by £322,200. This is due to:

- An increase in the number of clients, that can be attributable to an increase in NHS acute activity arising from the risk in potential delayed transfer fines and the transfer of clients from the City Care Service, of £80,700.

- 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 continues to be reviewed monthly.
- Extra care provided under contract with Southampton Care Association is forecast to cost an additional £161,500. 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 £802,000. This is mainly due to:

- A net loss in SCPCT income of £120,000. SCPCT have funded 10 nursing home beds since 2006/07 following the closure of a ward at the Tom Rudd Unit (within the grounds of Moorgreen Hospital). However, this funding has now ceased leaving a budget shortfall of £200,000. This has been offset in part by additional funds being received for the provision of Older Persons Mental Health Respite Services £80,000.
- There is net increase in the cost of packages of £497,000 arising from new clients & changes in packages for existing clients.
- As a result of not fully utilising contractually committed beds to date at the new BUPA Oak Lodge Home, due to slower take up of beds than anticipated, the forecast spend has been increased by £185,000

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 | 222,600 | 3,905 | (251) | (14,300) |
| Direct Payments | 2,536,200 | £9.47 Per Hour | 267,814 | 2,518,700 | 265,966 | (1,848) | (17,500) |
| Domiciliary | 3,900,500 | £12.85 Per Hour | 303,541 | 4,222,700 | 328,615 | 25,074 | 322,200 |
| Nursing | 4,592,500 | £64.82 Per Day | 70,850 | 5,394,500 | 83,223 | 12,373 | 802,000 |
| Residential | 5,465,900 | £49.15 Per Day | 111,209 | 5,547,700 | 112,873 | 1,664 | 181,800 |
| Total | 16,732,000 | | | 17,906,200 | | | 1,174,200 |

A number of management actions have been agreed to address the forecast over spend however, it is too soon to determine the level of savings that may be achieved as a result.

ASCH 2 – Learning Disabilities (forecast favourable variance £82,100)

In respect of care provision there has been an increase in demand, including clients that have transferred from Children's Services, an increase in the cost of existing client packages and the withdrawal of funding by Southampton Primary Care Trust (SCPCT) for clients previously assessed to have a continuing health care need. However, from Month 6 this has been offset by an increase in the budget provision from the Risk Fund. There has also been a reduction in forecast spend of £300,000 for implemented savings actions with a further reduction of £60,000 for additional planned savings.

Forecast Range £200,000 adverse to £100,000 favourable.

Based on current forecasts it is anticipated that there will be an adverse variance of £275,800 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 £301,000, whilst savings from clients no longer receiving a service is £72,000. This generates a net pressure in the year of £229,000.

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 22 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 £900,000 in 2010/11. In addition, provision has not been made in the current year's budget for the six (previously assumed at seven) client transfers agreed at the end of 2009/10. The forecast has been amended for the anticipated full year cost of £515,000. 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 £166,900, which includes £107,000 of savings identified against the Campus closure grant, which is no longer ring fenced, and the Stroke Grant.

Due to changes in eligibility criteria applied by Independent Living Fund (ILF) there is the potential that clients may no longer have access to this source of funding. Based on three to four clients receiving the maximum award this could result in a pressure in the region of £100,000 in a full year.

£1,775,000 has now been included within the Adult, Social Care & Health budget from the Risk Fund to help meet these costs. In future months these issues will not be reported.

An action plan has been implemented and has achieved savings of £300,000 by reviewing existing client packages as well as new care provision. A further £60,000 of savings has also been assumed within the forecast.

ASCH 3 – Complex Care (forecast favourable variance £393,600)

The Care Management teams are expected to significantly exceed their vacancy management targets through holding posts vacant during a period of restructure for the Portfolio. This has allowed the management team greater flexibility in shaping the future structure of the service.

Forecast Range £300,000 to £450,000 favourable.

ASCH 4 – In House Care Services (forecast favourable variance £199,000)

Staff vacancy savings offset by additional running costs of homes.

Forecast Range £150,000 favourable to £300,000 favourable.

A savings proposal was approved in February 2010 which led to a change in the way that domiciliary care is accessed. The new refocused services provide 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 April 2011 giving a forecast saving of £208,500.

The residential units are forecast to over spend by £54,900 due to costs arising from the delay in the closure of Whitehaven Lodge. This is partially offset by a favourable forecast position on unit income of £45,400 as a result of self funding clients.

The OTHER KEY issues for the Portfolio are:

ASCH 5 – Mental Health and Substance Misuse (forecast adverse variance £157,300)

There are new clients and increased costs of existing client packages totalling £382,200, offset by staffing and grant/contract savings of £154,900. In addition savings of £70,000 are forecast to be achieved through reviewing care packages.

Forecast Range £300,000 adverse to £100,000 adverse.

There is a general upward trend in demand for care packages within this service activity. This is evidenced by seven new residential mental health clients and changes in packages for mental health and substance misuse clients with a forecast cost of £300,200. In addition, there is a forecast over spend in Domiciliary Costs of £51,000 for additional costs for clients with no recourse to public funds, together with packages for five new clients of £31,000.

This has been offset in part by minor staff savings £71,900 and savings on grant & contract payments to the voluntary sector £83,000.

An action plan to reduce the forecast over spend has now been instigated for this area with £70,000 of savings now built into the forecast position.

ASCH 6 – Adult Social Care Learning and Development (forecast favourable variance £150,000)

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 £150,000 within the staff development training budget to offset pressures elsewhere in the portfolio.

CHILDREN'S SERVICES & LEARNING PORTFOLIO**KEY ISSUES – MONTH 6**

The Portfolio is currently forecast to over spend by **£1,571,300** at year-end which represents a percentage over spend against budget of **5.2%**. This forecast is constructed from the bottom up through discussions with individual budget holders and is then adjusted to take into account the wider Portfolio view and corporate items as shown below:

| | £000's | % |
|----------------------------------|---------------|------------|
| Baseline Portfolio Forecast | 1,571.3 A | 5.2 |
| Remedial Portfolio Action | 0.0 | |
| Risk Fund Items | 0.0 | |
| Portfolio Forecast | 1,571.3 A | 5.2 |
| Potential Carry Forward Requests | 0.0 | |

Remedial action has been taken which is already reflected in the above forecast as unspent Dedicated Schools Grant of £137,000 carried forward from 2009/10 has been utilised to help offset the over spend on the assessment and specialist placement of children with Special Educational Needs.

The CORPORATE issues for the Portfolio are:

CSL 1 – Tier 4 Safeguarding Specialist Services (forecast adverse variance £454,900)

The numbers of children looked after (in care) have increased, 320 in September 2009 at the start of estimates to 387 in September 2010. The average placement cost of a looked after child ranges from an internal placement costing £16,500 per year to an external independent placement costing £300,000.

Forecast range £750,000 adverse to £150,000 adverse.

The detailed breakdown of costs is shown below:

| Service Area | Previous Months Variance £000's | Forecast Variance £000's | Increase/ (Decrease) £000's |
|--|--|-------------------------------------|--|
| Civil Secure Accommodation | 0.0 A | 113.2 F | (113.2) |
| Foster Care Services | 364.9 A | 411.7 A | 46.8 |
| Independent Fostering Agencies | 0.0 A | 75.5 A | 75.5 |
| Independent Sector Residential Social Care Placements | 0.0 A | 304.5 A | 304.5 |
| Residential Units | 24.1 F | 178.2 F | (154.1) |
| Other Tier 4 Services – Care Leavers 18+, Asylum Seekers | 62.1 A | 45.4 F | (107.5) |
| Total | 402.9 A | 454.9 A | 52.0 |

Civil Secure Accommodation (forecast favourable variance £113,200)

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 current budget for civil secure accommodation allows for one annual placement and two three month placements. See the table below:

| Civil Secure Placements Annual Cost Band £ | Below 1,000 | 1,000 to 9,999 | 10,000 to 59,999 | 60,000 to 99,999 | Over 100,000 |
|---|--------------------|-----------------------|-------------------------|-------------------------|---------------------|
| Budgeted Placements | 0 | 0 | 0 | 2 | 1 |
| Actual to Date | 0 | 0 | 3 | 1 | 0 |
| Forecast | 0 | 0 | 3 | 2 | 0 |

During Month 6, a decision was taken to transfer a longer term civil secure placement to an out of city placement, saving a total of £113,200. It should be noted that there is still a provisional forecast estimate for £64,000 for a possible new placement.

Foster Care Services forecast adverse variance £411,700)

By September, there were 41 more children in City Council foster care than the budget for 200 children. Each placement costs an average of £16,500. There has been a month on month increase in the numbers of children requiring foster care, and the numbers of children per foster carer is also increasing. It is also current council policy to invest in and use local foster care as far as possible when it is the most appropriate placement for the child. The adverse variance comprises:

- £335,500 adverse variance for standard foster care allowance brought about by additional children in foster care
- £145,800 adverse variance on the Contact Scheme (supervised parental contact with their children), due to additional demand for contact. This demand is a direct consequence of lowering the age of children entering care, leading to an increased need for supervised parental contact.

Independent Fostering Agency (IFA) Placements (forecast adverse variance £75,500)

Expenditure on IFA placements is forecast to over spend by £75,500 by the end of 2010/11 due to both the increase in children in care and the increased complexity of circumstances surrounding those children. Independent placements cost an average of £45,500 for a standard placement (representing foster care cost plus agency charge), approximately £29,000 more than the average for a SCC foster care placement.

Details of changes in the demand for IFA placements are identified in the table below:

| IFA Social Care Placements Annual Cost Band £ | Below 1,000 | 1,000 to 9,999 | 10,000 to 59,999 | 60,000 to 99,999 | Over 100,000 |
|--|------------------------|-------------------------------|---------------------------------|---------------------------------|-------------------------|
| Budgeted Placements – Set Aug 10 | 0 | 0 | 39 | 1 | 0 |
| Current Placements | 0 | 0 | 40 | 1 | 0 |
| Year End Placement Number | 0 | 0 | 44 | 2 | 0 |

Independent Sector Residential Social Care Placements (forecast adverse variance £304,500)

Expenditure on independent sector residential social care placements is forecast to over spend by £304,500 due to an increase in the numbers of children requiring expensive placements over and above the estimated position. See the table below:

| Independent Sector Residential Social Care Placements Annual Cost Band £ | Below 1,000 | 1,000 to 9,999 | 10,000 to 59,999 | 60,000 to 99,999 | Over 100,000 |
|---|------------------------|-------------------------------|---------------------------------|---------------------------------|-------------------------|
| Budgeted Placements – Set Aug 10 | 0 | 1 | 8 | 2 | 6 |
| Actual Placements to Date | 0 | 2 | 7 | 1 | 8 |
| Forecast Placements for the year | 0 | 2 | 8 | 2 | 8 |

During the month, there have been an additional three placements, costing an average of £187,000 per annum.

CSL 2 – Safeguarding Locality Frontline Teams and Management (forecast adverse variance £1,137,900)

A continuing need for temporary safeguarding frontline staff, associated agency costs and a rise in legal costs associated with necessary court proceedings is contributing to this forecast over spend.

Forecast Range £1.5M adverse to £500,000 adverse

Current market conditions nationally are such that the supply of social workers is insufficient to meet demand and there is significant competition between authorities to recruit and retain high calibre social work staff. This means a continuing need for temporary staff, acquired from independent agencies, with the associated market agency fees. The additional costs to meet current needs are:

- £255,000 for the cost of agency social workers (18.6 FTE) over and above the cost of equivalent permanent staff.
- £112,300 for the recruitment and relocation costs of Social Workers from abroad (the United States), funded from within the Children's Services & Learning Portfolio.

- £288,500 for senior social care practitioners during 2010/11. 3.5 senior practitioners have been recruited from a recruitment agency on a temporary basis for the financial year. In addition, a further temporary senior practitioner has been recruited for 2.5 months until 31st October 2010 to cover staff sickness.
- £62,400 for the additional cost of employing agency team managers due to difficulties recruiting on a permanent basis.
- £196,400 for the additional cost of sickness cover arrangements, handover arrangements for new staff, and the need for temporary social care assistant posts on a short term basis (e.g. to facilitate the increased parental contact referred to above).

The over spend of £116,000 for legal fees relates to court fees and the additional costs of external solicitors relating to the increased numbers of court proceedings being initiated on behalf of looked after children. These proceedings are initiated where it is considered in the child's best interests to be permanently removed from their birth family home.

The OTHER KEY issues for the Portfolio are:

CSL 3 – Commissioning and Workforce Development (forecast favourable variance £103,500)

Responsibilities for post 16 Education that transferred to the Local Authority in April have now been transferred back to the Young People's Learning Agency. The team formed to carry out the functions for the transfer of responsibility are no longer needed and the vacant posts created as a result will now be deleted.

Forecast Range not applicable.

CSL 4 – Prevention and Inclusion Services (forecast favourable variance £171,700)

Staffing vacancies within the Prevention and Inclusion Service has resulted in a favourable forecast position.

Forecast Range not applicable.

CSL 5 – Infrastructure (forecast adverse variance £213,300)

Underachievement of income and abortive capital expenditure has led to a forecast over spend in the Infrastructure Division.

Forecast Range not applicable.

The City Catering service is forecast to over spend by £72,100 due a large increase in the take up of free school meals, whilst income from schools remains fixed. The Hospitality (i.e. corporate and events catering) and Meals on Wheels services are forecast not to achieve their income targets given diminishing demand.

There is forecast to be a shortfall of income in the ICT Team totalling £45,000 and an over spend of £59,700 relating to security arrangements for vacant properties still maintained by the Portfolio. In addition there are abortive capital costs for two school kitchen projects that are now not taking place, due to reductions in Government grants.

ENVIRONMENT & TRANSPORT PORTFOLIO

KEY ISSUES – MONTH 6

The Portfolio is currently forecast to under spend by **£411,700** at year-end, which represents a percentage under spend against budget of **1.8%**. This forecast is constructed from the bottom up through discussions with individual budget holders and is then adjusted to take into account the wider Portfolio view and corporate items as shown below:

| | £000's | % |
|----------------------------------|----------------|------------|
| Baseline Portfolio Forecast | 2,499.3 A | 10.8 |
| Remedial Portfolio Action | 0.0 | |
| Risk Fund Items | 2,911.0 F | |
| Portfolio Forecast | 411.7 F | 1.8 |
| Potential Carry Forward Requests | 0.0 | |

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

E&T 1 – Off Street Car Parking (forecast adverse variance £1,555,500)

Parking pressures have been identified relating to reduced income of £1,545,000, which will need to be met from the Risk Fund.

Forecast Range £1.8M adverse to £1.3M adverse

There is an adverse forecast variance in car parking income, due to a number of factors, the most significant factor that ticket machine income and season ticket sales continue to fall short of the challenging target, as per expectations at the start of the year. Also, the 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. However, it is forecast that a draw on the Risk Fund of approximately £1.5M will be required in 2010/11, principally as a result of the economic downturn.

E&T 2 - Bereavement Services (forecast adverse variance £679,700)

There is a forecast income shortfall on cremation fees of £647,000, which will need to be met from a draw on the Risk Fund.

Forecast Range £800,000 adverse to £500,000 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 six months there were 992 adult cremations, which is 503 fewer than for the same period last year. 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 figure, which is based on a total of 2,300 cremations by the end of the year.

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 has recently been a reduction in the cremation fee, from £600 to £399, for the under utilised slots at less popular times of the day. If successful, it is estimated that this will increase income by £50,000 per annum. Plans are also in place to raise additional income from increasing the sale of memorials. However, the current forecast is that a draw on the Risk Fund of approximately £647,000 will be required for crematorium income this year.

E&T 3 – Development Control (forecast adverse variance £407,500)

There is a projected income shortfall on planning application and section 106 fees of £389,000, which will need to be met from the Risk Fund.

Forecast Range £550,000 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 £248,000 to date. However, the current forecast includes some potential income from large planning applications due later in the year.

A sum was included in the Risk Fund for the effects of the economic downturn and the current assumption is that a draw 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. A 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 £512,800)

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 £510,000.

Forecast Range £400,000 favourable to £600,000 favourable

The Council is currently processing less Civic Amenity, Dry Recyclable and Household waste through the waste disposal contract than was estimated. This is anticipated to save £196,000 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 £82,000. The general collected household and garden waste tonnage is also low, resulting in forecast savings of £135,000 over the course of the year. Additionally, there is a forecast favourable variance of £18,000, due to borrowing costs for works on an access road at Marchwood incinerator that were paid off in full at the end of 2009/10; there are currently three vacancies within the service, which are forecast to save £44,000 by the end of the year, and there is £30,000 extra from the sale of ferrous metal, which is volatile in price and hard to predict.

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 | 1,545.0 |
| Bereavement Services | 647.0 |
| Development Control | 389.0 |
| Bus Shelter Contract | 330.0 |
| Risk Fund Items | 2,911.0 |

HOUSING PORTFOLIO**KEY ISSUES – MONTH 6**

The Portfolio is currently forecast to under spend by **£147,000** at year-end, which represents a percentage variance against budget of **7.9%**. This forecast is constructed from the bottom up through discussions with individual budget holders and is then adjusted to take into account the wider Portfolio view and corporate items as shown below:

| | £000's | % |
|----------------------------------|----------------|------------|
| Baseline Portfolio Forecast | 147.0 F | 7.9 |
| Remedial Portfolio Action | 0.0 | |
| Risk Fund Items | 0.0 | |
| Portfolio Forecast | 147.0 F | 7.9 |
| 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:

HOU 1 – Housing Needs (forecast favourable variance £147,000)

A general saving of £95,900 is forecast from staff vacancies with a further £51,100 arising from staff being seconded to work on Overcrowding without their posts being back filled. A grant for Overcrowding for 2010/11 only has been received.

Forecast Range not applicable.

Posts are being held vacant until structural changes and plans for future years have been finalised. In addition, one post holder has been seconded to Health and Social Care.

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LEADER'S PORTFOLIO**KEY ISSUES – MONTH 6**

The Portfolio is currently forecast to under spend by **£129,200** at year end, which represents a percentage under spend against budget of **1.7%**. This forecast is constructed from the bottom up through discussions with individual budget holders and is then adjusted to take into account the wider Portfolio view and corporate items as shown below:

| | £000's | % |
|----------------------------------|----------------|------------|
| Baseline Portfolio Forecast | 129.2 F | 1.7 |
| Remedial Portfolio Action | 0.0 | |
| Risk Fund Items | 0.0 | |
| Portfolio Forecast | 129.2 F | 1.7 |
| 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 – Corporate Performance & Best Value (favourable forecast variance £142,300)

Under spends within Salaries and Wages

Forecast Range not applicable.

The under spends are due mainly to vacancies within the Corporate Policy and Performance structure.

LEISURE, CULTURE & HERITAGE PORTFOLIO**KEY ISSUES – MONTH 6**

The Portfolio is currently forecast to over spend by **£72,800** at year-end, which represents a percentage over spend against budget of **0.9%**. This forecast is constructed from the bottom up through discussions with individual budget holders and is then adjusted to take into account the wider Portfolio view and corporate items as shown below:

| | £000's | % |
|----------------------------------|---------------|------------|
| Baseline Portfolio Forecast | 72.8 A | 0.9 |
| Remedial Portfolio Action | 0.0 | |
| Risk Fund Items | 0.0 | |
| Portfolio Forecast | 72.8 A | 0.9 |
| 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.

LOCAL SERVICES & COMMUNITY SAFETY PORTFOLIO

KEY ISSUES – MONTH 6

The Portfolio is currently forecast to over spend by **£44,800** at year-end, which represents a percentage over spend against budget of **0.4%**. This forecast is constructed from the bottom up through discussions with individual budget holders and is then adjusted to take into account the wider Portfolio view and corporate items as shown below:

| | £000's | % |
|----------------------------------|---------------|------------|
| Baseline Portfolio Forecast | 91.9 A | 0.8 |
| Remedial Portfolio Action | 0.0 | |
| Risk Fund Items | 47.1 F | |
| Portfolio Forecast | 44.8 A | 0.4 |
| 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:

LS&CS 1 – Parks & Street Cleansing (adverse forecast variance £47,100)

Fuel Inflation

Forecast Range not applicable.

Open Spaces are forecasting a £47,100 over spend on fuel due to price increases. Fuel estimates were based on an average price of £0.88 per litre however the actual price for 2010/11 has been revised to £1.11 per litre. The service is currently analysing other areas of expenditure that may be able to offset this if fuel prices continue on their upward trend, however, it was thought prudent to adjust the forecast at this stage.

Summary of Risk Fund Items

| Service Activity | £000's |
|------------------------------|---------------|
| Fuel Inflation – Open Spaces | 47.1 |
| Risk Fund Items | 47.1 |

RESOURCES AND WORKFORCE PLANNING PORTFOLIO**KEY ISSUES – MONTH 6**

The portfolio is currently forecast to under spend by **£153,900** at year-end, which represents a percentage under spend against budget of **0.4%**. This forecast is constructed from the bottom up through discussions with individual budget holders and is then adjusted to take into account the wider Portfolio view and corporate items as shown below:

| | £000's | % |
|----------------------------------|----------------|------------|
| Baseline Portfolio Forecast | 153.9 F | 0.4 |
| Remedial Portfolio Action | 0.0 | |
| Risk Fund Items | 0.0 | |
| Portfolio Forecast | 153.9 F | 0.4 |
| Potential Carry Forward Requests | 150.0 | |

There are no CORPORATE issues for the Portfolio at this stage of the year

The OTHER KEY issues for the Portfolio are:

RES 1 – Various (forecast adverse variance £96,100)

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

Forecast Range not applicable

Due to the current low number of staff vacancies across the Portfolio, the forecast indicates that most areas will have difficulty in achieving their vacancy factors in the current financial year.

RES 2 – Central Repairs and Maintenance (forecast favourable variance £150,000)

Under spend on planned repairs and maintenance budgets

Forecast Range not applicable

The favourable variance has arisen as a result of savings made within the planned programme of works and this may be available to carry forward at year-end subject to the final spend on reactive work during the remainder of the year. Full Council has agreed to automatically carry forward any surplus/deficit at year-end subject to the overall financial position of the Authority.

RES 3 – Audit & Risk Management (forecast favourable variance £100,000)

Reduction in cost of Insurance Premium

Forecast Range not applicable

The recent renegotiation of the insurance premium has resulted in reduced costs. Following completion of these renegotiations, the reduction is expected to be £100,000 higher than originally estimated as part of the Mini Budget process approved by Full Council on 14th July 2010.

APPENDIX 10

| Portfolio | 2010/11 | | | | ACHIEVEMENT | | |
|-------------------------------------|----------------|----------------|--------------------|----------------|---------------------------------|---|--------------------------------|
| | Efficiencies | Income | Service Reductions | Total | Implemented and Saving Achieved | Not Yet Fully Implemented and Achieved But Broadly on Track | Not on Track to be Implemented |
| | £000's | £000's | £000's | £000's | % | % | % |
| Adult Social Care & Health | (1,527) | (430) | 0 | (1,957) | 69.3% | 0.0% | 30.7% |
| Children Services | (995) | (283) | (115) | (1,393) | 89.9% | 10.1% | 0.0% |
| Environment & Transport | (1,768) | (375) | (246) | (2,389) | 82.2% | 11.5% | 6.3% |
| Housing | (102) | 0 | (43) | (145) | 63.4% | 6.9% | 29.7% |
| Leaders | (188) | (58) | (109) | (355) | 85.9% | 14.1% | 0.0% |
| Leisure, Culture & Heritage | (438) | (74) | (257) | (769) | 69.2% | 29.3% | 1.5% |
| Local Services and Community Safety | (334) | (8) | (65) | (407) | 47.9% | 32.9% | 19.2% |
| Resources & Workforce Planning | (653) | 0 | 0 | (653) | 100.0% | 0.0% | 0.0% |
| | (6,005) | (1,228) | (835) | (8,068) | 78.7% | 10.4% | 10.9% |
| Achievement | (5,328) | (1,108) | (777) | (7,213) | | | |
| Shortfall | | | | (855) | | | |

FINANCIAL HEALTH INDICATORS – MONTH 6

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% | 70% | Green |
| | <u>Target</u> | <u>Actual YTD</u> | <u>Status</u> |
| Average % Rate New Borrowing | 5.0% | 3.86% | Green |
| Average % Rate Existing Long Term Borrowing | 5.0% | 3.04% | Green |
| Average Short Term Investment Rate | 0.50% | 0.62% | 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% | 35% | Amber |
| Less Than 12 Months But More Than 6 Months Old | 8% | 11% | Amber |
| Less Than 6 Months But More Than 60 Days Old | 13% | 10% | Green |
| Less Than 60 Days Old | 49% | 44% | Green |

Creditor Payments

| | | <u>Status</u> |
|---|--------|----------------------|
| Target Payment Days | 30 | |
| Actual Current Average Payment Days | 21 | Green |
| Target % of undisputed invoices paid within 30 days | 95.0% | |
| Actual % of undisputed invoices paid within 30 days | 86.68% | Amber |

Tax Collection rate

| | <u>Target Collection Rate</u> | <u>Month 6 Collection Rate</u> | | <u>Status</u> |
|-----------------------------|--------------------------------------|---------------------------------------|-------------------------|----------------------|
| | | <u>Last Year</u> | <u>This Year</u> | |
| Council Tax | 96.20% | 54.45% | 54.74% | Green |
| National Non Domestic Rates | 99.20% | 58.89% | 61.45% | Green |

QUARTERLY TREASURY MANAGEMENT REPORT – MONTH 6

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 £785,000 in the 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 (0.62%) is above the performance indicator of the average 7 day LIBID rate (0.42%).
- 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 3.25% 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 Economic Events

- The UK continued to emerge from recession but the level of activity remained well below pre-crisis levels. GDP registered just 0.3% growth in the first calendar quarter of 2010 and 1.2% in the second.

- The Bank of England's Monetary Policy Committee (MPC) maintained the Bank Rate at 0.5% and Quantitative Easing at £200 billion. However, the minutes of Bank of England's September meeting contained the possibility of further Quantitative Easing to keep the economy and inflation on track in the medium term.
- Inflation continued to decline although the annual CPI to August 2010 still stood at 3.1%. This has resulted in two open explanatory letters from the Bank of England's Governor to the Chancellor. In the coming months higher food and fuel prices raise the risk that we may not see inflation come down much more until 2011, and then it will rise back again in January with the signalled hike in VAT to 20%.
- The Bank of England's August Quarterly Inflation Report showed inflation remaining above the 2% target for longer than previously projected. Although the recovery in economic activity was expected to continue, the overall outlook for growth was weaker than presented in the May report.
- 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.
- The results from the EU Bank Stress Tests, co-ordinated by the Committee of European Banking Supervisors, highlighted that only seven of the 91 institutions that made up the scope of the analysis were classed to have failed the adverse scenario tests. The tests are a helpful step forward, but there were doubts if they were far-reaching or demanding enough. The main UK Banks' (Barclays, HSBC, Lloyds and RBS) Tier 1 ratios all remained above 9% under both the 'benchmark scenario' and the 'adverse scenario' stress tests.
- Gilts rallied as the growth momentum faded and the UK seemed to offer a safe harbour from 'Euroland's' turbulence. Five and ten year gilt yields fell to lows of 1.57% and 2.83% respectively.

2. Debt Management

Activity within the debt portfolio during the first half of the year is summarised below, and includes the addition of £25M new debt being taken out with the PWLB, for the purchase of Number One Guildhall Square, at an interest rate of 4.62% over 40 years:

| | Balance on 01/04/2010 | Debt Maturing or Repaid | New Borrowing | Balance on 30/09/2010 | Increase/ (Decrease) in borrowing YTD |
|------------------------|--------------------------|-------------------------------|------------------|--------------------------|--|
| | £000's | £000's | £000's | £000's | £000's |
| Short Term Borrowing | 33,029 | (148,820) | 138,565 | 22,774 | (10,255) |
| Long Term Borrowing | 123,664 | (2,026) | 40,000 | 161,638 | 37,974 |
| Total Borrowing | 156,693 | (150,846) | 178,565 | 184,412 | 27,719 |

3. Investment Activity

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 first half of the year:

| | Balance on 01/04/2010 | Investments Repaid | New Investments | Balance on 30/09/2010 | Increase/ (Decrease) in investments YTD |
|--------------------------|--------------------------|-----------------------|--------------------|--------------------------|--|
| | £000's | £000's | £000's | £000's | £000's |
| Short Term Investments | 30,580 | (255,640) | 253,060 | 28,000 | (2,580) |
| Money Market Funds | 10,645 | (10,650) | 24,450 | 24,445 | 13,800 |
| EIB Bonds | 6,000 | | | 6,000 | 0 |
| Long Term Investments | 36 | | | 36 | 0 |
| Total Investments | 47,261 | (266,290) | 277,150 | 58,481 | 11,220 |

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 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 Long Term approach) | Original rating | Sovereign Rating (LCD approach) | Under 1 | | | | Total |
|----------------------------------|--|--------------------|---------------------------------------|---------------|--------------|--------------|--------------|---------------|
| | | | | Month | 1-3 Months | 3-6 Months | 6-9 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.

The Chief Financial Officer was required to use delegated powers during this period to adjust one indicator, the Ratio of Financing Costs to Net Revenue Stream; (see 4.5. below) which was as a result of the decision to increase unsupported borrowing to enable the purchase of Number One Guildhall Square. It is recommended that this indicator be set at 10% to allow for known borrowing decisions in the next two years, additional borrowing to effect major schemes and to reflect the impact of the forthcoming CSR on the budget requirement.

All other indicators complied with its Prudential Indicators set in February 2010 as part of the Council's Treasury Management Strategy Statement.

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 September 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. 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 upper limit for 2010/11 was set at £50M.

4.4. 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 30/09/10 | Average Fixed Rate as at 30/09/10 | Proportion of Fixed Rate as at 30/09/10 | Compliance with set Limits? |
|--------------------------------|-------------|-------------|----------------------------------|-----------------------------------|---|-----------------------------|
| | % | % | £000's | % | % | |
| Under 12 Months | 0 | 45 | 15,504 | 1.96 | 12.35 | Yes |
| 12 months and Within 24 Months | 0 | 45 | 5,000 | 3.72 | 3.98 | Yes |
| 24 Months and within 5 Years | 0 | 50 | 16,000 | 3.11 | 12.75 | Yes |
| 5 Years and within 10 Years | 0 | 50 | 23,986 | 2.83 | 19.11 | 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 | 7.97 | Yes |
| 30 Years and within 40 Years | 0 | 75 | 30,000 | 4.62 | 23.91 | Yes |
| 40 Years and within 50 Years | 0 | 75 | 25,000 | 3.88 | 19.92 | Yes |
| 50 Years and above | 0 | 100 | 0 | 0.00 | 0.00 | Yes |
| | | | 125,489 | 3.40 | 100.00 | |

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%. 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 has therefore been undertaken and it is recommended that this indicator be set at 10% to allow for known borrowing decisions in the next two years, additional borrowing to effect major schemes and to reflect the impact of the forthcoming CSR on the budget requirement.

| Ratio of Financing Costs to Net Revenue Stream | Estimate | | | |
|--|------------------|-----------------|-------------|-------------|
| | 2010/11 Approved | 2010/11 Revised | 2011/12 | 2012/13 |
| | % | % | % | % |
| General Fund | 4.99 | 5.79 | 6.81 | 7.45 |
| Housing Revenue Account (HRA) | 5.14 | 4.26 | 5.68 | 7.16 |
| Total | 5.55 | 5.76 | 7.06 | 7.23 |

5. Capital Financing Requirement

The Capital Financing Requirement (CFR) measures the Council's underlying need to borrow for a capital purpose. In order to ensure that over the medium term net borrowing will only be for a capital purpose, the Council ensures that net external borrowing does not, except in the short term, exceed the CFR in the preceding year, plus the estimates of any additional capital financing requirement for the current and next two financial years. It differs from actual borrowing due to decisions taken to use internal balances and cash rather than borrow. The following table shows the actual position as at 31st March 2010 and shows the estimated position for the current and next two years based on the current approved capital programme:

| Capital Financing Requirement | Actual | Estimate | | |
|--|------------|------------|------------|------------|
| | 2009/10 | 2010/11 | 2011/12 | 2012/13 |
| | £M | £M | £M | £M |
| Balance B/F | 276 | 306 | 360 | 353 |
| Capital expenditure financed from borrowing | 37 | 62 | 3 | 1 |
| Revenue provision for debt Redemption. | (5) | (6) | (7) | (7) |
| Movement in Other Long Term Liabilities | (2) | (2) | (2) | (2) |
| Cumulative Maximum External Borrowing Requirement | 306 | 360 | 353 | 346 |

The above limits are set to allow maximum flexibility within Treasury Management for example a full debt restructure, actual borrowing is significantly below this as detailed below:

| | Balance on 01/04/2010 | Balance on 30/09/2010 | Estimate | | |
|-----------------------------|-----------------------|-----------------------|----------------|----------------|----------------|
| | | | 2010/11 | 2011/12 | 2012/13 |
| | £000's | £000'S | £000's | £000's | £000's |
| Borrowing | 156,693 | 184,412 | 216,269 | 206,846 | 202,046 |
| Other Long Term Liabilities | 69,489 | 69,112 | 67,349 | 65,150 | 63,413 |
| Total Borrowing | 226,182 | 253,524 | 283,619 | 271,996 | 265,459 |

6. Outlook for Quarter 3

As reported by our Advisors (Arlingclose), the outlook for interest rates is as follows:

| | Dec-10 | Mar-11 | Jun-11 | Sep-11 | Dec-11 | Mar-12 | Jun-12 | Sep-12 | Dec-12 | Mar-13 |
|---------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Official Bank Rate | | | | | | | | | | |
| Upside risk | - | 0.25 | 0.25 | 0.25 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 |
| Central case | 0.50 | 0.50 | 0.50 | 0.75 | 1.00 | 1.25 | 1.50 | 2.00 | 2.50 | 2.75 |
| Downside risk | - | - | - | 0.25 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 |

The following assumptions have been used in these forecasts:

- The recovery in growth is likely to be slow and uneven, more "Square root" than "V" shaped.
- The path of base rates reflects the fragility of the recovery 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.
- Gilts will remain volatile as the growth versus headline inflation debate escalates.
- The negative outlook for the UK will remain until the plans to cut the deficit have been formulated in the CSR.

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 3 which will also reflect the impact of the CSR announced on 20th October.

HOUSING REVENUE ACCOUNT

KEY ISSUES – MONTH 6

The Housing Revenue Account (HRA) is currently forecast to over spend by **£1,300** at year-end which represents a percentage over spend against budget of **0.0%**

The **CORPORATE** issues within the HRA are:

HRA 1 – Supervision & Management - Housing Management (forecast adverse variance £121,500)

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 the implementation of the Housing and Income Services restructure, expected savings have been reduced (£70,000). Additional staffing costs of approximately £32,000 are also anticipated until such time as the restructure is completed although work is underway to identify short term reductions.

HRA 2 – Contingency (forecast favourable variance £258,200)

The budget for contingency has been increased by £158,200 due to the removal of the 2% pay award from staff budgets. The forecast for contingency has been reduced to zero and this favourable variance will cover the increase in charges to the HRA following the Council's budget review (£55,000) and also be available to assist the HRA in meeting the working balance for the year.

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.

The **OTHER KEY** issues within the HRA are:

HRA 4 – Rent Payable Housing Management (forecast favourable variance £12,100)

Full Council Tax is due on properties that are void for greater than six months and expenditure is forecast to exceed budget. This has been more than covered by a refund of Council Tax paid for our properties being developed under Estate Regeneration extending back to 2008/09.

HRA 5 – Supervision & Management Estate Regeneration (forecast adverse variance £35,600)

The Mini Budget approved by Council on 14th July approved an increase in charges for the additional Estate Regeneration work undertaken by Housing Development of £33,000. This is being offset by a favourable variance in the HRA contingency fund.

HRA 6 – Commercial Rents (forecast adverse variance £18,600)

The Council's shop and ground rents are charged through periodic invoices and a review of this income has resulted in a reduction in the expected income this year.

HRA 7 – Tenants Service Charges (forecast favourable variance £58,900)

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.

Agenda Item 9

| | | | |
|--------------------------|---|---------------------------------|--------------------|
| DECISION-MAKER: | CABINET | | |
| SUBJECT: | SECOND QUARTER PERFORMANCE MONITORING FOR 2010/11 CORPORATE PLAN | | |
| DATE OF DECISION: | 22 NOVEMBER 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 September 2010 (Quarter 2) 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 September 2010 (Quarter 2) for the targets and commitments set out in the Corporate Plan (CP). Performance monitoring information on National Indicators for each Portfolio will be published on the council's website.

RECOMMENDATIONS:

The Cabinet is requested to:-

- (i) Note that 68% of Performance Indicators that are the responsibility of the Council and 93% of the Commitments set out in the 2010/11 Corporate Plan are reported to be on target at the end of September 2010.
- (ii) Ensure that appropriate actions are in place by the end of December 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 September 2010.

REASONS FOR REPORT RECOMMENDATIONS

1. To provide an opportunity for Cabinet to collectively review the second 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 second quarter's performance monitoring information outlined in this report at its meeting on 19th October 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 for 52 indicators and 97 service improvement actions (commitments) and projects with milestones due to be completed by the end of the financial year. A top-level summary of the Performance Indicators (PIs) collected this quarter indicates that **68%** of the PIs included within the CP were reported to be on target at the end of September, this is compared to 64% at the end of June 2010, 69% at the end of the second quarter 2009/10 and 71% at the end of the second quarter 2008/09.
6. The summary also indicates that **93%** of commitments were also reported to be on target, compared to 97% at the end of the first quarter 2010/11, 86% at the end of the second quarter 2009/10 and 94% at the end of the second quarter 2008/09.

Key Achievements in the 2nd quarter

7. Key achievements in the second quarter which contributes to the councils agreed priorities include:
Providing good value, high quality services
 - Estates Excellence was launched on 13th July at an event at Southampton Guildhall. Approximately 40 local businesses came along to find out more about this pilot scheme which offers free practical advice and support to small and medium sized businesses on the city's industrial estates to help them keep their workers and their business healthy, safe and prosperous.
 - The Old Town Vision sets out what can be achieved in the next 2-5 years to regenerate the Old Town. The Prospectus has been published to promote opportunities to potential retailers and restaurateurs in the Old Town.
 - Southampton Magazine was launched at the Southampton Boat Show, to raise Southampton's profile amongst potential investors and occupiers.
 - A show home opened at Hinkler Parade, one of the 13 Estate Regeneration projects currently underway in the City.

Getting the city working

- £1M of funding from Big Lottery was secured for three neighbourhoods in Harefield with work due to start in January 2012. The focus will be on the community being better able to identify their needs and respond to them.
- Future Jobs Fund is successfully providing real job experience for young unemployed people (aged 18-24) in Southampton. Currently, 50% of those completing the 6 months have gained permanent employment. It is anticipated that 307 jobs starts will be achieved by March 2011.

Investing in education and training

- Educational attainment improved at every stage of the National Curriculum:
 - at 'A' level the proportion of students achieving A*-E grade in 2010 improved to 98.4% (0.8% above the national average);
 - at Key Stage 4 the percentage of pupils achieving five or more A* to C grades including English and Maths rose by 4.1% overall to 47.2% in 2010;
 - at the end of Key Stage 2 the percentage of 11 year olds pupils achieving Level 4+ rose by 6.6% from 64% in 2009 to 70.6% in 2010;
 - at the end of Key Stage 1 (7 year olds) now exceed national averages in all subject areas;
 - at the end of the Foundation Stage the percentage of 5 year olds achieving well rose by 5.4% to 53.3%.
- Arrangements for the directorate-wide co-ordination of support for external inspection by OfSTED have been put in place. A number of inspected services are currently preparing self assessments under the new system.
- Locality services are now operating well under new management arrangements, and levels of integrated working between professionals, through the Common Assessment Framework (CAF) are increasing.
- Support to major capital programmes both in Local Authority maintained schools and academies has been progressed during the second quarter; in particular, funding has been secured to ensure the Academies re-building project can go forward, and essential upgrades to a number of schools occurred over the summer holidays to save energy and reduce their carbon footprint.

Keeping the city clean and green

- Southampton's Connect2 Boardwalk is now open, enabling walkers and cyclists to explore the city's waterfront alongside the River Itchen. Situated between the Northam Industrial Estate and the Horseshoe Bridge, the raised walkway is the start of a major project to link the boundaries of the city, creating a traffic-free link, enabling thousands of people to walk or cycle to school and work. The whole boardwalk cost approximately £1M and has won over £450,000 from the Big Lottery Fund, with the remaining £550,000 provided by Southampton City Council.
- The management of St Mary's Leisure Centre was handed over to Southampton Solent University.

- Partnership arrangements for management of Golf Course with MyTime Active were completed.
- Transfer of management arrangements for Bitterne, Chamberlayne, Quays, Outdoor Sports Centre, SWAC, Woodmill and Paddling Pool to Active Nation in partnership with DC Leisure was completed.
- The Skyride Southampton event was successful, with over 8,000 participants.
- A number of events were organised and supported this quarter including Flowers Festival, Springwatch, Natures Harvest (at Mayfield Park), Portswood Rec festival, Bevois festival and numerous activity days. These have been well attended and have involved approximately 30,000 residents.

Looking after people

- Birch Lawn Residential Care Home was closed and all residents were successfully moved on to alternative care or more independent living arrangements.
- All new customers coming into social care are now assessed for a personal budget and 104 people have identified personal budgets since the end of July.
- Performance in relation to the timeliness of both Initial Assessments (IAs) and Core Assessments (CAs) has continued to improve; the percentage of IAs processed within 7 days has risen from 68% in June to 86% in September; the percentage of CAs completed within timescales (35 days), has risen from 54% in June to 79% in September.
- The Unannounced Ofsted Inspection of safeguarding contact, referral and assessment services in July identified a number of strengths and no areas for priority attention.

Keeping people safe

- Safer Southampton Week: partners delivered the biggest single public reassurance event in the city to date with road-shows and public engagement activities over 25 locations. The provided direct contact with almost 3,000 local people and 6 consecutive days of press coverage. The event aimed to raise awareness of reducing crime levels and partnership actions to make Southampton safer.
- Repeat incidents of the highest risk cases of domestic violence have fallen, to come within the national PI target for the first time this quarter. Partnership responses to DV at the high risk provides a robust model of victim support and protection, leading to a cessation of violence in 69% of the highest risk cases (going to MARAC – Multi-Agency Risk Assessment Conferences).

Indicators

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).
- There are 52 indicators in the Corporate Plan, of which 44 are monitored in the 2nd quarter. Details of significant variances are attached as Appendix 1.
 - There were 3 measures that are showing significant variance at the end of the second quarter, two of which (NI 117 and NI 60) were also significant variances at the end of the first quarter. Details on these are included in Appendix 1:
 - NI 117: The percentage of 16 to 18 year olds who are not in education, employment or training (NEET)
 - LAA Designated Indicator: NI 60 Percentage of Core Assessments completed within timescales
 - NI 90: The number of active learner accounts indicating participation on a diploma programme.

| 11. Portfolio | Total | Monitored 2 nd Qtr | Progress at the end of the 2 nd Quarter of 2010/11 | | | |
|---|-----------|----------------------------------|---|------------|-----------|-----------|
| | | | Green | Amber | Red | Grey |
| Adult Social Care & Health | 5 | 3 | 1 | 2 | 0 | 0 |
| Children's Services & Learning | 20 | 17 | 9 | 5 | 3 | 0 |
| Environment & Transport | 7 | 4 | 4 | 0 | 0 | 0 |
| Housing | 6 | 6 | 5 | 1 | 0 | 0 |
| Leaders | 0 | 0 | 0 | 0 | 0 | 0 |
| Leisure, Culture & Heritage | 3 | 3 | 1 | 2 | 0 | 0 |
| Local Services & Community Safety | 7 | 7 | 6 | 1 | 0 | 0 |
| Resources & Workforce Planning | 4 | 4 | 4 | 0 | 0 | 0 |
| 2nd Qtr Total 2010/11 | 52 | 44 | 30 | 11 | 3 | 0 |
| % | | 100 | 68% | 25% | 7% | 0% |
| 1 st Qtr Total 2010/11 | 52 | 44 | 28 | 6 | 8 | 2 |
| % | | 100 | 64% | 13% | 18% | 4% |
| 2 nd Qtr Total 2009/10 | 296 | 247 | 170 | 24 | 29 | 24 |
| % | | 100 | 69% | 10% | 11.5% | 9.5% |
| 2 nd Qtr Total 2008/09 | 453 | 405 | 287 | 27 | 45 | 46 |
| % | | 100 | 71% | 7% | 11% | 11% |

Commitments

- There are 97 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 September 2010 indicates that **93%** of these commitments are on target for completion by the year end.

13. Of the 7 commitments that have slipped in the 2nd quarter, five were on target in the 1st quarter and details on these are included in Appendix 2.

14.

| Portfolio | Total | Progress at the end of the 2 nd Quarter of 2010/11 | | |
|---|------------|---|-----------|-----------|
| | | Green | Amber | Red |
| Adult Social Care & Health | 7 | 2 | 3 | 2 |
| Children's Services & Learning | 14 | 11 | 3 | 0 |
| Environment & Transport | 8 | 7 | 1 | 0 |
| Housing | 13 | 12 | 1 | 0 |
| Leaders | 14 | 14 | 0 | 0 |
| Leisure, Culture & Heritage | 19 | 19 | 0 | 0 |
| Local Services & Community Safety | 7 | 7 | 0 | 0 |
| Resources & Workforce Planning | 15 | 15 | 0 | 0 |
| 2nd Qtr Total 2010/11 | 97 | 90 | 7 | 0 |
| % | 100 | 93% | 7% | 0% |
| 1 st Qtr Total 2010/11 | 97 | 94 | 3 | 0 |
| % | 100 | 97 | 3 | 0 |
| 2 nd Qtr Total 2009/10 | 185 | 158 | 24 | 2 |
| % | 100% | 86% | 13% | 1% |
| 2nd Qtr Total 2008/09 | 156 | 146 | 8 | 2 |
| % | 100% | 94% | 5% | 1% |

FINANCIAL/RESOURCE IMPLICATIONS

Capital

15. None.

Revenue

16. Contained in the report and the attached Appendices.

Property

17. None.

Other

18. None.

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

19. 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:

20. None.

POLICY FRAMEWORK IMPLICATIONS

21. 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: Slippage |

Documents In Members' Rooms

| | |
|----|------|
| 1. | None |
|----|------|

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. |
|------------------------------------|--|

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Appendix 1

| PI Description | Target | Qtr. 1 | Qtr. 2 | Current Status | Projected Outturn | Previous Year Outturn | Forecast Direction of Travel from 2009/10 to 2010/11 | National Indicator Quartile Position with All England Top Quartile Figure | Current Quarter Comments |
|---|--------|--------|--------|----------------------|-------------------|-----------------------|--|---|--|
| Children's Services & Learning Portfolio | | | | | | | | | |
| Commissioning Division | | | | | | | | | |
| NI 117 The percentage of 16 to 18 year olds who are not in education, employment or training (NEET) | 8.2 | 9.33 | 9.45 | Significant Variance | 8.2 | 9.7 | Improved | 4th (5.3%) | The data used for quarter 2 is an average of the published data for July and August and reflects how we are currently performing. The target for 2010/11 is measured as an average of November, December and January and will not be published until quarter 4. Actions have been implemented including: deploying a dedicated staff team and resources to support the participation of the NEET group in education and training; campaign led initiatives including a six weekly NEET week to recruit and engage young people; monthly evening tracking sessions to contact young people who may be working during the day and a refreshment of education and training information advising young people of the opportunities that are available to them. |
| 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 | 70 | Significant Variance | 58 | 32 | Improved | 4th (86%) | Performance has improved from 53% since Q1 and weekly monitoring shows continued improvement. 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 continues to affect performance. There is an improvement programme in place to address Core Assessment (CA) 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 continued to impact on the figures for CAs within timescales during this quarter, although the backlog is now cleared. Although we are off target, we are in line with national performance for 09/10 (provisionally 73%) and believe that the target set, an LAA target, should have been in line with national data rather than being as high as it is. |
| Standards Division | | | | | | | | | |
| NI 90 The number of active learner accounts indicating participation on a diploma programme | 175 | 78 | 148 | Significant Variance | 148 | 78 | Improved | N/C | The Coalition Government has removed the entitlement for pupils to have access to a full range of diplomas. This change in government policy has resulted in schools considering a broader range of qualification options |

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| Description | Quarter 1 Actual | Quarter 2 Actual | Quarter 3 Actual | Quarter 4 Actual | Current Quarter Comments |
|--|------------------|------------------|------------------|------------------|--|
| Adult Social Care & Health | | | | | |
| Health & Community Care | | | | | |
| Deliver over £1,950,000 in efficiency savings identified in the February Budget setting process for 2010/11 | On Target | Slightly Slipped | N/A | N/A | We are currently on target to achieve 1.3 million of the savings by the end of the year but there has been a slight slippage in the savings from the closure of 2 of the residential homes, but this will be achieved slightly later than the end of the year |
| Ensuring we are in the top quartile for NI 130 (self directed support) with advanced plans for promoting individual budgets | On Target | Slightly Slipped | N/A | N/A | Our agreed target of 30% was set on the total of all people receiving social services support which lasts more than three months. On this basis, the ambition was to achieve approximately 1,000 people out of our total of 3,000 people who have on-going services lasting 3 months or more directing their own community support using a personal budget by the target date. Based on this definition we are on target to achieve 30% by the end of the year. However, the definition has been change without consultation to include 10,000 people (7000 of which are not eligible to receive personal budgets. Based on this we are on target to achieve a roposed 10% revised target. Discussions are taking place at a national level on the revised definition. |
| Children's Services & Learning | | | | | |
| Safeguarding | | | | | |
| Deliver better quality care more quickly to children looked after and children with a disability | On Target | Slightly Slipped | N/A | N/A | Plan in place, including establishment of admissions and review panel, and work on quality and performance framework in the Pathways team |
| Ensure rigorous and timely care planning and reviews for children looked after | Slightly Slipped | Slightly Slipped | N/A | N/A | Being reviewed by Interim Principal Officer, Simon Slater |
| Standards | | | | | |
| Achieve our school attendance targets a year early. | On Target | Slightly Slipped | N/A | N/A | Good progress being made with overall absence and persistent absence. |
| 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 | Slightly Slipped | Slightly Slipped | N/A | N/A | 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). |
| Housing | | | | | |

| Description | Quarter 1 Actual | Quarter 2 Actual | Quarter 3 Actual | Quarter 4 Actual | Current Quarter Comments |
|--|------------------|------------------|------------------|------------------|--|
| Neighbourhood Directors Office | | | | | |
| Delivering over £300,000 in efficiency savings identified in the February Budget setting process for 2010/11(Housing Portfolio). | On Target | Slightly Slipped | N/A | N/A | 7 efficiency proposals were identified totalling £292k. At end of September, 5 proposals had been implemented with 2 in progress. Forecast savings total has been revised to £222k in 2010/11 [76% of original Savings Target]. Delays in implementation of Housing Management restructure have lead to £70k not anticipated to be realised in the current year. |

| | |
|-------------------------------------|---------------------------------------|
| DECISION-MAKER: | CABINET |
| SUBJECT: | SOUTHAMPTON LOCAL ECONOMIC ASSESSMENT |
| DATE OF DECISION: | 22 NOVEMBER 2010 |
| REPORT OF: | LEADER OF THE COUNCIL |
| STATEMENT OF CONFIDENTIALITY | |
| Not applicable. | |

BRIEF SUMMARY

This report summaries the draft Local Economic Assessment (LEA) for Southampton and seeks agreement to consult on its content.

RECOMMENDATIONS:

- (i) To delegate authority to the Executive Director, Corporate Policy and Economic Development following consultation with the Leader of the Council to consult on the draft Local Economic Assessment for Southampton; and
- (ii) To delegate authority to the Executive Director, Corporate Policy and Economic Development following consultation with the Leader of the Council to take any other action necessary to meet the Council's obligations under the Local Democracy, Economic Development and Construction Act 2009 in respect the duty to produce a Local Economic Assessment (LEA).

REASONS FOR REPORT RECOMMENDATIONS

1. To meet the timetable of preparing and approving a LEA by 31 March 2011.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

2. The Council could argue that as its administrative area has been included within Hampshire Local Economic Assessment, publication of which was led by Hampshire County Council, it has fulfilled its statutory obligation which provides for groups of local authorities to publish LEAs. However, because this LEA covers the whole of the 'Hampshire Local Economic Area' Southampton's economic position and priorities are not fully reflected. This has been communicated to the County Council.
3. An LEA could have been produced for South Hampshire facilitated by the Partnership for Urban South Hampshire. However, as the duty applies to upper and unitary authorities and PUSH is neither of these things this was not a tenable option. The refresh of the PUSH Economic Development Strategy has provided valuable data and insights in supporting the LEA for Southampton.

DETAIL (Including consultation carried out)

4. The Local Democracy, Economic Development and Construction Act 2009 places an obligation on each upper tier and unitary authorities to produce a Local Economic Assessment. Where appropriate local authorities can prepare a joint LEA for a coherent economic area. The purpose of the LEA is to ensure local authorities and their partners develop a sound understanding

of local economic conditions to inform existing local strategies and strengthen the economic role of local authorities.

5. The previous government also issued statutory guidance on the content of the LEA. The coalition government has said that it intends to revoke this on the grounds that local councils are best placed to decide what their LEA should include. There is no indication as to whether the coalition government intends to retain the requirement for LEAs to be produced in the future. This may become clear in the White Paper on Sub-Regional Economic Development expected to be published at the end of October. Any updates will be given at the Cabinet
6. In April 2009 the Council and the Southampton Partnership adopted an Economic Development Action Plan that sets out our priorities for action in the period until 2013. This publication, based upon extensive research, includes much of the data required for a LEA. In addition, PUSH has been refreshing its Economic Development Strategy. These two documents along with other existing publications act as the basis of the Southampton LEA.
7. To summarise the draft Southampton LEA:
 - emphasises the important role of Southampton in driving forward the economy of South Hampshire and the potential it has for playing that role into the future based upon existing and proposed economic infrastructure
 - highlights the role of the city centre in generating new jobs and the potential for residents to secure those opportunities
 - stresses the importance of economic infrastructure such as the port of Southampton, higher education and further education in underpinning economic growth
 - Sets out the challenges the city faces in raising the skills of residents, generating more jobs, and encouraging business start up and growth
 - Describes future prospects and refers to the actions currently being carried out to secure future growth
 - Places the above in the context of social and environmental factors
8. It is intended that key stakeholders in the city economy be consulted in December and January. This will be carried out by email and one to one meetings will also be offered.

RESOURCE IMPLICATIONS

Capital/Revenue

9. In placing this obligation on local authorities the previous government provided £65,000 of Area Based Grant to support preparation. Just under £10,000 of this has been used to engage consultants to support preparation of the LEA. This grant will act as the source of funding for consultation and publication purposes.

Property/Other

10. There are no property implications at this time.

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

11. The Local Democracy Economic Development and Construction Act 2009

Other Legal Implications:

12. None

POLICY FRAMEWORK IMPLICATIONS

13. The draft LEA is consistent with the Council's Policy Framework Implications.

| | | | | |
|----------------|---------|---------------------------------|------|---------------|
| AUTHOR: | Name: | Jeff Walters | Tel: | 023 8083 2256 |
| | E-mail: | Jeff.walters@southampton.gov.uk | | |

KEY DECISION? Yes/No No

| | |
|------------------------------------|-----|
| WARDS/COMMUNITIES AFFECTED: | All |
|------------------------------------|-----|

SUPPORTING DOCUMENTATION

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

Appendices

| | |
|----|-------|
| 1. | None. |
|----|-------|

Documents In Members' Rooms

| | |
|----|-------|
| 1. | None. |
|----|-------|

Integrated Impact Assessment

| | |
|--|----|
| Do the implications/subject of the report require an Integrated Impact Assessment (IIA) to be carried out. | No |
|--|----|

Other Background Documents

Integrated Impact Assessment and Other Background documents available for inspection at:

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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| | |
|-------------------------------------|------------------------------|
| DECISION-MAKER: | CABINET |
| SUBJECT: | COURT LEET PRESENTMENTS 2010 |
| DATE OF DECISION: | 22 NOVEMBER 2010 |
| REPORT OF: | THE SOLICITOR TO THE COUNCIL |
| STATEMENT OF CONFIDENTIALITY | |
| Not applicable | |

BRIEF SUMMARY

The purpose of this report is to bring to the Executive's attention the Presentments accepted by Court Leet, the action taken to date and to identify Lead Officers and Members for future actions.

RECOMMENDATIONS:

- (i) That the initial officer responses to the Presentments approved by the Court Leet Jury as set out in Appendix 1 to the report be noted; and
- (ii) That individual Cabinet Members ensure that responses are made to Presenters regarding presentments within their portfolios as appropriate and as soon as practically possible.

REASONS FOR REPORT RECOMMENDATIONS

1. The Executive has agreed that Court Leet Presentments will be reported to the Executive for consideration and ultimately determination.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

2. The decision was previously made by the Executive to proceed in this manner; therefore, this is the only approach considered appropriate.

DETAIL (Including consultation carried out)

3. Appendix 1 lays out in brief the Presentments received by Court Leet on 5th October 2010 with details of Lead Officers and Cabinet Members responsible together with an initial response to each of the Presentments.
4. The Presentments, once received, have been shared with Lead Officers and Lead Members, responses (and any action required) will be subject to the Council's normal decision-making processes and, therefore, consultation at this time.

RESOURCE IMPLICATIONS

Capital/Revenue

5. None.

Property/Other

6. None.

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

7. Court Leet is maintained as a valid Court Leet, but only for purpose of taking Presentments on matters of local concern under the Administration of Justice Act 1977. Any proposals to implement any Presentments will be considered in due course by the appropriate decision-maker, and at that point legal issues will be taken into account.

Other Legal Implications:

8. None.

POLICY FRAMEWORK IMPLICATIONS

9. None at this stage, but as stated above, any proposals that are considered for implementation will be considered in the context of, inter alia, Policy Framework implications.

| | | | | |
|----------------|---------|---------------------------------|------|---------------|
| AUTHOR: | Name: | Keith Turner | Tel: | 023 8083 2418 |
| | E-mail: | Keith.turner@southampton.gov.uk | | |

KEY DECISION? Yes/No No

| | |
|------------------------------------|------------------|
| WARDS/COMMUNITIES AFFECTED: | Potentially all. |
|------------------------------------|------------------|

SUPPORTING DOCUMENTATION

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

Appendices

| | |
|----|---|
| 1. | Summary of Presentments and details of Lead Officers and Members Responsibility and Initial Response of Presentments. |
|----|---|

Documents In Members' Rooms

| | |
|----|-------|
| 1. | None. |
|----|-------|

Integrated Impact Assessment

| | |
|--|----|
| Do the implications/subject of the report require an Integrated Impact Assessment (IIA) to be carried out. | No |
|--|----|

Other Background Documents

Integrated Impact Assessment and Other Background documents available for inspection at: Not applicable.

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. | Not applicable. | |
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COURT LEET PRESENTMENTS 2010

| No. | PRESENTMENT | LEAD OFFICER | LEAD MEMBER | INITIAL OFFICER RESPONSE IN CONSULTATION WITH PORTFOLIO HOLDER |
|-------------------------|---|------------------------------------|-----------------------|--|
| Mrs Brenda Allan | | | | |
| 1 | St James Park, Shirley (a) That the City Council fulfils its promise made at the Shirley Residents Action Group meeting some years ago that dogs be banned from the park. | Jon Wallace | Councillor P Williams | The play areas within the park have and will continue to be dog free. City wide Dog Control Orders are currently being prepared for public consultation which will exclude dogs from Play Areas, but not parks on the whole. |
| | (b) That a closing time be introduced to safeguard people and the new facilities at night. | Jon Wallace | Councillor P Williams | There are currently no plans to introduce a closing time for St James' Park and the park was not closed at night previously. This can be reviewed should safety and / or vandalism become an issue once the park improvements are complete however the Council do not currently lock any of the City's parks at night. |
| Mr Ali Beg | | | | |
| 2 | AWAAZ FM Community Radio That the Council work with AWAAZ FM Community Radio to locate a suitable property for broadcasting purposes. | Vanessa Shahani/ Roger Hawkyard | Councillor Smith | The Council's Communities Team has worked with other organisations in the past to try to support them with accommodation requirements e.g. by linking to community and voluntary sector organisations with space to rent. It would therefore be appropriate for the Team to offer similar support to AWAAZ FM, and try and identify if there are any premises available to meet their needs at a price that they could afford. |

| No. | PRESENTMENT | LEAD OFFICER | LEAD MEMBER | INITIAL OFFICER RESPONSE IN CONSULTATION WITH PORTFOLIO HOLDER |
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| Pupils of Shirley Warren Primary School | | | | |
| 3 | <p>Shirley Warren Primary School</p> <p>That the Council instigate a number of environmental improvements including measures to combat graffiti, vandalism and the dumping of rubbish onto the roads in the area. In addition Shirley Warren suffers from a large number bullies who tend to be older children.</p> | Frances Martin/ Alison Alexander | Councillors Dean and Holmes | The November meeting of the multi-agency West District Management Group will consider this presentment when assessing priority areas for mini-CREW's (Crime Reduction and Environment Weeks) for the next few months, with the aim of vigorously tackling local environmental problems such as graffiti, vandalism and flytipping. The CREW organisers would ideally want to work directly with the school in planning this activity, to agree specific target areas, and develop ways in which the school and associated local community can actively contribute to the initiative, and help sustain improvements into the longer term. |
| Mr Arthur Jeffery | | | | |
| 4 | <p>Enhancing the Legal Status of Southampton's Greenways</p> <p>That the Council establish a legal framework for the City's eight Greenways to upgrade their legal status and precisely define their boundaries in order to avoid future disputes and inconvenience to citizens using them.</p> | Mark Heath | Councillor Smith | There is no evidence that the greenways have any rights of common. The operation of the registration of Village Greens is recommended to be the subject of a government review as a result of the Penfold Review of Non Planning Consents report dated July 2010 and in view of this it is premature and not an efficient use of resources to consider any scheme of voluntary registration pending the governments |

| No. | PRESENTMENT | LEAD OFFICER | LEAD MEMBER | INITIAL OFFICER RESPONSE IN CONSULTATION WITH PORTFOLIO HOLDER |
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| | | | | <p>response.</p> <p>The Council has a policy of voluntarily registering all council owned land. The greenways are being registered under this policy and the council can give consideration to prioritising these areas for registration.</p> <p>Pursuant to the Land Registration Act 2002 where the land concerned is registered land, the normal period to be established for an adverse possession claim is now 10 years, but the squatter can only be registered if the registered proprietor does not oppose the application. If the application is opposed, the squatter will need to be able to establish that one of three conditions set out in Schedule 6 to the Land Registration Act 2002 applies.</p> <p>Thus once the greenways are registered the council as land owner will be notified of any claims for adverse possession. This gives the council land greater protection from encroachment than it had when the land was unregistered.</p> |

| No. | PRESENTMENT | LEAD OFFICER | LEAD MEMBER | INITIAL OFFICER RESPONSE IN CONSULTATION WITH PORTFOLIO HOLDER |
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| Mr Jack Candy on behalf of the Open Spaces Society | | | | |
| 5 | <p>(a) Cenotaph – proposed glass panels listing war service fatalities</p> <p>That the glass panels also commemorate the 631 killed in war service in the City during the Blitz.</p> | Jon Wallace | Councillor Hannides | <p>Following consultation with the Cabinet Member for Leisure and Culture the current position is to be maintained. The proposed Cenotaph Memorial Wall commemorates the men and women from Southampton, who gave their lives serving in the Armed Forces and Merchant Navy during the Great War, World War II or post 1945 conflicts. Civilians killed during the bombing of the City in 1940 are commemorated through the provision of two Portland stone carved lecterns located to the west side of the Cenotaph.</p> |
| | <p>(b) Bye-laws for Pleasure Ground – 1967 – update to ban barbecues in Public Parks</p> <p>That the bye-laws be updated to ban barbecues in Public Parks.</p> | N/A | N/A | <p>This Presentment was rejected by the Jury.</p> |
| | <p>(c) Lord Louis Mountbatten of Burma statue in Grosvenor Square</p> <p>That the Council determine the future of the statue noting particularly that the plaque although cleaned recently, is not very legible and contains no reference to his murder by the IRA in 1979.</p> | Jon Wallace | Councillor Hannides | <p>The statue is not the property of the Council and does not stand on Council land. The plaque and inscription are part of the sculptor's original work. Any proposed changes or alterations would need to be directly addressed to the owner of the statue.</p> |

| No. | PRESENTMENT | LEAD OFFICER | LEAD MEMBER | INITIAL OFFICER RESPONSE IN CONSULTATION WITH PORTFOLIO HOLDER |
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| Ms Mary South | | | | |
| 6 | <p>Reinstatement of a Traditional Footway Name That the name “Monckton’s Passage” be officially reinstated for the footway between the church and empty public house (Ferryman and Firkin) in recognition of John Monckton – past Mayor of the City in 1774 and 1784 and longest serving Alderman, early campaigner for the health and safety of the City and eminent surgeon.</p> | Jon Wallace | Councillors P Williams and Hannides | Any request to name or rename a street / footway can be made in writing to the Street Naming and Numbering Officer (Helines Jagot). Any request will be sent to the Royal Mail for consultation and should no objections be received the name is reported to the Planning and Rights of Way Panel for decision. |
| Mrs Jean Velecky on behalf of Southampton Commons and Parks Protection Society | | | | |
| 7 | <p>A View of the Ornamental Lake on Southampton Common That a 10 metre wide swathe be cut through from Pointout Path down to the lake shore to open up a view of the lake earlier than the Action Plan completion date of March 2012.</p> | Jon Wallace | Councillor P Williams | Following Mrs Velecky’s presentation last year a view was made through from Pointout Path to the lake. This is approaching ten metres now and work will continue this winter. Every effort will be made to accelerate progress to enable completion in advance of the published completion date, but all work must be undertaken within the Common’s existing resource base, and allowing for the unpredictable nature of the Team’s seasonal workload. |

| No. | PRESENTMENT | LEAD OFFICER | LEAD MEMBER | INITIAL OFFICER RESPONSE IN CONSULTATION WITH PORTFOLIO HOLDER |
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| Mrs Patricia O'Dell | | | | |
| 8 | <p>Seats on the Common That more traditional wooden seats or benches, not logs, be located on the open spaces of the Common to assist the elderly and disabled</p> | Jon Wallace | Councillor P Williams | As a consequence of a recent review of seating on The Common, a dozen extra formal seats have been added to the provision so that there are rest points every 300m around the main tarmac paths. The Common Team has also recently piloted cut and levelled log seats in other open spaces. This seating is safe, functional, economic and sustainable, and conforms to the more natural aesthetic within the areas in which they are placed. Initial response from users has generally been very positive and more may be added when large enough trees have to be felled to make them. The seating platform within the logs will be cut at a height that is amenable to the needs of all users. |
| Mrs Veronica Tippetts | | | | |
| 9 | <p>International Day of Peace That the Council continue to encourage creative responses to the International Day of Peace on 21st September and that the Mayor ensure local schools, Faith Group and Councillors receive copies of:</p> <p>(a) Bargate leaflet produced by the Southampton Heritage Federation</p> <p>(b) Information about Jeremy Gilley (founder of Peace Day)</p> | Jon Wallace | Councillor Hannides | Information will be collated and sent to the relevant schools, groups and Councillors. |

| No. | PRESENTMENT | LEAD OFFICER | LEAD MEMBER | INITIAL OFFICER RESPONSE IN CONSULTATION WITH PORTFOLIO HOLDER |
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| | (c) Uniting for Peace – Interfaith Peace Work | | | |
| Mr C Trowbridge | | | | |
| 10 | (a) St James Close Parking Problem | N/A | N/A | This Presentment was rejected by the Jury. |
| | (b) Hampshire Air Ambulance | N/A | N/A | This Presentment was rejected by the Jury. |
| | (c) Block Painting at St James Close Request that the interior of the block of flats be painted and the request submitted by Mr Trowbridge receives a reply. | Jon Wallace | Councillor Baillie | Assessment of the whole city is being undertaken to develop a cyclical programme of decoration. |
| Mrs KJ Welham | | | | |
| 11 | Road re-alignment from Guildhall Square That the road between the two proposed new buildings be aligned with the Guildhall and the park | Frances Martin | Councillor Dean | As part of the redesign of the area, the link through will be centralised to the Guildhall Square, as suggested by Mr. Welham. |
| Mr Richard Strother | | | | |
| 12 | Noticeboards That the Council install noticeboards in areas of high footfall for the benefit of the public along the same lines as Fareham Borough Council | Jon Wallace/ Ben White | Councillor P Williams | This idea was explored in depth in 2008 and a decision was made that there were no resources to fund or support such a scheme. In the current financial climate the position remains unchanged. |

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Agenda Item 12

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| DECISION-MAKER: | CABINET |
| SUBJECT: | PRIMARY SCHOOL REVIEW: PHASE 2 STATUTORY CONSULTATION |
| DATE OF DECISION: | 22 NOVEMBER 2010 |
| REPORT OF: | HEAD OF INFRASTRUCTURE AND CAPITAL SERVICES |
| AUTHOR: | Name: Kevin Verdon Tel: 023 8091 7593 Email: kevin.verdon@southampton.gov.uk |
| STATEMENT OF CONFIDENTIALITY | |
| None. | |

SUMMARY

This report sets out proposals for statutory consultation on expanding a number of primary schools in the city. It follows on from Phase 1 of the Primary Review, carried out last year, which expanded and restructured a number of primary schools in the city centre.

These proposals are informed by widespread pre-statutory consultation with parents, schools and the wider community and in response to continuing forecast rise in the primary school population, driven mainly by a rise in the number of births.

RECOMMENDATIONS:

- 1 To note the outcome of the pre-statutory consultation as set out in Appendix 1 of this report.
- 2 To make the following statutory proposals for changes to primary education in the city by enlarging the following schools in September 2011.
 - (i) The enlargement by 15 places (0.5FE – forms of entry) per year group of Bassett Green Primary School, with implementation from 1 September 2011, beginning with Year R and continuing incrementally until all 7 years have been expanded. This would have the effect of enlarging the school from 1.5FE (45 places) to 2FE (60 places) per year group, and increasing the net capacity from 315 to 420 by September 2017.
 - (ii) The enlargement by 30 places (1FE – form of entry) per year group of Glenfield Infant School, with implementation from 1 September 2011, beginning with Year R and continuing incrementally until all 3 years have been expanded. This would have the effect of enlarging the school from 2FE (60 places) to 3FE (90 places) per year group, and increasing the net capacity from 179 to 270 by September 2013.

- (iii) The enlargement by 10 places (0.33FE – forms of entry) per year group of Highfield CE Primary School, with implementation from 1 September 2011, beginning with Year R and continuing incrementally until all 7 years have been expanded. This would have the effect of enlarging the school from 1.16FE (35 places) to 1.5FE (45 places) per year group, and increasing the net capacity from 233 to 315 by September 2017. This enlargement would be carried out in conjunction with the CE diocese of Winchester.
- (iv) The enlargement by 15 places (0.5FE – forms of entry) per year group of Kanes Hill Primary School, with implementation from 1 September 2011, beginning with Year R and continuing incrementally until all 7 years have been expanded. This would have the effect of enlarging the school from 1.5FE (45 places) to 2FE (60 places) per year group, and increasing the net capacity from 315 to 420 by September 2017.
- (v) The enlargement by 30 places (1FE – forms of entry) per year group of Moorlands Primary School, with implementation from 1 September 2011, beginning with Year R and continuing incrementally until all 7 years have been expanded. This would have the effect of enlarging the school from 1FE (30 places) to 2FE (60 places) per year group, and increasing the net capacity from 210 to 420 by September 2017.
- (vi) The enlargement by 30 places (1FE – forms of entry) per year group of Shirley Warren Primary School, with implementation from 1 September 2011, beginning with Year R and continuing incrementally until all 7 years have been expanded. This would have the effect of enlarging the school from 1FE (30 places) to 2FE (60 places) per year group, and increasing the net capacity from 210 to 420 by September 2017.

3 To make the following statutory proposals for changes to primary education in the city by enlarging the following schools in September 2012

- (i) The enlargement by 15 places (0.5FE – forms of entry) per year group of Banister Primary School, with implementation from 1 September 2012, beginning with Year R and continuing incrementally until all 7 years have been expanded. This would have the effect of enlarging the school from 1.5FE (45 places) to 2FE (60 places) per year group, and increasing the net capacity from 162 to 420 by September 2018.
- (ii) The enlargement by 30 places (1FE – form of entry) per year group of Fairisle Infant School, with implementation from 1 September 2012, beginning with Year R and continuing incrementally until all 3 years have been expanded. This would have the effect of enlarging the school from 3FE (90 places) to 4FE (120 places) per year group, and increasing the net capacity from 270 to 360 by September 2014.

- (iii) The enlargement by 30 places (1FE – form of entry) per year group of Fairisle Junior School, with implementation from 1 September 2015, beginning with Year 3 and continuing incrementally until all 4 years have been expanded. This would have the effect of enlarging the school from 3FE (90 places) to 4FE (120 places) per year group, and increasing the net capacity from 360 to 480 by September 2018.
This proposal is to be treated as linked to 3(ii) above.
- (iv) The enlargement by 15 places (0.5FE – forms of entry) per year group of Harefield Primary School, with implementation from 1 September 2012, beginning with Year R and continuing incrementally until all 7 years have been expanded. This would have the effect of enlarging the school from 1.5FE (45 places) to 2FE (60 places) per year group, and increasing the net capacity from 315 to 420 by September 2017.
- (v) The enlargement by 30 places (1FE – form of entry) per year group of Tanners Brook Infant School, with implementation from 1 September 2012, beginning with Year R and continuing incrementally until all 3 years have been expanded. This would have the effect of enlarging the school from 3FE (90 places) to 4FE (120 places) per year group, and increasing the net capacity from 270 to 360 by September 2014.
- (vi) The enlargement by 30 places (1FE – form of entry) per year group of Tanners Brook Junior School, with implementation from 1 September 2015, beginning with Year 3 and continuing incrementally until all 4 years have been expanded. This would have the effect of enlarging the school from 3FE (90 places) to 4FE (120 places) per year group, and increasing the net capacity from 360 to 480 by September 2018.
This proposal is to be treated as linked to 3(v) above
- (vii) The enlargement by 30 places (1FE – form of entry) per year group of Valentine Infant School, with implementation from 1 September 2012, beginning with Year R and continuing incrementally until all 3 years have been expanded. This would have the effect of enlarging the school from 3FE (90 places) to 4FE (120 places) per year group, and increasing the net capacity from 270 to 360 by September 2014.
- (viii) Linked to this is the enlargement by 30 places (1FE – form of entry) per year group of Heathfield Junior School, with implementation from 1 September 2015, beginning with Year 3 and continuing incrementally until all 4 years have been expanded. This would have the effect of enlarging the school from 3FE (90 places) to 4FE (120 places) per year group, and increasing the net capacity from 359 to 480 by September 2018.
This proposal is to be treated as linked to 3(vii) above.
- (ix) The enlargement by 30 places (1FE – form of entry) per year group of Sholing Infant School, with implementation from 1 September 2012, beginning with Year R and continuing incrementally until all 3 years have been expanded. This would have the effect of enlarging the school from 2FE (60 places) to 3FE (90 places) per year group, and increasing the net capacity from 174 to 270 by September 2014.

- (x) Linked to this is the enlargement by 30 places (1FE – form of entry) per year group of Sholing Junior School, with implementation from 1 September 2015, beginning with Year 3 and continuing incrementally until all 4 years have been expanded. This would have the effect of enlarging the school from 2FE (60 places) to 3FE (120 places) per year group, and increasing the net capacity from 239 to 360 by September 2018.

This proposal is to be treated as linked to 3(ix) above

- (xi) The enlargement by 15 places (0.5FE – forms of entry) per year group of St Patrick's Catholic Primary School, with implementation from 1 September 2012, beginning with Year R and continuing incrementally until all 7 years have been expanded. This would have the effect of enlarging the school from 1.5FE (45 places) to 2FE (60 places) per year group, and increasing the net capacity from 315 to 420 by September 2017.

This enlargement would be carried out in conjunction with the RC diocese of Portsmouth.

- (xii) The enlargement by 30 places (1FE – forms of entry) per year group of St Mark's CE Primary School, with implementation from 1 September 2012, beginning with Year R and continuing incrementally until all 7 years have been expanded. This would have the effect of enlarging the school from 2FE (60 places) to 3FE (90 places) per year group, and increasing the net capacity from 459 to 630 by September 2017.

This enlargement would be carried out in conjunction with the CE diocese of Winchester.

- 4 To note enlargements to the following schools which do not need statutory proposals, but will be actioned through the annual admissions process in due course.

- (i) The enlargement by 30 places (1FE – form of entry) per year group of Beechwood Junior School, with implementation from 1 September 2014, beginning with Year 3 and continuing incrementally until all 4 years have been expanded. This would have the effect of enlarging the school from 2FE (60 places) to 3FE (90 places) per year group, and increasing the net capacity from 311 to 360 by September 2017.

This proposal is to be treated as linked to 2(ii) above.

- (ii) The enlargement by 30 places (1FE – forms of entry) per year group of Mansel Park Primary School, with implementation from 1 September 2011, beginning with Year R and continuing incrementally until all 7 years have been expanded. This would have the effect of enlarging the school from 1FE (30 places) to 2FE (60 places) per year group, and increasing the net capacity from 358 to 420 by September 2017.

- 5 To delegate authority to the executive Director of Children's Services & Learning, following consultation with the Cabinet Member for Children's Services & Learning to do anything necessary to give effect to the recommendations in this report.

- 6 To delegate authority to the executive Director for Children's Services & Learning in consultation with the Solicitor to the Council to take any action necessary to comply with the requirements of the Schools Standards & Frameworks Act 1998 and associated legislation, including but not limited to the publication of Statutory Notices and compliance with statutory representation procedures, to give effect to the recommendations in this report.

REASONS FOR REPORT RECOMMENDATIONS

1. The rapid rise in the number of pupils requiring a school place over the last four or five years, has meant that severe pressure has been brought to bear on the school estate. Forecasts indicate that this pressure is not likely to recede in the foreseeable future.
2. Extra places are already being put in schools in the City Centre and Freemantle areas of the city as a result of the Primary Review Phase 1.
3. The need for extra school places is not restricted to these two areas and is spread over a wide area of the city. Consequently there is a need to expand a number of schools throughout the city by up to 30 places in each year group. This enables demand for school places to be met locally, and reduces the likelihood of young people needing to travel long distances to go to school.
4. If we are to maintain and improve the school experience we offer to our children we must ensure that their learning environment is conducive to a quality education.
5. As a local authority we have a statutory obligation to provide every child who wants one with quality school place. Failure to do so would mean we would be failing in one of our basic duties.

DETAIL (Including consultation carried out)

6. At the beginning of the year, officers attended all Headteacher Cluster Meetings and explained the need for expanding schools. Some options were discussed at the meetings and feedback received.
7. Feedback, together with updated forecast data and discussions with officers in other Divisions, enabled us to formulate proposals which were refined and were consulted on.
8. Pre-statutory consultation was held between September 14th and October 26th. Officers provided 'drop-in' sessions at all the Primary and Infant schools affected, 16 in total, with an invitation extended to parents, staff, and governors of all schools.
9. A rolling PowerPoint presentation was displayed at the 'drop-in' sessions and documentation, leaflets and response forms were provided. Officers were on hand to answer any questions that arose, and to encourage attendees to express their views in the response forms.
10. All the documentation together with a response form was replicated on the City Council's web site and the address was advertised in City View and other publications.

11. Appendix 1 gives a detailed breakdown of the responses. In general, respondees saw the need for the expansion program and were on board with the proposals. Many, however, expressed reservations at the increased traffic that would be generated and the loss of play space that might occur
12. Although the drop-in sessions were not well attended, anecdotal feedback we received suggested that if parents were unhappy with the proposals then there would have been a significant increase in the number of parents attending.
13. Our pupil forecasts suggest that we will need nearly 3,000 Reception places in September 2012. If all our proposals were to be implemented, then we will have 3030 places. It is very tight, but we would be able to accommodate all our expected intake. It would not allow for a high degree of parental preference, nor would it allow much leeway for an underestimation in our forecasts.
14. Numbers of pupils requiring a Reception school place in September 2013 and 2014 will be down marginally, but the latest information we have from the Primary Care Trust states that the number of births for the last quarter (July-Sept 2010) is rising again. These pupils will be requiring a Reception school place in 2015
15. As the increase in numbers is building up from Reception Year, then it is logical that the increase in places follows suit. We may not need to put in all the extra places in a school in one go. It may be possible to stagger some of the work and do it in two or three stages. Schools with a PAN, (Published Admission Number) of 45, generally have two Reception classes and two Reception teachers. Therefore in the first year of expansion, not a great deal will be needed to be done at these schools as the classes will have only 22/23 pupils in them and this will increase to 30 in each class.
16. The following years, however, space will need to be created to accommodate the extra pupils and this has significant resource implications.

RESOURCE IMPLICATIONS

Capital

17. It is difficult to accurately predict either the cost or affordability profile of the Primary Review programme at this stage for a number of reasons:
 - pupil numbers are unlikely to remain static and are under constant review;
 - detailed feasibility work and options appraisals are not yet complete;
 - project development and delivery will be on a phased basis and the optimum phasing of works is still being determined.
18. Similarly we do not yet know the amount of government grant available to support the Council in addressing this issue.

19. High level estimates, based on the range of possible projects implied in the pre-statutory consultations, suggests that the widest cost range for the works to accommodate the entire cohort over the 5 year period is between £10.1 million (based on minimal new build) to £37 million (based on maximum new build). Both figures are based on standard DfE benchmark school construction rates and do not include any assumptions at this stage about site risks or abnormals.
20. It is clear that final proposals will have to match the resources available to the Council, and it should be noted that the final costs will need to be substantially less than £37 million maximum figure quoted above. It is likely that proposals will therefore need to be reviewed on at least an annual basis to ensure that option appraisal and cost planning is in line with known resources. We anticipate having a detailed cost / affordability estimate for 2011/12 projects by January 2011.
21. 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 and £690,000 of the grant will be used to help fund Primary Review Phase 2
22. In 2010/11 the City Council received £18.1 million of capital funding, including £2 million of Schools' Devolved Formula Capital Grant. The Comprehensive Spending Review has stated that:
 - There will be a 60% reduction in real terms in capital spending over the Spending Review period
 - The independent review of education capital will ensure that the Department for Education's capital budget is targeted where there is most need
23. Although actual capital allocations for Southampton from 2011/12 onwards will not be known until later in the year, the funding received will be targeted towards the needs of the school estate in general and the Primary Review Phase 2 in particular. In addition £900,000 per year is available from the Revenue Development Fund within the Council's budget plans to ensure that funds can be borrowed if necessary.
24. It is anticipated that the combination of Government grant and borrowing over the 5 years of the project will be sufficient to fund the proposals.

Revenue

25. 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

26. The property implications arising from this and future reports will be the subject of further detailed consideration in the normal way including an evaluation of any property implications and, (as required by Financial regulations), the results of option appraisals.
27. It is unlikely, however, that the proposals above would have any significant bearing on property issues as the whole thrust of the program is to make more intensive use of the current assets.
28. 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. These groups will need to be re-housed into other suitable buildings.

Other

29. None

LEGAL IMPLICATIONS

Statutory Power to undertake the proposals in the report:

30. 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. Local Authorities must also ensure that there are sufficient schools in their area and promote diversity and parental preference.
31. Alterations, changes, creation or removal of primary provision across the city is subject to the statutory processes contained in the School Standards and Frameworks Act 1998. Proposals for change are required to follow the processes set out in the School Organisation (Prescribed Alterations to Maintained Schools) Regulations 2007 together with Statutory Guidance for proposers and decision makers. The Local Authority will be the decision maker for all proposals set out in this report and a further report on the outcome of statutory representations will therefore be brought forward to Cabinet in due course for final determination.

Other Legal Implications:

32. In bringing forward school organisation proposals the Local Authority must have regard to the need to consult the community and users, 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 the Equalities Act 2010.

POLICY FRAMEWORK IMPLICATIONS

33. The Primary Strategy for Change will contribute directly to the achievement of the outcomes set out in the City of Southampton's Strategy, the Children and Young Peoples Strategic Plan and the Primary Vision, by providing improved buildings for primary pupils and communities in Southampton.
34. It will facilitate closer joint working between schools and thereby enable a range of strategic objectives to be met.

SUPPORTING DOCUMENTATION

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

Appendices

| | |
|----|---|
| 1. | Summary of the outcome of pre-statutory Consultation. |
| 2. | Integrated Impact Assessment. |

Documents In Members' Rooms

| | |
|----|--|
| 1. | Pre-statutory consultation full consultation document. |
|----|--|

Integrated Impact Assessment

| | |
|--|--------|
| Do the implications/subject/recommendations in the report require an Integrated Impact Assessment to be carried out. | Yes/No |
|--|--------|

Other Background Documents

| | |
|--|--|
| Title of Background Paper(s) Cabinet Paper of 6 September 2010: "Primary Review Phase 2: Pre-statutory Consultation" | Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable) |
|--|--|

Integrated Impact Assessment and Other Background documents available for inspection at:

| | |
|------------------------------------|-----|
| WARDS/COMMUNITIES AFFECTED: | ALL |
|------------------------------------|-----|

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|---|---|------------------------------|--------------------|
| DECISION-MAKER: | CABINET | | |
| SUBJECT: | ESTATE REGENERATION PROGRAMME – SELECTION OF PREFERRED DEVELOPERS FOR PHASE 2 | | |
| DATE OF DECISION: | 22 NOVEMBER 2010 | | |
| REPORT OF: | EXECUTIVE DIRECTOR OF NEIGHBOURHOODS | | |
| AUTHOR: | Name: | Jane Fall, | Tel: 023 8091 7899 |
| | E-mail: | Jane.Fall@southampton.gov.uk | |
| STATEMENT OF CONFIDENTIALITY | | | |
| Appendix 7 is an exempt appendix, the confidentiality of which is based on category 3 of paragraph 10.4 of the Council's Access to Information Procedure Rules. It is not in the public interest to disclose this because doing so would prejudice the commercial confidentiality of the bidders and selection process. | | | |

SUMMARY

The Estate Regeneration programme is an essential part of a wider commitment to tackle economic deprivation and social disadvantage in Southampton's Council estate. The proposals identified within this report will lead to the delivery of over 200 new energy efficient homes and 7 modern retail unit. This report seeks authority following the OJEU Restricted Procedure procurement exercise to approve each preferred bidder and enter into a Development Agreement respectively with each to undertake the redevelopment of three of the four sites comprised within Phase 2 of the Estate Regeneration Programme (comprising Lot 1, Exford Avenue Shopping Parade, Lot 2, Cumbrian Way Shopping Parade; Lot 3, 5 – 92 Laxton Close and Lot 4, 222-252 Meggeson Avenue). Following the assessment of the bids received for Lot 2 Cumbrian Way, it is proposed that this contract is not awarded and alternative procurement options are investigated to enable this site to be redeveloped within a timely manner.

This report also seeks authority to make Compulsory Purchase Orders (CPO) in order to acquire land and any new rights at Exford Avenue Shopping Parade; 222-252 Meggeson Avenue and 5 – 92 Laxton Close, should the need arise.

RECOMMENDATIONS:

- (i) To delegate to the Solicitor to the Council to amend, finalise and sign the Development Agreements with the preferred developers for each of the three sites within Phase 2 Estate Regeneration Programme with the respective preferred bidders comprising:
 - (a) Lot 1 Exford Avenue Shopping Parade: Lovell Partnerships Limited /First Wessex Housing Association.
 - (b) Lot 3 Laxton Close: Lovell Partnerships Limited /First Wessex Housing Association.
 - (c) Lot 4 Meggeson Avenue: Lovell Partnerships Limited/First Wessex Housing Association.
- (ii) Lot 2 Cumbrian Way: Not to award.

- (iii) Delegate authority to the Head of Property and Procurement to negotiate and agree the purchase of each of the parcels of land shown edged red on Appendices 1 – 3 (being Exford Avenue Shopping Parade, 222-252 Meggeson Avenue and 5 – 92 Laxton Close)
- (iv) (a) That subject to reasonable attempts to negotiate the acquisition of each of the parcels of land referred to in paragraph 3 above respectively having failed, that the Solicitor to the Council be authorised to make Compulsory Purchase Orders to acquire those relevant parcels of land and any necessary rights for the following parcels of land, all being within the Council’s Phase 2 Estate Regeneration Programme:
 1. Exford Avenue Shopping Parade as shown edged red on the map in Appendix 1.
 2. 222-252 Meggeson Avenue as shown edged red on the map in Appendix 2.
 3. 5 – 92 Laxton Close as shown edged red on the map in Appendix 3.

under Section 226(1) (a) Town & Country Planning Act 1990 for the purpose of facilitating the carrying out of redevelopment and improvement of the land.
- (b) The Solicitor to the Council be authorised to approve the basis of each Statement of Reasons for making the Compulsory Purchase Orders as set out in Appendices 4 to 6.
- (v) The Solicitor to the Council be authorised to:
 - (a) To make, advertise and secure confirmation and implementation of the Compulsory Purchase Orders referred to in paragraph 3(a) above.
 - (b) To acquire interests in or rights over the land shown edged red on Appendices 1 - 3 either by agreement or compulsorily.
 - (c) To amend all or any of the Statements of Reasons referred to in paragraph 4(b) above as required.
 - (d) To approve agreements with land owners setting out the terms for withdrawal of any objections to any of the Compulsory Purchase Orders (to include payment of compensation), including where appropriate seeking exclusion of land from any Order.
 - (e) To approve (once vacant possession and planning permission has been obtained) the service of a Final Demolition Notice and the demolition of the buildings and structures on the land edged red in Appendices 1 to 3.

REASONS FOR REPORT RECOMMENDATIONS

1. The Council’s estates offer the potential for the development of new and better homes and to benefit from more mixed tenure communities. This Report proposes Phase 2 of the Estate Regeneration Programme (Phase 2) comprising of Exford Avenue Shopping Parade, 222-252 Meggeson Avenue and 5 – 92 Laxton Close, following on from the success of Phase 1 Hinkler

Parade. Phase 2 will help to tackle the economic deprivation and social disadvantage concentrated in these areas.

2. These recommendations enable the timely development of the Phase 2 sites as listed above and delivery of the Estate Regeneration objectives. The recommendation for the procurement for Lot 2, Cumbrian Way Shopping Parade is to abandon the process and seek an alternative procurement method to ensure this scheme is still delivered within a reasonable timescale.

CONSULTATION

CONSULTATION - PROCUREMENT OF A DEVELOPMENT PARTNER

3. Consultation has been undertaken with a range of bodies in the development of the estate regeneration programme including the Homes and Communities Agency. The cross-party Estate Regeneration Stakeholder Group on which the Federation of Southampton Tenants and Residents Association is represented, plays an important advisory role in the project.
4. An extensive programme of consultation took place during summer 2009 in respect of the Phase 2 sites. This involved a number of consultation events and a design festival with an independent facilitator. All residents and businesses directly affected were visited individually to ensure that they understood the proposal to regenerate their areas. Reports on the consultation are available in the Members Room which also indicates the high level of support by residents for the regeneration of their neighbourhoods.
5. Over August and September 2010, Estate Regeneration consulted the local communities in the Phase 2 areas on their views on the bidders proposed scheme designs. The community were able to express their preference which was translated into marks as part of the evaluation process. Details of the scores obtained for each developer are contained within Capita Symonds' report at Appendix 7 (Exempt).
6. Within the Council, consultation has taken place involving a range of Council officers both through Estate Regeneration Project Board and more widely across the Council. Several of the sites involve existing Council services and there will be an ongoing programme of consultation with staff as detailed redevelopment plans are drawn up.

CONSULTATION - COMPULSORY PURCHASE ORDERS (CPO)

7. Capita Symonds has been continuing negotiations to purchase the leasehold and commercial properties on Exford Avenue Shopping Parade, 5 – 92 Laxton Close and 222-252 Meggeson Avenue which was authorised pursuant to the previous Cabinet report and these negotiations will continue throughout the Compulsory Purchase Order process.
8. Discussions have taken place with the Estate Regeneration Programme Board and Stakeholder Group regarding proposals to seek a CPO.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

9. This report proposes the delivery of early projects within a programme of estate regeneration.
10. The option of doing nothing would not achieve the Council's objectives for the Estate Regeneration Programme and not taking the steps identified within this Report increases the risk of delay to the projects. Not pursuing the CPO would potentially delay the developers' acquisitions of these sites and signing the Development Agreements.
11. If the decision is taken not to enter into a Development Agreement with the relevant preferred bidder then the procurement process would have to be abandoned. Such a decision would need to be capable of sufficient rational justification to ensure that no compensation claims for wasted bidder costs could be successfully made against the Council. Also, this would increase the risk of not obtaining funding from the Homes & Communities Agency.
12. Not to proceed with the redevelopment of these sites would fail to deliver the Council's regeneration ambitions and mean residents and businesses within these sites have been significantly disrupted with no improvements to their homes and neighbourhood.
13. The proposals for Lots 1, 3 and 4 satisfactorily meet the evaluation criteria and objectives of the Estate Regeneration Programme, included in Appendix 7 (exempt). The bids which were capable of acceptance for Lot 2 Cumbrian Way were not on evaluation considered to be acceptable and it is recommended that the tender is not awarded. This decision has been made on the basis of the poor evaluation scores on design and costs to the council in terms of subsidy needed.
14. It is proposed that Estate Regeneration investigate alternative options for delivering this scheme, to ensure that the regeneration aspirations for this project are met.

DETAIL

PROCUREMENT OF A DEVELOPMENT PARTNER

Background

15. Estate Regeneration is focused on creating successful communities where people will want to live in the future in high quality designed homes of mixed tenure. The emphasis is not just on physical regeneration but links have been established to social and economic regeneration to ensure improvements in health, education and economic activity. Estate Regeneration is developing on a three staged approach, starting with smaller sites, then moving to estate by estate regeneration through estate planning which will including planning for investment in the remaining stock.
16. The Cabinet decision on 28th September 2009 commenced the procurement process to procure a development partner(s) to redevelop the Phase 2 sites identified and enter into a Development Agreement(s) to deliver the redevelopments of the Phase 2 schemes.

17. Selection of a developer for these projects was governed by the OJEU (Restricted Procedure) procurement process which commenced with a notice advertised in the OJEU on the 11th December 2009 (Ref: 342028 – 2009). Additional national advertising was placed in the Estates Gazette on the 12th December 2009. 72 Information packs containing the Council's Information and Development Brief and Pre-Qualification Questionnaire were sent out.
18. The first stage of the OJEU process inviting expressions of interest produced a positive response; 12 expressions of interest were received. These can be broken down as:
 - 3 national developer and housing association consortia;
 - 4 national developers;
 - 1 regional developer;
 - 1 local developer;
 - 1 private investor/developer; and
 - 2 contractors/developers.
19. The 12 expressions of interest were assessed on technical ability, track record and the financial capacity to undertake this type of project. From this 6 parties/combinations were selected to go forward to the next stage of the tender process (known as the award stage), namely to submit their bids and scheme design proposals. One bidder later withdrew from the process prior to bid submission, leaving 5 bidders.
20. The deadline for submitting bids was 29th June 2010; four bidders submitted tenders to be evaluated for all four Lots and one bidder submitted tenders to be evaluated for just Lots 1, 3 and 4
 - Barratt David Wilson (BDW Trading Ltd)/First Wessex Housing Association;
 - Hyde Housing Association Ltd;
 - Linden Limited/Radian Housing Association;
 - Persimmon Homes Ltd/Western Challenge Housing Association;
 - (All submitted bids for all four lots); and
 - Lovell Partnerships Ltd/First Wessex Housing Association (Submitted bids for Lots 1, 3 and 4 only)

Evaluation Results

21. All the bids for the four lots have been assessed in accordance with the evaluation criteria and methodology set out in the tender documents. The report from Capita Symonds as the Council's procurement agent is attached (Appendix 7 - exempt) which provides details of the individual scores.
22. The evaluation process analysed both the proposed schemes and the financial bids. The process included engagement with the Estate Regeneration Stakeholder Group, Project Board and the local community.

23. The evaluation process has identified a preferred bidder for Lots 1, 3 and 4 as follows: :
- Lot 1 Exford Avenue Shopping Parade: Lovell Partnerships Ltd/First Wessex Housing Association.
 - Lot 3 Laxton Close: Lovell Partnerships Ltd/First Wessex Housing Association.
 - Lot 4 Meggeson Avenue: Lovell Partnerships Ltd/First Wessex Housing Association.
24. The recommendation therefore is to appoint the above mentioned bidders as the preferred developers for the respective sites. A summary of the outputs for their proposed schemes which would be delivered in phases between Spring 2011 and 2014 is attached at Appendix 8.
25. In respect of Lot 2 Cumbrian Way, upon evaluation the bids were considered to be unacceptable for this site. Some bids were conditional on being awarded other Phase 2 sites and one bid was withdrawn. Taking this into account the remaining tenders scored poorly on evaluation particularly in terms of design. The tenders also required a high level of subsidy from the Council. For those reasons it is recommended that the OJEU procedure for Lot 2 Cumbrian Way is abandoned without the appointment of a preferred bidder
26. The preferred developers will need to conclude the Development Agreement or relevant contracts in a form which is consistent with the content of their winning bids within a reasonable time after appointment. There is very little scope to negotiate or vary the terms of such agreements from such form and any difficulties in relation to that process would need to be carefully managed.

COMPULSORY PURCHASE ORDER

27. Cabinet on the 29th September 2009 delegated authority to the Executive Director of Neighbourhoods following consultation with the Cabinet Member for Housing and Local Services, Solicitor to the Council, Head of Finance and Head of Property and Procurement to negotiate and acquire by agreement any legal interests in the Phase 2 sites not held by the Council. In each case subject to approval of terms by Capita acting as independent valuers.
28. Good progress is being made decanting tenants, leaseholders and commercial tenants from the four sites with the majority being over 78% void.
29. Negotiations are continuing to purchase the remaining properties which are not held in Council ownership. To ensure the redevelopment of these sites can be guaranteed within the time frames to be set out in the development agreements, it is necessary for authority to be obtained for compulsory purchase orders to authorise the acquisition by the Council of any remaining land at:
- Exford Avenue Shopping Parade
 - 5 – 92 Laxton Close

- 222-252 Meggeson Avenue

As shown edged red on the maps in Appendices 1 - 3 under section 226(1) (a) Town and Country Planning Act 1990 for the purpose of facilitating the carrying out of redevelopment and improvement of the land.

30. The draft Statements of Reasons for making the Compulsory Purchase Orders are set out in Appendices 4-6. These will be amended by the Solicitor to the Council in accordance with the recommendations above.

FINANCIAL/RESOURCE IMPLICATIONS

Capital

31. The total developers' costs of the Lots 1, 3 and 4 will be approximately £30 million, this will be met by a variety of funding streams. Grant funding will be sought from the Homes and Communities Agency by the Housing Association for the element of the schemes which will provide social housing. The balance of the funding will be provided by the selected developer(s).

General Fund

32. A budget of £6.436 million was agreed by Cabinet on 28th September 2009 to cover the Council's enabling costs for the Phase 2 schemes. This covers such items as project management, resident relocation, buy back of properties sold through the Right to Buy, additional land purchase and compensation to businesses. The Capital Receipts outlined below will be used to offset these costs, together with proposed funding from the HCA and PUSH funding already secured.

Revenue

33. The proposals include plans to close one local housing office which will reduce operating costs.
34. Unless the receipts from property/house sales exceed expectations and trigger the overage provisions within the Development Agreements, there will be no additional receipts to the Housing Revenue Account.
35. The sale of Lots 1, 3 and 4 will provide the Council with a substantial capital receipt. Advice from Capita certifies that acceptance of the bids for Lots 1, 3 and 4 is consistent with the requirement to receive best consideration for the disposal of Council land.

Compulsory Purchase Order

36. The cost of staff time will be met from existing resources or charged to the capital scheme, as appropriate.

Property

37. The land and properties are required for the improvement of the area which will improve the economic, social and health well being of the residents within the four estate regeneration areas and enhance the environment of the estates.

Other

- 38.. None.

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

39. The Council has powers under section 226(1)(a) of the Town and Country Planning Act 1990; the Housing Acts and the Local Government Act 1972 section 120 to undertake estate regeneration proposals.
40. The sale of Lots 1, 3 and 4 will provide the Council with a capital receipt. Changes announced in the recent CSR may impact on the level of the capital receipt that can be achieved but until the full implications are understood and negotiations with the developer have been completed this can not be quantified. Advice from Capita certifies that acceptance of the bids for Lots 1, 3 and 4 is consistent with the requirement to receive best consideration for the disposal of Council land and any changes to the level of capital receipt that can be achieved will not affect this advice.

Other Legal Implications:

41. In recommending the making of CPOs the rights of third parties that may be affected (including the property rights of the current property owners of the sites) have been balanced against the public interest in acquiring the land. It is recommended that the Council can be satisfied that the proposed CPOs are necessary and proportionate having regard to the provisions of the Human Rights Act 1998 and is in the public interest having regard to the both the need to provide good quality, energy efficient homes in areas where people wish to reside now and in the future and the need to regenerate these estates.

POLICY FRAMEWORK IMPLICATIONS

42. These proposals will help deliver the new homes including affordable homes required in both the Housing Strategy 2007-11 and as part of the Council's partnership with PUSH. The regeneration of Southampton's council estates will play an important part in delivering a number of corporate policy objectives for regeneration.

SUPPORTING DOCUMENTATION

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

Appendices

| | |
|----|--|
| 1. | Lot 1 Exford Avenue Shopping Parade Compulsory Purchase Order plan |
| 2. | Lot 3 Laxton Close Compulsory Purchase Order plan |
| 3. | Lot 4 Meggeson Avenue Compulsory Purchase Order plan |
| 4. | Draft Statement of Reasons for the Exford Avenue Shopping Parade Compulsory Purchase Order |
| 5. | Draft Statement of Reasons for the Laxton Close Compulsory Purchase Order |
| 6. | Draft Statement of Reasons for the Meggeson Avenue Compulsory Purchase Order |
| 7. | Capita Symonds Report on the Evaluation Process and Scores (Exempt) |
| 8. | Summary of Outputs for Lots 1, 3 and 4 |

Documents In Members' Rooms

| | |
|----|--|
| 1. | Estate Regeneration Programme: Community Consultation Report, September 2009 |
|----|--|

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 | |
|----|------|--|

Background documents available for inspection at:

N/A

KEY DECISION?

Yes

| | |
|------------------------------------|---|
| WARDS/COMMUNITIES AFFECTED: | Harefield, Millbrook, Sholing and Bitterne Park |
|------------------------------------|---|

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Document is Confidential

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|--------------------------|--|
| DECISION-MAKER: | CABINET |
| SUBJECT: | THE DISPOSAL OF LAND AT BROADLANDS ROAD AND RE-PROVISION OF ALLOTMENTS AT BRICKFIELD ROAD. |
| DATE OF DECISION: | 22 NOVEMBER 2010 |
| REPORT OF: | CABINET MEMBER FOR RESOURCES & WORKFORCE PLANNING |

STATEMENT OF CONFIDENTIALITY

Confidential Appendix 3 contains information deemed to be exempt from general publication based on Category 3 of paragraph 10.4 of the Councils Access to Information Procedure Rules. Publication of the information could influence bids made on the Authority's other property transactions which maybe financially detrimental to the Council.

BRIEF SUMMARY

This report seeks authority to dispose of the Broadlands Road Allotments site to Southampton University to enable the University to develop the Highfield campus and to approve the conversion of the vacant land at Brickfield Road into replacement allotments.

RECOMMENDATIONS:

- (i) To approve in principle the sale terms of the Broadlands Road allotment site to Southampton University, subject to Secretary of State Consent.
- (ii) To approve the conversion of the land at Brickfield Road into replacement allotment plots, subject to Planning Approval.
- (iii) To delegate authority to Head of Property & Procurement after consultation with the Executive Director for Neighbourhoods to take any such action as considered necessary to facilitate the conversion of the Brickfield Road site into allotments and for the disposal of the Broadlands Road site.

REASONS FOR REPORT RECOMMENDATIONS

This report is submitted for consideration as a General Exception under paragraph 15 of the Access to Information Procedure Rules in Part 4 of the Council's Constitution, notice having been given to the Chair of the relevant Scrutiny Panel and the Public. The matter requires a decision following the recent conclusion of confidential negotiations with Southampton University.

1. The disposal of the Broadlands Road Allotments to Southampton University will enable the University to develop the Highfield Campus, to support the Universities academic activities.
2. The allotment site at Broadlands Road has been allocated within the University's Development Zone in the previous Local Plan, which is now imbedded in the Councils Core Strategy for an Educated City – Policy CS11.

3. The disposal of Broadlands Road Allotments will require Secretary of State' consent, one influencing factor in the Secretary's decision will be the re-provision of allotments and therefore the conversion of Brickfield Road will enhance the Councils ability to secure the Secretary's consent for the disposal of Broadlands Road.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

4. Do not dispose of the allotment site – this inhibits the Universities ability to develop the Highfield Campus, the Universities main campus.
5. Do not provide replacement allotments – Government Guidance for the disposal of allotments requires the provision of suitable alternative allotments.
6. Dispose of the Brickfield Road Site for residential development – although the site is allocated in the Strategic Housing Land Availability Assessment, a conversion to allotments provides an opportunity to dispose of the Broadlands Road site to enhance the University's growth and development.

DETAIL (Including consultation carried out)

7. Broadlands Road Allotment site is a small allotment site providing 17 plots, situated to the rear of Broadlands Road., although one plot cannot be cultivated due to significant shading from mature trees neighbouring the site. The remaining 16 plots are all let, with 88 people on the waiting list. The allotments vary in size from 4 – 9 Rods (1 Rod = 25.sq metres). The site is gently sloping and is accessed by a narrow path from Broadlands Road. The site does not provide any car parking facilities to plot holders. The allotment is identified in appendix 1 plan V2954.
8. The Development Plan for the City comprises saved policies of the Local Plan Review (adopted March 2006) and Southampton City Council Local Development Framework Core Strategy adopted in January 2010. The Broadlands Road allotment site is allocated as part of the University's Development zone. The Core Strategy policy CS11 "an Educated City" safeguards the University sites to enable further development and intensification of use.
9. Sections of the allotments were registered as Statutory Allotment in 1992. The disposal of Statutory Allotments requires the consent of the Secretary of State for the Communities & Local Government, in accordance with Section 8 Allotment Act 1925. As part of the application process the Secretary of State will give consideration to the provision of alternative allotments plots for displaced allotment holders.
10. The Council currently has 100% occupancy across all allotment sites in the City. Alternative allotment provision is not available from within the existing portfolio of allotments. The land at Brickfield Road has been identified as providing suitable alternative allotments plots for the displaced allotments plot holders. Brickfield Road is shown in Plan V2953 in appendix 2.
11. Brickfield Road can be landscaped to provide 17 plots; each plot will be of equivalent size compared with the existing plots at Broadlands Road. There will be a net gain of one plot available to let to a party on the current waiting list. The Brickfield Road site is level and the initial design considerations have included the provision of 3 car parking spaces within the allotment to enhance

the sites ability to received deliveries and increase accessibility for plot holders. Broadlands Road and Brickfield Road are approximately 0.8 miles (1.2 km) apart.

12. To enable the conversion of the Brickfield Road site, the City Council will need to secure full planning consent for a change of use.
13. The Brickfield Road site is subject to soil contamination, due to infill material being deposited on the site at the turn of the 20th century. It will be necessary to undertake a full remediation programme across the site prior to any landscaping work to arrange the site as allotments.
14. The allotment plot holders will be entitled to compensation for the loss of long term crops and fixtures. Each plot holder will receive a new shed, water butt and compost bin, compost, manure and financial compensation for the long term crops lost i.e. Fruit trees, asparagus, rhubarb crowns, raspberry canes.
15. The allotment plot holders have received an initial consultation letter in June 2010 advising the Broadlands Road site is allocated as a University Development zone and that Council would relocate the allotment as and when the Broadlands Road site was no longer available.
16. The application to the Secretary of State requires the Local Authority undertake consultation with the National Society of Allotment and Leisure Gardeners. The City Council will also consult with the plot holders, SAGA (Southampton Allotment Gardeners Association) and the other key stakeholders.
17. The City Council has over 1,600 allotment plots. The Council has created 18 additional new plots at Newtown Road Allotments and 6 new plots at Bitterne West allotments this year and will provide an additional 28 plots at Oakley Road South and 18 new plots at Southwells Farm, allotments by March 2011, providing a total of 64 new plots in 2010/2011. The City Council will be investing a further £25,000 in 2011/2012 to upgrade fencing, pathways and improve drainage, a potential additional 5 new plots maybe created at Athlestan Road allotments, although this will depend upon the condition of the land once cleared.
18. Brickfield Road is allocated as for residential development within the Councils Strategic Housing Land Availability Assessment (SHLAA). The conversion of the site into allotments will result in the Council forgoing a capital receipt from the sale of the land at Brickfield Road. However the terms agreed with the University include the loss in value to the Council in converting the site to allotments.
19. Detail of the capital receipt to be received for the sale of the land at Broadlands Road, the loss in value at Brickfields Road and the contributions in cost the University will make towards the whole project are set out in confidential appendix 3.
20. The overall delivery timescale of the project is currently estimated to be 28 months, with the Broadlands Road allotments becoming vacant in March 2013 and Brickfields Road being fully operational as allotments. The timescales are estimated at this time as there are no set timeframes available for the Secretary of States consent process.

21. The availability of the Broadlands Road site in 2013 accords with the Universities medium term plan to provide additional academic activities.

RESOURCE IMPLICATIONS

Capital/Revenue

22. The capital receipt will be allocated to the general fund
23. The professional fees, application fees and a proportion of the compensation due to allotment holders incurred by Council will be paid from the capital receipt. The details are shown in confidential appendix 3.
24. Southampton University will contribute to specific costs incurred in this project including the cost of soil remediation, the conversion and landscaping costs to convert Brickfield Road and a proportion of the compensation due to allotment plot holders as detailed in confidential appendix 3. The University has agreed to pay the actual costs incurred as the figures in the appendix are estimates based upon the information available at this time.

Property/Other

25. Broadlands Road will be appropriated from the Housing Portfolio to the Resources Portfolio.
26. Brickfield Road will be appropriated from Children's Services & Learning Portfolio to the Neighbourhoods portfolio to enable management of the allotments by the Allotment Service.

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

27. The Council will make an application to the Secretary of State for the Environment in accordance with Section 8 Allotments Act 1925, for consent to dispose of Statutory Allotments. The Secretary of States consent will not be forthcoming unless he is satisfied that adequate provision will be made elsewhere for displaced allotment holders
28. The appropriations will be implemented in accordance with the Head of Property & Procurements Delegated Powers.
29. Broadlands Road will be sold in accordance with S123 Local Government Act 1972.

Other Legal Implications:

30. None.

POLICY FRAMEWORK IMPLICATIONS

- 31 The disposal of a council property for capital receipt supports the Councils medium term plan for revenue generation.

| | | | | |
|----------------|---------|----------------------------|------|---------------|
| AUTHOR: | Name: | Ali Mew | Tel: | 023 8083 3425 |
| | E-mail: | Ali.mew@southampton.gov.uk | | |

KEY DECISION? Yes/No Yes

| | |
|------------------------------------|-----------|
| WARDS/COMMUNITIES AFFECTED: | Portswood |
|------------------------------------|-----------|

SUPPORTING DOCUMENTATION

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

Appendices

| | |
|----|-------------------------------|
| 1. | Plan V2954 Broadlands Road |
| 2. | Plan V2953 Brickfield Road |
| 3. | Confidential - Detailed Terms |

Documents In Members' Rooms

| | |
|----|------|
| 1. | None |
|----|------|

Integrated Impact Assessment

| | |
|--|----|
| Do the implications/subject of the report require an Integrated Impact Assessment (IIA) to be carried out. | No |
|--|----|

Other Background Documents

Integrated Impact Assessment and Other Background documents available for inspection at:

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. | Note | |
|----|------|--|

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